



Joint Stock Company

Registered Office in Milan - Piazzale Cadorna 14

Share capital EUR 230,000,000.00 fully paid up

Interim Management Report

as of 30 September 2022

CORPORATE BODIES

Board of Directors

Chair	Andrea Gibelli
Deputy Chair	Gianantonio Battista Arnoldi
Directors	Tiziana Bortot
	Barbara Lilla Boschetti
	Marcella Caradonna
	Ivo Roberto Cassetta
	Mauro Miccio

Board of Statutory Auditors

Chair	Eugenio Pinto
Statutory Auditors	Roberta Eldangela Benedetti
	Massimo Codari

General Manager	Marco Piuri
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Executive in charge of financial reporting	Eugenio Giavatto
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Independent Auditor	PricewaterhouseCoopers S.p.A.
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Corporate bodies

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INTERIM MANAGEMENT REPORT

as of 30 September 2022

INTRODUCTION












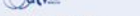



With reference to the nine-month period ended 30 September 2022 (hereinafter the “Third quarter of 2022” or “nine months of 2022” or “period”), the quantitative data contained in this Report and the comments therein are intended to provide an overview of the Group’s economic, financial and equity situation, the relative changes that occurred during the period in question, and the significant events that affected the result for the period.

The nine months of 2022 are characterised, on the one hand, by the recovery of mobility due to the gradual mitigation of the consequences of the COVID-19 pandemic, on the other hand, the period is affected by higher energy prices and higher inflation, which, although they had already started to appear in the last few months of 2021, were exacerbated by the serious uncertainties related to continued conflict between Russia and Ukraine which broke out on 24 February 2022, as well as the economic sanctions imposed on Russia by the European Union and the United States.

It should be noted that the results for the period take into account the effects of the Group’s entry into the motorway infrastructure management sector with the completion of the acquisition of the controlling interest in Milano Serravalle - Milano Tangenziali (hereinafter also “MISE”), completed on 26 February 2021.

1 GROUP STRUCTURE AND BUSINESS SEGMENTS

FNM is the **leading integrated sustainable mobility Group in Lombardy**. It is the first organisation 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 Lombardy Region, which holds a 57.57% stake.

	Companies fully consolidated	Companies valued at equity
 Ro.S.Co & Services <ul style="list-style-type: none"> Leasing of rolling stock in the local public transport (LPT) and freight logistics sector (mainly to Trenord and DB Cargo) Provision of corporate services to subsidiaries and management of the real estate assets of the Group Development of complementary digital platforms according to MaaC paradigm 	 100%  100%  100%	 50%  40% *  33% *  40% **  60%  58%
 Railway Infrastructure <ul style="list-style-type: none"> Management of railway infrastructure in Lombardy on the basis of the concession expiring on 31st October 2060 Intermodal terminal management and real estate development in freight logistic sector 	 100%  100%  100% **  100% **	
 Road Passenger Mobility <ul style="list-style-type: none"> LPT road transport in three provinces in Lombardy (Varese, Brescia and Como) through FNM Autoservizi; as well as in Veneto (Verona, Venezia and Legnago and throughout the relative province) through ATV and La Linea Bus rentals and train replacement services for Trenord through Martini and FNM Autoservizi Electric car-sharing service (E-Vai) 	 100%  50%  50%  100%  100%	Omnibus Partecipazioni 50% *** 
 Motorways <ul style="list-style-type: none"> Management of motorway infrastructure on the basis of a concession expiring in 2028 	 100% ****  100% ****	 36.7%  22.5%

*Companies that manage complementary digital platforms, enabling the implementation of Mobility as an EU strategic paradigm (*MaaC*). The Snowit and Bikeit brand names refers to Sportit.

**Companies operating in the freight transport and logistics sector, today included respectively in the Railway Infrastructure and Ro.S.Co. & Services segments. Malpensa Intermodale and Malpensa Distripark are in the start-up phase.

*** Company operating in road passenger mobility, but considered in the Ro.S.CO. & Services segment for the purpose of preparing the financial statements.

****Companies consolidated line by line from 26.2.21

The FNM Group is present, through controlling shareholdings and/or shareholdings in companies subject to joint control or associates, in the following four segments:

1.1 RO.S.CO. & SERVICES

The parent company FNM S.p.A. purchases and leases rolling stock to its investees, primarily for Trenord and DB Cargo Italia, acting as a Rolling Stock Company (Ro.S.Co.).

Trenord (50% jointly owned with Trenitalia S.p.A.), is the main manager of suburban and regional rail passenger transport services in the Lombardy Region, including the Malpensa Express airport link, the Milan Rail Link and the Lombardy - Canton Ticino cross-border service through TILO S.A. (50% owned by Trenord). The railway service is managed under a Service Agreement for public rail transport with the Lombardy Region for the period 2015-2020, extended to the end of 2022 and then subsequently pursuant to article 16 of Regional Law no. 17 of 8 August 2022, until 31 July 2023, under the same contractual conditions.

DB Cargo Italia (40% owned by FNM S.p.A. with DB Cargo Italy S.r.l.) is active in rail freight transport.

Trenord and DB Cargo Italia are valued using the equity method in the consolidated financial statements of the FNM Group.

FNM S.p.A. also provides administrative services to its investees and manages its real estate assets. Consistent with the 2021-2025 Strategic Plan, within the People/Community pillar, FNM S.p.A. is also active in the development of complementary digital platforms which, together with the transport services offered by the Group, enable the implementation of the Mobility as a Community (MaaC) EU strategic paradigm as an enabling tool of the new digital mobility focused on the mobility needs of communities. From this perspective, in 2020 the Group entered the digital payment services sector with the establishment of FNMPAY S.p.A. (FNMPAY) and acquired a stake in Busforfun.Com S.r.l. (Busforfun), an innovative start-up in tourism and commuting technologies, currently amounting to 40% of the share capital. Furthermore, in December 2021 FNM S.p.A. acquired a 33.3% stake in Sportit S.r.l. (Sportit), a company active under the Snowit brand and the main marketplace for the integrated on-line sale of ski passes, ski-related services and experiences relating to the mountain world. In April 2022, under the brand name Bikeit, Sportit launched a new platform for the sale of service packages to bicycle tourists, which can be customised to meet the needs of individual users. As part of the development of the H2iseO project, details of which are provided in section 4.1, in April 2022 the company FNM Power S.r.l. (FNM Power - with capital wholly-owned by FNM S.p.A.) was established, for the design, construction and management of plants for the production of hydrogen and other industrial gases, as well as plants for the treatment, storage, distribution and transformation of hydrogen and energy carriers for industrial uses and for powering public transport. In addition, the FNM Group also extended its operations into the Information & Communication Technology sector with the joint venture NordCom, which operates both for the benefit of the FNM Group and for third parties. With regard to the jointly controlled company NORD ENERGIA S.p.A. and its subsidiary CMC Mesta S.A., on 8 July 2022 it became no longer possible to commercially exploit the capacity to import electricity via the Mendrisio-Cagno powerline included in the national transmission grid, in accordance with the provisions of the Decree of the Minister of Production Activities of 21 October 2005, due to the expiry of the concession under which the investee operates.

1.2 RAILWAY INFRASTRUCTURE

The Group is active in the management of railway infrastructures in Lombardy through FERROVIENORD S.p.A. (FERROVIENORD), which is entrusted with the management and maintenance of the railway infrastructure, Milan and Iseo branches, on the basis of the concession expiring on 31 October 2060 and the Service Agreement signed with the Lombardy Region for the period 18 March 2016-31 December 2022 and the Planning Agreement signed with the Lombardy

Region expiring in 2027. With reference to the Service Agreement for management of the rail infrastructure, due to expire on 31 December 2022, it should be noted that negotiations are under way between Ferrovienord and the Lombardy Region for a new Service Agreement effective as of 1 January 2023. FERROVIENORD avails itself of the services provided by NORD_ING S.r.l. for design activity, as well as technical and administrative support for investments in the railway network; The segment also includes the management activities of the Sacconago intermodal terminal in Busto Arsizio (VA), near the Malpensa airport, carried out by Malpensa Intermodale S.r.l. Malpensa Distripark S.r.l. is instead entrusted with the real estate development of the areas adjacent to the Sacconago Terminal, which is key to the management of intermodal connections in the cargo sector handled by Malpensa Intermodale.

1.3 ROAD PASSENGER MOBILITY

FNM operates in the road mobility sector with different companies depending on territorial competence or the service rendered.

In Lombardy, FNM Autoservizi S.p.A. (hereinafter also referred to as FNMA) is the concessionaire of portions of public transport services by road in the provinces of Varese and Brescia, and is the holder, as part of an A.T.I. (temporary association of companies) with ASF Autolinee S.r.l. (49% owned by Omnibus Partecipazioni¹ - 50% owned by FNM S.p.A.) of a Service Agreement for those in the Province of Como. FNMA also operates substitute train services on behalf of Trenord.

In Veneto, FNM is present with Azienda Trasporti Verona S.r.l. (hereinafter also ATV), which provides urban public transport services in the municipalities of Verona and Legnago and extra-urban services throughout the province of Verona, and with La Linea S.p.A., which operates in the sector of local public transport by road and bus rental with driver, also through its subsidiary Martini Bus S.r.l. In order to rationalise its operations in the area of public bus transport services, on 20 July 2022, the FNM board of directors resolved to sell the shares of the company La Linea S.p.A. for an amount of EUR 5.4 million, a value aligned to the value of the assets and liabilities recognised in the interim management report for the nine months ended 30 September 2022, classified according to IFRS 5.

FNM also offers car sharing services in Lombardy with electric and bimodal vehicles through E-Vai S.r.l.

¹ - Company operating in road passenger road mobility, but considered in the Ro.S.CO. segment for the purposes of drafting of the financial statements. It is accounted for using the equity method in the consolidated financial statements of the FNM Group.

1.4 MOTORWAYS

The FNM Group is also present in the motorway infrastructure management sector thanks to its shareholding in MISE, which has been fully consolidated into the FNM Group from 26 February 2021.

MISE is the concessionaire for the design, construction and management of the A7 Serravalle-Milan Motorway and the North, East and West Milan Ring Roads (for a total of 179 km in length) 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 awarding body. The concession expires on 31 October 2028.

Thanks to the acquisition of MISE, FNM created a strategic group in the infrastructure sector in Lombardy and in the areas with the greatest demand for transport for the management of the mobility system that integrates diversified mobility systems, ranging from rail transport to local public road transport and motorway infrastructure.

Following the request to liquidate the 4% shareholding in MISE held by the Chamber of Commerce of Milan Monza Brianza Lodi and Parcam S.r.l. and FNM's waiver to the exercise of the option right on the shares offered for sale, on 28 July 2022 the liquidation of the withdrawing shareholders was finalised. The appraisal value established pursuant to art. 2437-ter of the Italian Civil Code is EUR 3.01 for each of the 7,200,000 shares forming part of the non-controlling package, corresponding to a total payment of EUR 22.0 million, including interest. The liquidation of the shareholding of the Chamber of Commerce of Milan Monza Brianza Lodi and Parcam S.r.l. resulted in the cancellation of the corresponding 7,200,000 shares with no share capital reduction.

As a result of the above, FNM's shareholding in MISE increased from 96% to 100%.

MISE is also active in the design, as well as technical and administrative support for infrastructure investments on the motorway network through Milano Serravalle Engineering, of which it holds 100% of the share capital.

Among its investee companies, the subsidiary also includes a 36.7% equity investment in Autostrada Pedemontana Lombarda (hereinafter "APL"), the concessionaire for the design, construction and management of the motorway between Dalmine, Como, Varese and the Gaggiolo Pass and related works. APL has been measured with the equity method since 26 February 2021.

For the construction of the motorway infrastructure under concession, APL must set up a company to which it can directly entrust the engineering services, in compliance with the regulations in force and the concession obligations. With this objective in mind, on 8 August a preliminary contract was

signed for the sale of a business unit from Milano Serravalle Engineering to APL, through a newly established company wholly-owned by the latter. The value attributed to the business unit following the appraisal performed was EUR 259,000.

As a result, as from the consolidated condensed interim financial statements as at 30 June 2022, the business unit identified is classified under IFRS 5.

Lastly, please note that on 15 April 2022, MISE finalised the acquisition of 11,015,963 shares held by the Lombardy Region in the share capital of Tangenziali Esterne di Milano S.p.A. (hereinafter “TEM”) for a total value of EUR 8.4 million. As a result of the share transfer, MISE’s shareholding in the share capital of TEM increased by 3.75%, from 18.80% to 22.55% (total 66,250,652 shares). Please recall that TEM holds a 48.4% stake in the share capital of the motorway concessionaire Tangenziale Esterna S.p.A., which designed, built and has managed since May 2015 the entire motorway infrastructure from Melegnano - Milan/Bologna A1 Motorway - to Agrate Brianza - Milan/Venice A4 Motorway (32 km long) based on a fifty-year concession starting from the entry into operation of the entire motorway link.

Also as part of the rationalisation of equity investments in the motorway sector, on 28 June 2022 the sale of the shares held by MISE in the share capital of Autostrade Lombarde S.p.A. and Società di Progetto Brebemi S.p.A. to Aleatica S.A.U. was finalised. On the same date, Milano Serravalle Engineering also finalised the sale of its entire shareholding in the share capital of Brebemi to the same company. The total consideration for the two disposals is EUR 6.3 million.

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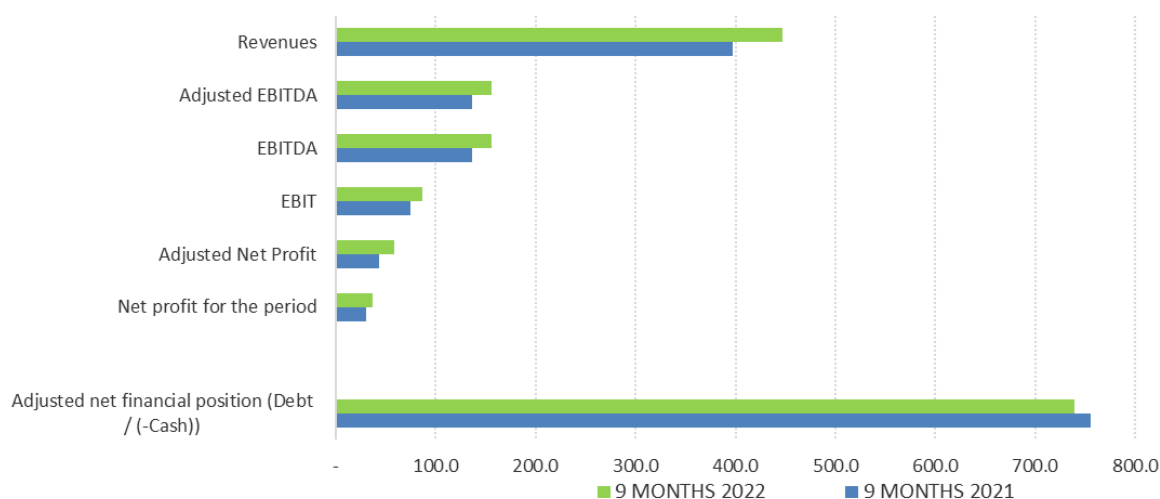
It should be noted that, as a result of the valuation using the equity method, the contribution of the jointly controlled companies Trenord (and its associated company TILO), NORD ENERGIA (and its subsidiary CMC Mesta), NordCom, Omnibus Partecipazioni (and its joint venture ASF) and the associated companies DB Cargo, Busforfun.Com, SportIT, APL and TEM has no impact on the individual items of the consolidated statement of financial position and the consolidated income statement, with the exception of the items “Investments” and “Net profit of companies measured with the equity method”, respectively.

2 SUMMARY INDICATORS OF THE FNM GROUP CONSOLIDATED RESULTS

Amounts in millions of euros	9 MONTHS 2022	9 MONTHS 2021	Change	Change %
Revenues*	447.2	397.0	50.2	12.6%
Adjusted EBITDA*	155.7	135.9	19.8	14.6%
EBITDA*	155.7	136.3	19.4	14.2%
EBIT*	87.1	74.5	12.6	16.9%
Earnings Before Tax*	82.8	58.2	24.6	42.3%
Adjusted net profit*	58.3	43.3	15.0	34.6%
Net profit for the period*	37.0	29.8	7.2	N/A
Shareholders' equity (A)**	272.6	228.3	44.3	19.4%
Net financial position (B) **	693.5	697.2	(3.7)	-0.5%
Adjusted net financial position **	739.4	755.6	(16.2)	-2.1%
Net Invested Capital (A+B)**	966.1	925.5	40.6	4.4%
Market capitalisation as at 30.09**	184.4	275.7	(91.3)	-33.1%
Investments*	499.4	348.1	151.3	43.4%

*The values for the nine months of 2021 take into account the consolidation of MISE as of 1 January 2021.

** Comparative values relate to 31.12.2021



Credit Ratings

Moody's	
Long term	Baa3
Outlook	stable
Assignment date	25/01/2021
Fitch	
Long term	BBB
Outlook	stable
Assignment date	20/12/2021

3 CONSOLIDATED OPERATING AND FINANCIAL PERFORMANCE

3.1 ECONOMIC DATA SUMMARY

The reclassified income statement for the period is shown below, compared with that of the corresponding period of 2021. For the sake of a complete disclosure, in the following reclassified income statement the items “costs for construction services - IFRIC 12” and “revenues from construction services - IFRIC 12”, relating exclusively to concessionaire companies FERROVIENORD and MISE in which, in application of IFRIC 12, the amounts of the funded investments made during the period and the corresponding contributions are recognised, are stated net in “Other revenues and income”.

The item “Adjusted EBITDA” was determined by excluding non-recurring items from the previous items in the income statement, which were reclassified under “Non-ordinary income and expenses”. As indicated in paragraph 1.4 below, the nine-month period of 2021 includes the economic effects arising from the line-by-line consolidation of MISE and its subsidiary Milano Serravalle Engineering from 26 February 2021.

<i>Amounts in millions of euros</i>	9 MONTHS 2022	9 MONTHS 2021	Change	Change %
Revenues from sales and services	418.3	347.4	70.9	20.4%
Other revenues and income	28.9	19.9	9.0	45.2%
TOTAL REVENUES AND OTHER INCOME	447.2	367.3	79.9	21.8%
Operating costs	(171.3)	(131.0)	(40.3)	30.8%
Personnel costs	(120.2)	(112.2)	(8.0)	7.1%
ADJUSTED EBITDA	155.7	124.1	31.6	25.5%
Non-ordinary Income and Expenses	-	0.4	(0.4)	N/A
EBITDA	155.7	124.5	31.2	25.1%
Depreciation, amortisation and write-downs	(68.6)	(55.6)	(13.0)	23.4%
EBIT	87.1	68.9	18.2	26.4%
Financial income	5.5	2.6	2.9	N/A
Financial expenses	(9.8)	(19.0)	9.2	-48.4%
NET FINANCIAL RESULT	(4.3)	(16.4)	12.1	-73.8%
EARNINGS BEFORE TAX	82.8	52.5	30.3	N/A
Income tax	(24.5)	(14.2)	(10.3)	N/A
ADJUSTED COMPREHENSIVE RESULT	58.3	38.3	20.0	N/A
Profit of companies measured with the Equity method	(21.3)	(12.9)	(8.4)	N/A
COMPREHENSIVE RESULT	37.0	25.4	11.6	N/A
RESULT ATTRIBUTABLE TO NCIs	(1.4)	3.0	(4.4)	N/A
COMPREHENSIVE GROUP RESULT	38.4	22.4	16.0	N/A

In order to better represent the changes in the period, the pro-forma reclassified income statement is shown below, considering for the nine months of 2021 the consolidation of MISE from 1 January 2021, rather than as of 26 February 2021.

<i>Amounts in millions of euros</i>	9 MONTHS 2022	9 MONTHS 2021 PRO-FORMA	Change	Change %
Revenues from sales and services	418.3	375.8	42.5	11.3%
Other revenues and income	28.9	21.2	7.7	36.3%
TOTAL REVENUES AND OTHER INCOME	447.2	397.0	50.2	12.6%
Operating costs	(171.3)	(141.4)	(29.9)	21.1%
Personnel costs	(120.2)	(119.7)	(0.5)	0.4%
ADJUSTED EBITDA	155.7	135.9	19.8	14.6%
Non-ordinary Income and Expenses	-	0.4	(0.4)	N/A
EBITDA	155.7	136.3	19.4	14.2%
Depreciation, amortisation and write-downs	(68.6)	(61.8)	(6.8)	11.0%
EBIT	87.1	74.5	12.6	16.9%
Financial income	5.5	3.7	1.8	48.6%
Financial expenses	(9.8)	(20.0)	10.2	N/A
NET FINANCIAL RESULT	(4.3)	(16.3)	12.0	N/A
EARNINGS BEFORE TAX	82.8	58.2	24.6	42.3%
Income tax	(24.5)	(14.9)	(9.6)	N/A
ADJUSTED COMPREHENSIVE RESULT	58.3	43.3	15.0	34.6%
Profit of companies measured with the Equity method	(21.3)	(13.5)	(7.8)	N/A
COMPREHENSIVE RESULT	37.0	29.8	7.2	24.2%
RESULT ATTRIBUTABLE TO NCIs	(1.4)	3.0	(4.4)	N/A
COMPREHENSIVE GROUP RESULT	38.4	26.8	11.6	43.3%

The comments below refer to the pro-forma income statement, which considers both periods on a like-for-like basis.

The **revenues from sales and services** recorded a net increase of EUR 42.5 million, i.e. approximately 11.3%, for the following reasons:

- motorway toll revenues of EUR 191.4 million (EUR 165.3 million in the first nine months of 2021) increased by EUR 26.1 million, or 15.8%, compared to the first nine months of 2021, mainly due to the 2.62% toll increase applied as of January 2022 on the motorway network under concession, as well as the traffic trend (+15.8%) and its composition in which the light vehicles component recorded a significant increase;
- revenues related to design and construction supervision for works on the railway network increased by EUR 5.3 million;
- revenues from ticketing on public road transport increased by EUR 5.0 million, in relation to the gradual regression of the COVID-19 emergency and the associated easing of the restrictions on movement, going from EUR 22.8 million in the nine months of 2021 to EUR 27.8 million in the period;
- revenues from the rental of rolling stock increased by EUR 2.4 million mainly due to higher revenues on ROCK, POP, Caravaggio and Donizetti trains, for EUR 2.5 million, on TILO trains rented to Trenord, for EUR 1.8 million, and on DE 520 locomotives, for EUR 0.2 million, partially offset by the reduction in consideration following the renewal of the operating lease agreement with

Trenord for CSA trains, for EUR 1.4 million, and TAF, for EUR 0.7 million.

- income from service area concessions benefited not only from the positive traffic trend but also from the renewal of several contracts, with more favourable economic conditions, resulting in an increase of EUR 2.3 million, equal to a 68.3% increase compared to the 2021 comparative period;
- the fee from the Infrastructure Management Service Agreement decreased by EUR 18.8 million, from EUR 66.3 million to EUR 47.5 million. The change is mainly due to the different way in which the network access fee is charged, which, as a result of DGR (Regional Government Decree) no. X/56356 of 30 November 2021, means that the access fee is paid directly by the railway companies (thus rising from EUR 0.9 million to EUR 18.0 million, an increase of EUR 17.1 million compared to the 2021 comparative period) and no longer as a consideration for the Service Agreement. The fee also decreases due to the efficiency mechanism provided for in the Agreement itself and the rescheduling of the railway offer, following the reduced mobility caused by the Covid-19 pandemic. Finally, it should be noted that the corresponding value for the comparative period of 2021 included the income recognised to the Concessionaire to cover the rescheduling of the railway offer due to the measures taken for the COVID-19 emergency, amounting to EUR 1.2 million;
- revenues from public contracts and grants related to the public road transport service showed a net decrease of EUR 1.0 million. The change is determined by the decrease (from EUR 9.2 million to EUR 7.2 million in the nine months of 2022) of the compensatory measures related to the loss of traffic revenues to the LPT sector following the COVID-19 emergency², also related to the additional

2 1) Law no. 77 of 17 July 2020 (art. 200 par. 1, “Relaunch Decree”): “In order to support the local and regional public passenger transport service subject to public service obligation following the negative effects deriving from the COVID-19 epidemiological emergency, a fund is established with the Ministry for Infrastructure and Transport with an initial amount of EUR 500 million for the year 2020, 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...”

2) Law no. 126 of 13 October 2020 (art. 44, “August Decree”): “In order to support the local and regional public passenger transport sector subject to a public service obligation and allow the provision of local public transport services in compliance with the measures to contain the spread of COVID-19 referred to in the decree-law no. 19 of 25 March 2020, converted, with amendments, by law no. 35 of 22 May 2020, and the decree-law no. 33 of 16 May 2020, converted, with amendments, by law no. 74 of 14 July 2020, the endowment of the fund referred to in paragraph 1 of article 200 of the decree-law no. 34 of 19 May 2020, converted, with amendments, by law no. 77 of 17 July 2020, increased by EUR 400 million for the year 2020. These resources can be used, as well as for the same purposes referred to in the aforementioned article 200, also for the financing, within the limit of EUR 300 million, of additional local and regional public transport services, also intended for students, necessary to meet the transport needs resulting from the implementation of containment measures deriving from the application of the Guidelines for information to users and the organisational methods for containing the spread of COVID-19 in the field of public transport, and the Guidelines for dedicated school transport, where the aforementioned services in the period prior to the spread of COVID-19 had reached more than 80 percent capacity...”

3) Law no. 176 of 18 December 2020 (art. 22-ter, “Relief-Bis Decree”): “In article 200, paragraph 1, of decree-law no. 34 of 19 May 2020, converted, with amendments, by Law no. 77 of 17 July 2020, the words: “during the period from 23 February 2020 to 31 December 2020” are replaced by the following: “during the period from 23 February 2020 to 31 January 2021.” 2. For the purposes of paragraph 1, the endowment of the fund provided by article 200, paragraph 1, of decree-law no. 34 of 19 May 2020, converted, with amendments, by law no. 77 of 17 July 2020, shall be increased by EUR 390 million for the year 2021. These resources may be used not only for the same purposes as those set forth in the aforementioned article 200, but also for the financing, within the limit of EUR 190 million, of additional local and regional public transport services, also intended for students, needed in 2021 to meet the transport needs resulting from the implementation of the containment measures where the aforementioned services in the period prior to the spread of the COVID-19 had a higher capacity than that provided for by the decree of the President of the Council of Ministers in force at the time of the issuance of the decree referred to in paragraph 3...”

services activated to guarantee the capacity offered in the pandemic period as a result of the regulatory limits imposed on vehicle occupancy, partially offset by the higher kilometric contribution recognised by the Veneto Region pursuant to DRG no. 1012 of 16 August 2022, amounting to EUR 0.7 thousand, as well as the receipt of EUR 0.4 million in grants to support companies operating in the tourism sector.

Other revenues and income showed a net increase of EUR 7.7 million compared to the comparative period 2021, attributable, for EUR 3.1 million, to higher income from the recovery of general expenses related to construction services for the renewal of rolling stock and the modernisation of the railway infrastructure, in relation to higher investments compared to the comparative period, for EUR 0.9 million, to the higher recovery of excise duties on diesel fuel for motor vehicles and the recognition of the tax credit due to companies with a high consumption of natural gas.

Total revenues and other income thus rose by 12.6% and can be broken down into the four business areas as follows:

<i>Amounts in millions of euros</i>	9 MONTHS 2022	9 MONTHS 2021 PRO-FORMA	<i>Change</i>	<i>Chg %</i>
Ro.S.Co. & Services	58.5	57.4	1.1	1.9%
Railway infrastructure	107.7	95.8	11.9	12.4%
Road passenger mobility	97.5	87.9	9.6	10.9%
Motorways	209.3	179.0	30.3	16.9%
Intercompany eliminations	(25.8)	(23.1)	(2.7)	ns
Total consolidated revenues	447.2	397.0	50.2	12.6%

Operating costs recorded a net increase of EUR 29.9 million (21.1%) for the following main reasons:

- increase, in the amount of EUR 5.7 million, in higher structure maintenance costs, in particular for the maintenance of the Po Viaduct, in addition to allocations to rail infrastructure upgrade provision, net of the relative releases for the period, in order to adjust the provision to scheduled upgrades, the main changes in which concern safety measures as well as the price adjustment set forth in the recent legislation on tenders in accordance with Decree-Law no. 50 of 17 May 2022 converted by Law no. 91 of 15 July 2022;

4) Decree-Law no. 41 of 22 March 2021 (art. 29, "Support Decree"): "In order to support the local and regional public passenger transport sector subject to a public service obligation and allow the provision of local public transport services in compliance with the measures to contain the spread of COVID-19 referred to in article 2 of decree-law no. 19 of 25 March 2020, converted, with amendments, by law no. 35 of 22 May 2020, the endowment of the fund referred to in paragraph 1 of article 200 of decree-law no. 34 of 19 May 2020, converted, with amendments, by law no. 77 of 17 July 2020, increased by EUR 800 million for the year 2021. These resources are set aside to offset the reduction in fee revenues relating to passengers suffered by the entities referred to in art. 200, paragraph 2 of decree-law no. 34 of 19 May 2020, converted, with amendments, by law no. 77 of 17 July 2020 in the period from 23 February 2020 until the end of the application of the limitations on the maximum capacity of the vehicles used for public transport services identified, with the measures referred to in article 2 of decree-law no. 19 of 25 March 2020, converted, with amendments, by Law no. 35 of 22 May 2020, compared to the average fee revenues relating to passengers recorded in the same period of the two-year period 2018-2019".

- increase in methane gas and diesel costs, respectively equal to EUR 3.3 million and EUR 2.6 million, in relation to energy price hikes and the increased distances travelled as a result of the increase in additional services provided;
- increase of EUR 3.4 million in motorway traffic-related costs (collection costs and concession fee);
- increase in utilities due to price increases, of EUR 3.1 million;
- increase in provisions for cyclical maintenance due to the entry into service of the ROCK, POP, Caravaggio and Donizetti trains, in the amount of EUR 2.5 million;
- increase of EUR 2.0 million in subcontracting to third parties of road transport services;
- increase in railway infrastructure maintenance costs of EUR 1.1 million;
- increase in insurance costs due to the renewal of policies at more onerous conditions, in the amount of EUR 1.0 million.

Personnel costs, which increased from EUR 119.7 million to EUR 120.2 million, are substantially in line with the 2021 comparative period due to the combined effect of higher costs due to the increase in the average number of employees (+22 FTEs), partially offset by lower provisions for the CCNL (National Collective Bargaining Agreement) renewal fund amounting to EUR 1.1 million, and by the reimbursement for the higher social security charges incurred by companies in the local public transport sector as a supplement to sickness benefits for the years 2015, 2016, 2017 and 2018, amounting to EUR 1.9 million.

Adjusted EBITDA (excluding non-ordinary items), amounting to EUR 155.7 million, increased by 14.6% and is broken down into the four business segments as follows:

<i>Amounts in millions of euros</i>	9 MONTHS 2022	9 MONTHS 2021 PRO-FORMA	<i>Change</i>	<i>Chg %</i>
Ro.S.Co. & Services	32.2	35.7	(3.5)	-9.8%
Railway infrastructure	14.6	6.9	7.7	<i>ns</i>
Road passenger mobility	7.2	10.1	(2.9)	-28.7%
Motorways	101.7	83.2	18.5	22.2%
Total adjusted EBITDA	155.7	135.9	19.8	14.6%

Non-ordinary income/expenses for the comparative period amounted to EUR 0.4 million and were attributable to income from the release of a provision for risks following the partial closure of a dispute. This income of EUR 2.2 million was partially offset by development project costs of EUR 1.8 million, mainly attributable to costs incurred for the MISE acquisition.

Amortisation, depreciation and impairment showed a net increase of EUR 6.8 million, primarily due to the impairment of goodwill and the right to use of ATV, amounting to EUR 2.7 million and EUR 3.5 million, respectively.

Comprehensive operating income amounted to EUR 87.1 million, versus EUR 74.5 million in the nine months of 2021 (proforma), a net increase of EUR 12.6 million.

The **comprehensive net financial loss** in the nine months of 2022 was EUR -4.3 million compared to a loss of EUR -16.3 million in the nine months of 2021, due to lower financial expenses in the current period mainly arising from the bond loan compared to those relating to the Bridge Loan recognised in the comparative period. Also, it should be noted that income of EUR 1.8 million related to the change in the discount rate for the motorway infrastructure upgrade provision from 1.24% to 3.76%.

Earnings before taxes, that do not include the result of the companies accounted for using the equity method, amounted to EUR 82.8 million, an increase compared to EUR 58.2 million in the nine months of 2021.

Income taxes, amounting to EUR 24.5 million, increased by EUR 9.6 million compared to the nine months of 2021 due to the Group's higher taxable income.

Adjusted comprehensive income, before the recognition of the result of the companies measured at equity, went from EUR 43.3 million in the comparative period of the previous year to EUR 58.3 million.

The **profit/(loss) of companies measured at equity** recorded a loss of EUR 21.3 million, versus a loss of EUR 13.5 million in the nine months of 2021, mainly due to the negative result of the investee Trenord S.r.l. This item is broken down as follows:

Amounts in thousands of euros	9 MONTHS 2022	9 MONTHS 2021 PRO-FORMA	Change
Trenord S.r.l. *	(25,446)	(12,388)	(13,058)
Autostrada Pedemontana Lombarda	1,198	(2,710)	3,908
Tangenziali Esterne di Milano S.p.A.	(1,034)	(1,303)	269
NORD ENERGIA S.p.A. **	1,543	1,213	330
DB Cargo Italia S.r.l.	1,333	1,444	(111)
Omnibus Partecipazioni S.r.l. ***	808	59	749
NordCom S.p.A.	448	304	144
Busforfun.Com S.r.l.	119	(110)	229
SportIT	(311)		(311)
Result of companies valued at equity	(21,342)	(13,491)	(7,851)

* includes the result of TILO SA

** includes the result of CMC MeSta SA

*** includes the result of ASF Autolinee S.r.l.

For more information on the results of the investees Trenord and APL, please refer to what is set forth in paragraph 4, “Operating performance of business segments”, in the sections dedicated to Ro.S.Co. & Services and Motorways, respectively.

In the period ended 30 September 2022, as in the comparative period 2021, there were no profits from discontinued operations.

The consolidated **comprehensive result** for the third quarter of 2022 was a profit of EUR 37 million, versus a profit of EUR 29.8 million in the nine months of 2021, due to the effects described above essentially deriving from the regression of the epidemic emergency.

3.2 RECLASSIFIED STATEMENT OF FINANCIAL POSITION

Below is the reclassified statement of financial position as at 30 September 2022, compared with that as at 31 December 2021.

Please note that, in order to improve the representation of balance sheet trends, as of the first quarter of 2022 the net financial position for funded investments includes only the funded investment items (cash and financial payables) relating to the “Rolling Stock Purchase Programme for the regional rail service for the years 2017 - 2032 and integration of supplies of the rolling stock purchase programme as per Regional Government Decree no. X/4177 of 16/10/2015” (hereinafter the “2017 - 2032 Rolling Stock Programme”), illustrated in detail in paragraph 7.1 of the management report as at 31 December 2021, which should be referred to for more information. Likewise, in net working capital, the items “Other receivables - Rolling Stock 2017 - 2032”, “Receivables for funded investments - Rolling Stock 2017 - 2032” and “Trade payables - Rolling Stock 2017 - 2032”, again relating to funded investments in the renewal of rolling stock, have been shown separately. These reclassifications are also shown for the comparative period.

Amounts in millions of euros	30/09/2022	31/12/2021	Change
Inventories	12.0	9.5	2.5
Trade receivables	145.9	133.1	12.8
Other current receivables	84.8	83.2	1.6
Current financial receivables	8.4	7.8	0.6
Receivables for funded investments	40.6	39.8	0.8
Trade payables	(177.8)	(168.3)	(9.5)
Other current payables and current provisions	(151.4)	(125.6)	(25.8)
Operating Net Working Capital	(37.5)	(20.5)	(17.0)
Other receivables - Rolling Stock 2017 - 2032	74.0	47.5	26.5
Receivables for funded investments - Rolling stock 2017 – 2032	223.6	98.3	125.3
Trade Payables - Rolling Stock 2017 - 2032	(340.8)	(204.0)	(136.8)
Net Working Capital Funded Investments	(43.2)	(58.2)	15.0
Net Working Capital Total	(80.7)	(78.7)	(2.0)
Fixed assets	749.6	748.4	1.2
Equity investments	148.3	158.7	(10.4)
Non-current receivables	270.2	241.3	28.9
Non-current payables	(20.8)	(20.4)	(0.4)
Provisions	(108.5)	(123.8)	15.3
Assets and liabilities held for sale	8.0	0.0	8.0
NET INVESTED CAPITAL	966.1	925.5	40.6
<i>Equity</i>	272.6	228.3	44.3
Adjusted Net Financial Position	739.4	755.6	(16.2)
Net Financial Position for funded investments (cash)	(45.9)	(58.4)	12.5
<i>Total net financial position</i>	693.5	697.2	(3.7)
TOTAL SOURCES	966.1	925.5	40.6

Net operating working capital, net of changes for funded investments, decreased by EUR 17.0 million as a result of the following changes:

- **trade payables** increased by EUR 9.5 million mainly due to the progress of orders for the renewal of rolling stock with own funds.
- **other current payables and provisions** increased due to the higher payables to the tax authorities for current taxes, amounting to EUR 14.6 million.
- **trade receivables** increased by EUR 12.8 million, mainly due to the increase in receivables for interconnection relations with interconnected motorway companies, which were affected by the improved toll performance;

As concerns **net working capital for funded investments**:

- **other receivables - Rolling Stock 2017 - 2032**, amounting to EUR 74 million, increased by EUR 26.5 million in relation to the advance payment made for the start of a new project for the renewal of rolling stock with borrowed funds, amounting to EUR 83.7 million, partially offset by the progress made on projects already started, amounting to EUR 57.3 million;
- **receivables for funded investments - Rolling Stock 2017 - 2032** increased by EUR 125.3 million due to the recognition of the portion of accrued revenues, corresponding to the funded investments made, measured according to the percentage of completion and not yet collected during the period, amounting to EUR 223.6 million; the collection of grants for the period amounted to EUR 235.7 million;
- **trade payables - Rolling Stock 2017 - 2032** rose due to the progress made on projects during the period; this change was partially offset by the payments made amounting to EUR 248.9 million. These investments were paid with the available funds allocated by the Lombardy Region on restricted funds, excluded from the Adjusted NFP.

The item **fixed assets** comprises mainly tangible assets of EUR 477.3 million, of which EUR 357.0 million pertain to rolling stock, intangible assets for EUR 249.6 million, of which EUR 243.2 million relating to the motorway infrastructure freely revertible to the awarding body (Ministry of Infrastructure and Transport), goodwill of EUR 0.7 million and EUR 21.9 million for rights of use.

The value of **equity investments** decreased by EUR 10.4 million, mainly due to the lower result for the period contributed by companies accounted for using the equity method; this effect was partially offset by the acquisition of TEM shares, amounting to EUR 8.4 million, and other changes in the statement of comprehensive income, amounting to EUR 3.4 million.

Non-current receivables primarily include contractual assets deriving from investments made in the motorway network up to 30 September 2022, but not yet recognised, for EUR 167.0 million, loans from MISE to investees for EUR 53.8 million and net deferred tax assets of EUR 32.9 million.

Provisions include non-current provisions related to cyclical maintenance, the Motorway Infrastructure Renewal Fund and severance pay.

Below is the breakdown of the Group's net financial position as at 30 September 2022, compared with 31 December 2021.

In order to better represent the ability to generate cash as well as the Group NFP, an adjusted NFP was calculated, which excludes the effects deriving from adoption of IFRIC 12 for investments relating to the renewal of rolling stock:

Amounts in millions of euros	30/09/2022	31/12/2021	Change
Liquidity	(259.5)	(293.4)	33.9
Current financial debt	146.6	201.1	(54.5)
Current Net Financial Position (Debt / -Cash)	(112.9)	(92.3)	(20.6)
Non-current financial debt	852.3	847.9	4.4
Adjusted Net Financial Position	739.4	755.6	(16.2)
Net Financial Position for funded investments (cash)	(45.9)	(58.4)	12.5
Net Financial Position	693.5	697.2	(3.7)

As at 30 September 2022, the total net financial position was EUR 693.5 million, compared to a balance of EUR 697.2 million as at 31 December 2021. Isolating the amount relating to funded investments (EUR 45.9 million), the adjusted net financial position was EUR 739.4 million, compared to a balance of EUR 755.6 million as at 31 December 2021.

Please also note that as at 30 September 2022 the Group has liquidity headroom of EUR 141 million in uncommitted lines.

The **adjusted net financial position** is represented by the cash flow changes in the reference period:

Amounts in millions of euros	30/09/2022	30/09/2021
EBITDA	155.7	124.5
Net Working Capital	(38.0)	(50.0)
Tax paid	(6.8)	(2.2)
Financial expenses/income paid	(2.8)	(13.6)
Free cash flow from operations	108.1	58.7
Investments paid with own funds	(28.5)	(39.2)
Funded investments in railway infrastructure net of grants collected	(25.7)	(35.2)
Motorway infrastructure investments	(30.5)	(39.3)
Cash flow generation	23.4	(55.0)
Acquisition of equity investments	(30.3)	(363.6)
Financial investments	(4.5)	-
Loan disbursement to investees	(1.0)	-
Dividends cash-in	0.9	3.9
Divestments	6.3	-
Free cash flow	(5.2)	(414.7)
Dividends cash-out	-	-
Cash flow	(5.2)	(414.7)
Adjusted NFP (Debt/-Cash) INITIAL 01/01	755.6	43.8
Cash flow generation	5.2	414.7
IFRS 16 Effect	3.2	2.7
Other changes in financial payables	(24.6)	-
MISE contribution: payables to banks and financial liabilities	-	315.3
Total change in NFP	(16.2)	732.7
Adjusted NFP (Debt/-Cash) FINAL 30/09	739.4	776.5

Cash flow generation in the period was positive for EUR 23.4 million and derives from operations, partially offset by investments paid. The **Operating cash flow** from operating activities was positive for EUR 108.1 million, due to EBITDA of EUR 155.7 million, partly negatively impacted by the change in net working capital mainly due to the increase in receivables for interconnection relations with other motorway companies and the increase in other receivables, including the receivable from the Customs Agency for the import of 5 STADLER trains, whose customs clearance had not yet taken place as at 30 September, as well as receivables from public bodies for investment grants.

Net investments of approximately EUR 84.7 million were paid in the nine months, compared to EUR 113.7 million paid in the third quarter of 2021. Lastly, it should be noted that cash generation for the period was affected by the rationalisation of MISE's shareholdings, which involved, on one hand, the acquisition of the stake held by the Lombardy Region in Tangenziali Esterne di Milano S.p.A. (TEM) for EUR 8.4 million, in respect of the sale by MISE and Milano Serravalle Engineering of the shares held in Autostrade Lombarde S.p.A. and Società di Progetto Brebemi S.p.A. for a total consideration of EUR 6.3 million.

The items 'Purchase of Equity Investments' and 'Other Changes in Financial Payables' include the amount paid to the non-controlling shareholder of MISE, in the amount of EUR 21.9 million.

3.3 INVESTMENTS

Investments accrued during the nine months of 2022 amounted to a total of EUR 499.3 million, versus EUR 348.1 million in the comparative period 2021.

In particular:

- **investments funded by the Lombardy Region** were made for a total of EUR 393.8 million (EUR 268.6 million in the comparative period), relating to the renewal of rolling stock for EUR 359.3 million and the modernisation and upgrading of infrastructure for EUR 34.5 million.

In particular, during the nine months of 2022, the following were delivered:

- 16 high-capacity (EMU), long configuration, "Caravaggio" type trains;
- 6 high-capacity (EMU), short configuration, "Caravaggio" type trains;
- 11 "Donizetti" type (EMU) trains;
- 2 "Colleoni" type (DIESEL) trains.

As regards railway infrastructure modernisation, projects during the period mainly relate to the upgrade of equipment on the Saronno - Como, Bovisa - Seveso - Mariano Comense and Saronno Malnate sections, the Malpensa T2- Sempione link, as well as the upgrading of the Milan Affori - Varedo railway line;

- **investments made with own funds** of EUR 72.7 million (EUR 29.8 million in the 2021 comparative period) were made, primarily relating to the entry into service of 4 TILO trains (EUR 38.0 million), 46 new IVECO Crossway buses and 20 electric buses (EUR 18.1 million) and the revamping of TAF rolling stock (EUR 7.6 million);
- **investments in reversible assets on the motorway infrastructure** were made for EUR 32.8 million (EUR 49.8 million in the comparative quarter of 2021, of which EUR 43.6 million between March and September 2021).

4 OPERATING PERFORMANCE OF BUSINESS SEGMENTS

The following table shows the economic performance of the consolidated business segments in the two years in question, before intercompany eliminations:

Amounts in millions of euros	9 MONTHS 2022						9 MONTHS 2021 PRO-FORMA					
	Ro.S.Co. & Services	Railway infrastructure	Road passenger mobility	Motorways	Eliminations	Total	Ro.S.Co. & Services	Railway infrastructure	Road passenger mobility	Motorways	Eliminations	Total
Revenues from third parties	49.0	97.1	87.6	207.7		441.4	48.6	89.1	79.7	176.9		394.3
Intercompany revenues	9.5	4.8	9.9	1.6	(25.8)	0.0	8.8	4.0	8.2	2.1	(23.1)	0.0
Revenues from construction services - IFRIC 12 net of costs	0.0	5.8	0.0	0.0		5.8		2.7				2.7
Segment revenues	58.5	107.7	97.5	209.3	(25.8)	447.2	57.4	95.8	87.9	179.0	(23.1)	397.0
Adjusted EBITDA	32.2	14.6	7.2	101.7		155.7	35.7	6.9	10.1	83.2		135.9
<i>Adjusted EBITDA %</i>	<i>21%</i>	<i>9%</i>	<i>5%</i>	<i>65%</i>			<i>26%</i>	<i>5%</i>	<i>7%</i>	<i>61%</i>		
EBITDA	32.2	14.6	7.2	101.7		155.7	33.9	9.1	10.1	83.2		136.3
<i>EBITDA %</i>	<i>21%</i>	<i>9%</i>	<i>5%</i>	<i>65%</i>			<i>25%</i>	<i>7%</i>	<i>7%</i>	<i>61%</i>		
EBIT	7.5	12.9	(3.1)	69.8		87.1	12.3	7.3	3.4	51.5		74.5

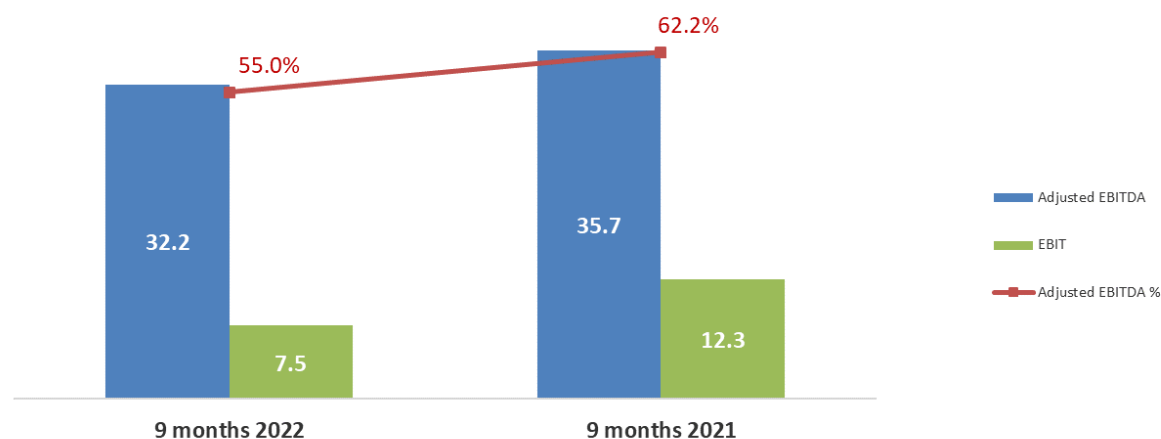
4.1 Ro.S.Co & SERVICES

The segment refers to business sectors in which FNM operates directly and comprises the leasing of rolling stock to investees operating in the local public transport and freight transport sectors, in addition to the offer of digital payment services with FNMPAY. In particular, the latter company is active in the development of a payment institute to carry out primarily acquiring services (acceptance of payments via physical/virtual POS) focusing initially on the captive companies of the FNM Group, as part of the Mobility as a Service (MaaS) strategies that the FNM Group intends to develop.

It should be noted that in collaboration with Ferrovienord and Trenord, FNM is engaged in the promotion of the H2iseO project, which aims to develop a Hydrogen Valley in Valcamonica, starting from the use of hydrogen in local public transport. The project involves the purchase of 14 hydrogen-powered trains for the Brescia-Edolo railway line, with commercial service starting in 2024, to replace the current diesel-powered trains, and the construction of hydrogen production plants, initially intended for the new trains. By 2025, the hydrogen solution is also expected to be extended to road transport, starting with the roughly 40 vehicles operated in Valcamonica by FNM Autoservizi. The total investment is estimated at around EUR 300 million, of which more than EUR 160 million is for the trains.

In December 2020 FNM entered into a Framework Agreement with Alstom for the supply of 30 bi-directional hydrogen-powered trains and signed the first Executive Contract for 6 trains, with delivery of the first train by December 2023.

Amounts in millions of euros	9 months 2022	9 months 2021	Chg	Chg %
Leasing rolling stock	39.0	39.0	0.0	0.0%
Other revenues	19.5	18.4	1.1	6.0%
Total revenues	58.5	57.4	1.1	1.9%
Adj. EBITDA	32.2	35.7	(3.5)	-9.8%
Adj. EBITDA %	55.0%	62.2%		
EBIT	7.5	12.3	(4.8)	-39.0%



Segment revenues amounted to EUR 58.5 million, up by 1.9% compared to EUR 57.4 million in the nine months of 2021. The main revenue item is represented by rental fees on rolling stock, primarily to Trenord, equal to EUR 39.0 million, in line with those recognised in the same period of 2021, which take into account the reduction in the fee following the renewal of the operating lease agreement with Trenord for CSA and TAF trains, offset by higher revenues on TILO trains and locomotives (Effishunter and DE520) following the entry into full operation of the new fleets.

Other revenues, which include administrative services, i.e. the management of centralised corporate activities through service contracts with investee companies, and management of owned properties, rose by EUR 1.1 compared to the nine months of 2021, to EUR 19.5 million. The change is attributable to higher revenues for IT services, rents on commercial premises and the recovery of some development costs linked to the Fili project by Trenord and Ferrovienord.

The EUR 3.5 million decrease in Adjusted EBITDA to EUR 32.2 million from EUR 35.7 million in the nine months of 2021 mainly reflects higher personnel costs connected, inter alia, to the increase in the average headcount (+9 FTE), costs for services, IT, insurance and membership fee expenses, as well as higher compensation paid to the corporate bodies, also in connection with the new positions taken. Adjusted EBITDA is also impacted by FNMPAY start-up costs and the development costs of the H2iseO and Fili projects.

Trenord, the main joint venture which operates the Local Public rail Service in Lombardy, is included in the Ro.S.Co segment in which the Parent Company is also active. Its economic highlights for the period are provided below.

Trenord

Revenues for the period increased by EUR 46.9 million to EUR 577.1 million from EUR 530.2 million, mainly attributable to the growth in ticketing revenues to EUR 219.9 million from EUR 124.3 million in the nine months of 2021, as a result of the 34.3% increase in passenger volume due to the improvement in the pandemic situation. It should be noted that transport demand remains 30.1% lower than the same period of 2019. Revenues from the public rail transport Service Agreement increased by 6.8% to EUR 326.1 million in the reporting period, in line with the increase in toll costs, mainly related to the increase in energy costs. Other revenues, on the other hand, decreased to EUR 31.1 million from EUR 100.7 million in the same period of 2021, due to relief for loss of revenue, which amounted to EUR 72.7 million in the nine months of 2021 and zero in the reporting period.

Trenord recorded EBITDA of EUR 70.8 million in the first nine months of 2022, down EUR 6.3 million compared to EUR 77.1 million in the same period of 2021. The increase in revenue was in fact more than offset by higher personnel costs in connection with the increase in staff (+208 FTEs) and higher costs for services (also related to the management of the pandemic emergency), utilities, traction energy and consumables. The deterioration in EBIT of EUR -57 million compared to the comparative period 2021 (EUR -49.0 million) is due to the lack of relief that was present in 2021.

Finally, the net result decreased to EUR -51.0 million at 30 September 2022 from EUR -24.8 million in the same period of 2021, due to lower deferred tax assets recognised.

4.2 RAILWAY INFRASTRUCTURE

The “Railway infrastructure” segment includes the management of railway infrastructure of the Milan and Iseo lines, which cover 330 km of network and include 124 stations and passenger service stops -, under concession, as well as terminal design and management activities. With Regional Council Resolution no. X/4823 of 15 February 2016, the Lombardy Region ordered the Concession to FERROVIENORD S.p.A. for the construction, operation and management of the Regional Railway Network be renewed from 18 March 2016 to 31 October 2060.

The concession agreement includes the construction, management and maintenance of the railway infrastructure, the upgrading and modernisation of the network, traffic management and the allocation

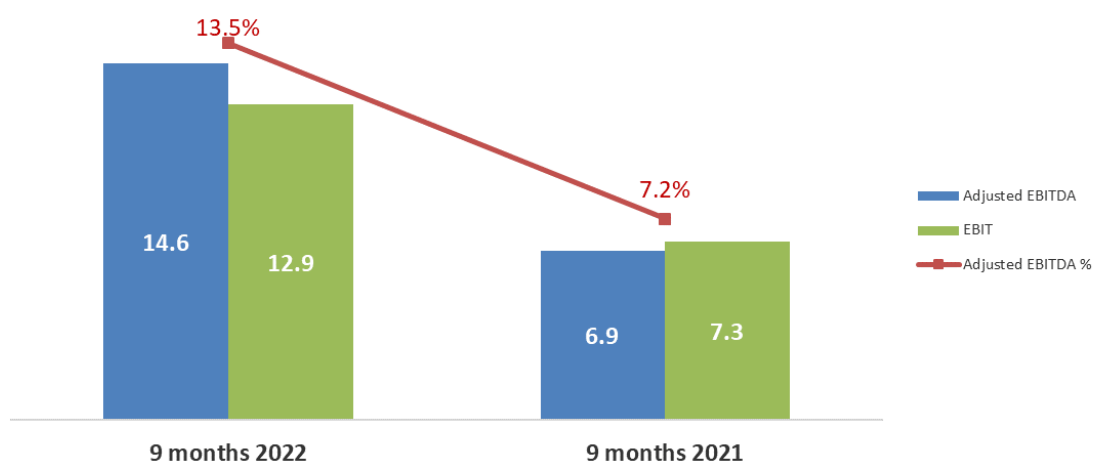
of capacity. The concessionaire also has the role of acquiring and managing, on a non-exclusive basis, the fleet necessary to provide railway services and the enhancement of railway assets including those of historical value. The concessionaire is also assigned the tasks regulated by the Investment Planning Agreement, Service Agreement or other administrative provision.

The activity is carried out by the subsidiary FERROVIENORD, in synergy with the subsidiary NORD_ING, which follows the implementation of ordinary and extraordinary maintenance on the railway network, upgrading works and the commissioning of new systems.

Particularly with reference to the “Rolling Stock Purchase Programme for the regional rail service for the years 2017 - 2032” activity carried out by FERROVIENORD on behalf of the Lombardy Region, it should be recalled that in 2018 FERROVIENORD and Cassa Depositi e Prestiti (“CDP”) took out a loan of EUR 650 million, with funding granted by the European Investment Bank (“EIB”), to combine the time requirement for the acquisition of new trains with forecasts for the disbursement of cash flows by the Lombardy Region. Effective as of 6 September 2022, FERROVIENORD requested and obtained the voluntary cancellation of the entire loan, still completely unused, in accordance with the joint provisions of Regional Council Resolution no. XI/6841 of 2 August 2022 “Programme for the purchase of rolling stock for the regional railway service: determinations regarding financing” and Regional Law no. 17 of 8 August 2022 “Adjustment to the 2022 - 2024 budget with amendments of regional laws”.

Terminal management activities are carried out by the subsidiary Malpensa Intermodale, which manages the Group-owned Sacconago terminal, in the municipality of Busto Arsizio (VA), as well as by the subsidiary Malpensa Distripark, which deals with the real estate development of terminal areas.

<i>Amounts in millions of euros</i>	9 months 2022	9 months 2021	Chg	Chg %
Public contracts and grants	83.6	76.2	7.4	9.7%
Leasing rolling stock	11.0	8.6	2.4	27.9%
Other revenues	13.1	11.0	2.1	19.1%
Total revenues	107.7	95.8	11.9	12.4%
Adj. EBITDA	14.6	6.9	7.7	111.3%
Adj. EBITDA %	13.5%	7.2%		
EBIT	12.9	7.3	5.6	76.4%



Segment revenues amounted to EUR 107.7 million, up EUR 11.9 million (+12.4%) compared to EUR 95.8 million in the same period of 2021.

In particular, revenues relating to public contracts and grants, which include the consideration deriving from the Service Agreement for infrastructure management and the Planning Agreement for the management of investments and maintenance on the network, as well as for the purchase and management of rolling stock on behalf of the Lombardy Region, and the network access fee received directly from the railway companies starting from December 2021, amounted to EUR 83.6 million and increased by EUR 7.4 million compared to the same period of 2021. This trend is mainly determined by higher recoveries for planning activities and for costs relating to interventions on the network and the funded rolling stock, in relation to the progress of the orders as set forth in the Planning Agreement, partially offset by the efficiency-boosting mechanism set forth in the Service Agreement and by adjustment of the railway offer, following the reduced mobility caused by the Covid-19 pandemic. Finally, it should be noted that the corresponding value for the comparative nine-month period of 2021 included the income recognised to the Concessionaire to cover the rescheduling of the railway offer due to the measures taken for the COVID-19 emergency, amounting to EUR 1.2 million.

Revenues from the rental of rolling stock, referring to fees for the management and maintenance of rolling stock leased by the Lombardy Region to Trenord and managed by Ferrovienord, increased by EUR 2.4 million as a result of the expansion of the Lombardy Region fleet made available to Trenord.

Other revenues increased by EUR 2.1 million mainly due to higher rents as a result of the termination of rent reductions granted during the pandemic, higher revenues from commercial activities, scrap metal sales and compensation of damages.

The segment's Adjusted EBITDA of EUR 14.6 million more than doubled compared to the same period in 2021 (EUR 6.9 million). The change, in a context of growing revenues, takes into account

a less than proportional increase in costs for infrastructure and maintenance initiative planning activities, as well as increased expenses for utilities, insurance and IT system improvements. It should also be noted that the increase in provisions for cyclical maintenance on the fleet made available to Trenord corresponds to higher revenues from the lease of rolling stock recognised. On the other hand, personnel costs decreased compared to the same period of the previous year due to the recovery of sickness costs for the 2015-2018 period and lower provisions. It should be noted that 2021 EBITDA was adversely affected by higher contingent liabilities and provisions for bad debts on funded contracts in the amount of EUR 2.3 million.

As far as terminal operations are concerned, during the period revenues decreased to EUR 0.9 million from EUR 1.2 million. The revenue trend is reflected in the reduction of EBITDA to EUR -0.8 million from EUR -0.4 million in the first nine months of 2021.

4.3 ROAD PASSENGER MOBILITY

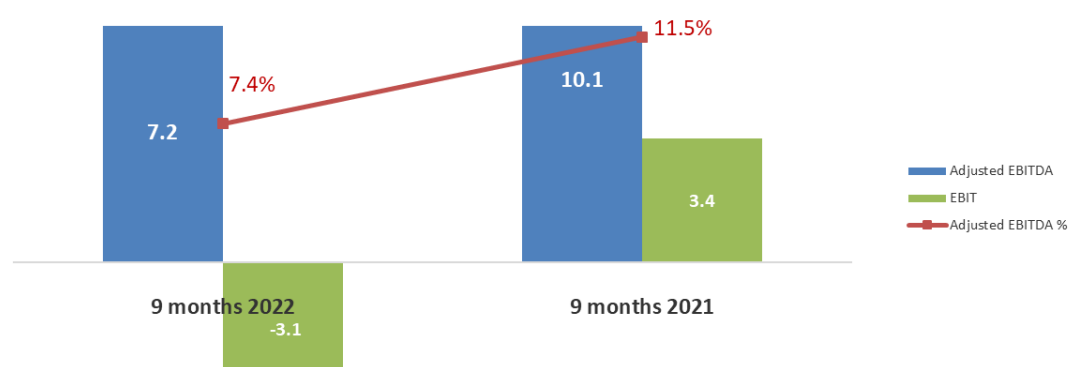
The first nine months of 2022 was characterised by a new wave of Covid-19 infections caused by the emergence of the Omicron variant in late 2021/early 2022. As the warm season progressed, the incidence of infections decreased and stabilised at the end of the period. The positive effect of the vaccination campaign implemented in 2021, combined with more frequent but less serious infections, did not require the travel restrictions and prolonged and generalised use of distance learning that had occurred especially in the first quarter of 2021. This trend has also had an impact on demand for local public transport, which in the first nine months of 2022 saw a gradual recovery compared to the same period in 2021, but still remains below pre-pandemic levels.

As for the “Road passenger mobility” segment, the number of passengers transported by ATV and FNMA in the first nine months of 2022 was 40.4 million, up 23.2% compared to the same period of 2021, but still 28.2% lower than in the same period of 2019.

The production of local public transport services, which also includes the additional services and the production of La Linea and Martini Bus, increased by 2.9% to 23.8 million bus-km, compared to 23.1 million bus-km in the first nine months of 2021 (+10.3% compared to the same period of 2019) to ensure an adequate level of service while respecting social distancing constraints, taking into account the full return to in-person school activities since the start of 2022.

Amounts in millions of euros	9 months 2022	9 months 2021	Chg	Chg %
Public contracts and grants	42.4	43.4	(1.0)	-2.3%
Transport services	48.5	39.6	8.9	22.5%
Other revenues	6.6	4.9	1.7	34.7%
Total revenues	97.5	87.9	9.6	10.9%

Adj. EBITDA	7.2	10.1	(2.9)	-28.7%
Adj. EBITDA %	7.4%	11.5%		
EBIT	(3.1)	3.4	(6.5)	ns



Revenues increased by EUR 9.6 million (+10.9 %) to EUR 97.5 in the first nine months of 2022 from EUR 87.9 million in the same period of 2021, in particular:

- revenues from public contracts and grants decreased by EUR 1.0 million (-2.3%) to EUR 42.4 million, compared to the first nine months of the previous year. The change is mainly due to lower compensatory measures to the LPT sector following the pandemic emergency, which decreased from EUR 9.2 million to EUR 7.2 million, partially offset by higher revenues from service contracts. More specifically, the aggregate benefits from the higher kilometre contribution recognised by the Veneto Region pursuant to Regional Government Decree no. 1012 of 16 August 2022, amounting to EUR 0.7 million, as well as the receipt of EUR 0.4 million in grants to support companies operating in the tourism sector, due to Martini Bus. By contrast, as regards compensatory measures, contributions for additional services amounted to EUR 4.5 million in the nine months of 2022, compared to EUR 3.7 million in the same period of 2021, while compensation for lost ticket revenue, which amounted to EUR 5.5 million in the nine months of 2021, amounted to EUR 2.7 million in the same period of 2022. It should also be recalled that the provision introduced by the “Cura Italia Decree” (Decree Law no. 18 of 2020), which provides for the recognition of fees on the basis of contractual planning despite the adjustment of the offer implemented as a result of the epidemiological

emergency, was extended until 31 March 2022, the end date of the state of emergency set by Decree Law no. 24 of 24 March 2022;

- revenues from transport services and therefore relating to ticketing, replacement services provided by FNMA on behalf of Trenord, sub-contracted activities and car-sharing by E-VAI, increased by EUR 8.9 million to EUR 48.5 million during the period, thanks to the recovery in passenger transport and the increase in sub-contracted activities to enhance additional services. Revenues from car sharing services also picked up.
- other revenues also recorded an increase of EUR 1.7 million, substantially attributable to the higher recovery of excise duties on diesel fuel for motor vehicles for EUR 0.9 million, the recognition of the EUR 0.7 million tax credit on energy consumption due to companies with a high consumption of natural gas, as provided for by Decree Law No. 17 of 1 March 2022 and the recognition by La Linea of non-recurring income of EUR 0.5 million following the formalisation of settlement agreements relating to the regulation of the planned LPT for 2020 (art. 92 of the 2020 Cura Italia Decree).

Adjusted EBITDA for the period was EUR 7.2 million, down EUR 2.9 million compared to the first nine months of 2021. The change is mainly attributable to higher costs incurred for energy consumption (mainly fuel, partly also due to increased distances travelled) and higher additional services and sub-contracting, which is necessary to guarantee service levels with adequate health and social distancing conditions, particularly with regard to school services. Expenditure on services, IT and insurance also increased. EBITDA in the period was also affected by higher personnel costs mainly at ATV, due to the growth in demand and the increase in average headcount at E-Vai due to the expansion of the car-sharing business. It should be noted that, in the nine months of 2021, personnel costs included the release of a provision for risks relating to the renewal of the National Collective Bargaining Agreement for road and rail workers (CCNL Autoferro) in the amount of EUR 1.4 million.

The segment includes different dynamics and phenomena with respect to the different services offered and to the different areas where the different companies operate. In particular:

- **FNM AUTOSERVIZI** manages Local Public Transport in the provinces of Varese, Brescia and Como; it also runs rail-replacement services for Trenord rail services.

In particular, LPT activities in the provinces of Varese and Brescia are carried out under concession (both extended to 31 December 2023 and 31 December 2022, respectively), while those in the province of Como are governed by a service agreement, which has been extended to 31 December 2023. It should be noted that, under Regional Law no. 8 of 25 May 2021, art. 30, the Lombardy Region approved the amendment to art. 60 of Law no. 6/2012,

postponing the deadline for bidding for the renewal of service concessions/contracts by 2 years after the conclusion of the state of emergency (set at 31 March 2022 under Decree Law no. 24 of 24 March 2022).

During the period under analysis, the production of local public transport services (which also includes additional services) amounted to 2.9 million bus-km, a decrease of 8.2% compared to 3.1 million bus-km in the nine months of 2021 and -8.8% compared to the same period in 2019.

The number of travellers more than doubled to 2.1 million compared to the 0.9 million recorded in the first nine months of 2021, but remains 23.9% lower than in the same period of 2019.

Total revenues increased compared to the previous comparative period from EUR 15.2 million to EUR 16.1 million. The trend is attributable to the increase in revenue from transport services, which benefited from higher revenue from ticketing (thanks to the recovery in demand for local public transport) and train replacement, which more than offset lower government subsidies (a total of EUR 0.4 million in the nine months of 2022 and EUR 1.6 million in the comparative period of 2021).

- **Azienda Trasporti Verona** (in which FNM and Azienda Mobilità Trasporti S.p.A. hold equal stakes) essentially operates in the road passenger transport sector in the municipality and province of Verona on the basis of three Service Agreements (with the Municipality of Verona, the Municipality of Legnago and the Province of Verona), also extended until 31 December 2022, as set forth in Resolution no. 136 of 9 December 2021 of the President of the Province of Verona. By resolution no. 24 of the President of the Province of Verona dated 25 February 2021, the community tender for the identification of the concessionaires of Verona's public transport services was suspended, pursuant to art. 2 of Decree Law no. 18/2020 (converted with amendments by Law no. 27/2020), until 12 months after the conclusion of the Covid-19 state of emergency, planned for 31 March 2022 on the basis of Decree Law no. 24 of 24 March 2022.

During the period under review, production rose by 6.4% to 15.6 million bus-km compared to 14.6 million bus-km in the first nine months 2021. The figure is 7.9% higher than the levels of the same period of 2019. The number of passengers carried also rose by 20.3% to 38.3 million from 31.8 million in the same period of 2021, with a more significant recovery on suburban routes and in the segment of ticket and carnet sales to occasional customers. Compared to the nine months of 2019, the number of passengers carried remains 28.4% lower.

Total revenue increased by 12.4% to EUR 57.7 million from EUR 51.3 million in the first nine months of 2021, thanks to the effect of the recovery of mobility and a different mix of sale of travel tickets, the higher kilometre contribution envisaged in the service agreement and the higher contributions for additional services (EUR 4.1 million in the first nine months of 2022 and EUR 3.2 million in the same period of 2021), against lower contributions to offset lost revenues relating to previous years (amounting to EUR 2.7 million in the reference period and EUR 4.4 million in the first nine months of 2021).

- **La Linea** is a company that operates in the Veneto area in local public road transport sector and hires out buses with driver, also through the subsidiary Martini Bus.

In the nine-month of 2022, La Linea's revenues increased by 9.3% to EUR 15.4 million, compared to EUR 14.1 million in the same period of the previous year, due to the significant increase in subcontracted services, following the enhancement of school LPT services requested by the Veneto Region until the end of the 2021-2022 school year.

The recognition of the non-recurring income mentioned above also contributed to the increase in revenues.

Martini Bus, whose activity was temporarily redefined to offer supplementary local public transport services under subcontracting, also saw a significant improvement in revenues to EUR 5.4 million (compared to EUR 4.0 million in the same period of 2021), reflecting the expansion of exceptional school LPT services in the Venice area and contributions to support companies operating in the tourism sector for EUR 0.4 million (nil in the nine months of 2021). With regard to the tourism business, there is a substantial return to normal conditions after a two-year period heavily penalised by the Covid-19 emergency.

Overall, in the first nine months of 2022, La Linea managed 5.1 million bus-km under subcontracting, compared to 5.2 million bus-km in the same period of 2021 (4.0 million bus-km in the same period of 2019). In terms of total supply (which also includes commercial and tourist services), Martini Bus handled 1.1 million bus-km in the first nine months of 2022, compared to 0.8 million bus-km in the same period in 2021 and 1.2 million bus-km in the first nine months of 2019.

As mentioned in section 1.3, on 20 July 2022 the FNM board of directors resolved to sell the shares in La Linea S.p.A.

- The sharing mobility service carried out by **E-VAI** with electric vehicles complements the Group's traditional offer of public mobility by rail and road, also on a regional scale.

Revenues amounted to EUR 3.4 million, an increase of 18.6% compared to EUR 2.8 million in the same period of the previous year, thanks to the increase in volumes of activities. It

should be noted that the Lombardy ecological car sharing service is entrusted to FERROVIENORD as part of the commitment with the Lombardy Region to provide an “ecological” car sharing service in exchange for the payment of a fee of EUR 1.8 million per year, unchanged from the previous year.

4.4 MOTORWAYS

The FNM Group operates in the motorway infrastructure management sector through MISE, which has been fully consolidated from 26 February 2021.

MISE is the 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 and subsequent amendments and additions between MISE, as concessionaire, and ANAS S.p.A. (subsequently replaced by the Ministry of Infrastructure and Transport now the Ministry of Infrastructure and Sustainable Mobility), as the grantor. The concession expires on 31 October 2028.

The network, with a total length of 179 km, of which 124 km with three lanes, is interconnected with the main motorway sections in northern Italy.

As in local public transport by rail and road, the Covid-19 pandemic also impacted traffic in the first nine months of 2022, albeit with a less pronounced impact than in the same period of 2021. Overall, during the period, paying traffic recorded a total of 2,240.0 million vehicle-km, an increase of 15.8% compared to the same period in 2021 (1,933.6 million vehicle-km), although it still remained below the levels of the same period in 2019 (-5.2%). As for the economic trend, there was generally more marked growth in the first quarter than in the second and third quarters, due to the stricter mobility restrictions imposed in early 2021, while in May 2021 the recovery was already under way.

With respect to the breakdown of traffic between light and heavy vehicles, it should be noted that heavy traffic showed a clear upward trend compared to the pre-pandemic period. In the first nine months of 2022, heavy vehicles recorded a total of 468.3 million vehicle-km, an increase of 3.3% compared to the same period of 2021 (453.4 million vehicle-km) and of 3.5% compared to the same period of 2019. Light traffic, at 1,771.7 million vehicle-km in the reporting period, marked growth of 19.7% compared to 1,480.2 million vehicle-km in the first nine months of 2021, but remains 7.2% lower than in the same period of 2019.

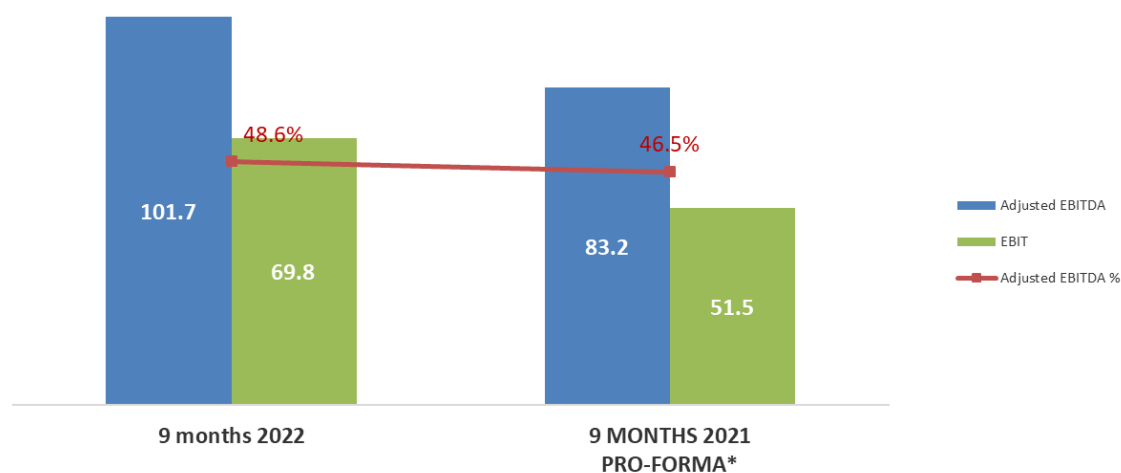
With regard to tariffs, during the board meeting of 23 December 2021, the Company, in light of the status of the process of approving the proposed economic and financial plan for the 2018-2022 regulatory period, deemed it appropriate to reconsider the decision to maintain the suspension of the

2019 tariff adjustment, approving the activation of the tariff update authorised by Interministerial Decree no. 579 of 31 December 2018, which had previously been suspended. Therefore, as of 1 January 2022, the unit mileage tariffs attributable to the Company rose by 2.62%.

MISE has full control over Milano Serravalle Engineering, which provides design, technical and administrative support for infrastructure investments on the motorway network.

<i>Amounts in millions of euros</i>	9 months 2022	9 MONTHS 2021 PRO-FORMA*	Chg	Chg %
Toll revenues	191.4	165.3	26.1	15.8%
Other revenues	17.9	13.7	4.2	30.7%
Total revenues	209.3	179.0	30.3	16.9%
Adj. EBITDA	101.7	83.2	18.5	22.2%
Adj. EBITDA %	48.6%	46.5%		
EBIT	69.8	51.5	18.3	ns

*The values consider the consolidation of MISE as of 1 January 2021.



In the first nine months of 2022, the Motorways segment showed revenues of EUR 209.3 million, up EUR 30.3 million compared to EUR 179.0 million in the same period of 2021 (pro-forma figure for the nine months), mainly due to the 2.62% tariff increase introduced as of 1 January 2022 and the increased traffic recorded, which saw the light vehicle component register a significant increase in the period. Other revenues also grew (up by EUR +4.2 million on the same period of 2021), mainly due to higher income from service area concessions, which benefited from the recovery in mobility and the renewal of some contracts at more favourable economic conditions for MISE. Also contributing to the increase in other revenues were higher services for infrastructure maintenance performed by Milano Serravalle Engineering.

EBITDA for the period was EUR 101.7 million, an increase of EUR 18.5 million from EUR 83.2 million in the first nine months of 2021, mainly due to the increase in revenues. EBITDA was also impacted by higher maintenance costs for structures (in particular for the maintenance of the Po viaduct), the upgrading of toll booths and other facilities. The period is also characterised by higher net allocations to the restoration fund to adjust it to the planned investments and with the updating of the ANAS price lists, as provided for in Decree Law no. 50 of 17 May 2022, converted by Law no. 91 of 15 July 2022. The increase in costs is also attributable to the higher costs linked to the resumption of traffic (including collection charges and concession fees), insurance premiums and electricity utilities mainly due to the higher cost of energy, as well as the recording of certain contractual adjustments relating to planning costs. Labour costs also increased slightly due to the effect of the redundancy incentives linked to the procedure aimed at realigning the workforce to the new requirements, which was formalised with the agreement signed on 20 July 2022 with the trade union representatives.

Autostrada Pedemontana Lombarda

MISE's investees also include a 36.7% interest in APL, valued at equity. The latter is the concessionaire for the construction and management of the motorway between Dalmine (BG), Como, Varese and the Gaggiolo Pass for a total of roughly 200 km (including junctions and associated works), 85 km of which have been in operation since 2015 (Section A and B1, A59 and A60).

With regard to the assignment to the General Contractor of the executive planning and the performance of construction works for Sections B2 and C, together with associated works, on 1 March 2021 the Commission appointed for the assessment of the offers submitted by economic operators concluded its work, drawing up the relative ranking that saw as first classified the Temporary Association of Companies (RTI), formed by the joint-stock companies Webuild - Pizzarotti and Astaldi.

However, the awarding of the tender is currently subject to the ongoing judicial procedure, in view of the appeal filed on 2 October 2021 by the second-ranked consortium, Consorzio Stabile SIS, which challenged the awarding of the tender before the Milan Regional Administrative Court, requesting its cancellation, after suspension of its effectiveness. As concerns this dispute please note that, on 17 March 2022, the appellant submitted a further appeal on additional grounds. After the hearing pursuant to art. 116 of the Code of Administrative Procedure on 23 March 2022, the Regional Administrative Court of Milan filed an Order rejecting the interim measure application made by Consorzio SIS.

This order was upheld on appeal by the Council of State. Subsequently, on 21 April 2022, the appellant submitted new additional grounds accompanied by a new interim measure application that

were likewise rejected by the Lombardy Regional Administrative Court and, on appeal, also by the Council of State by order published on 8 July 2022. The hearing to discuss the merits of the case was held on 21 September 2022. On 26 September 2022, the operative part of the judgement was published, whereby the Lombardy Regional Administrative Court rejected, in part, and declared improper/inadmissible, for the other part, the appeal and the six additional grounds proposed by Consorzio SIS, sentencing the latter to pay the legal costs in favour of Autostrada Pedemontana Lombarda S.p.A.

At the date of this situation, the contract with the General Contractor has not yet been signed.

Also to support the construction of Sections B2 and C and the relative associated works, on 31 August 2021 APL took out a loan for EUR 1,741 million (Senior Loan 1) from a pool of banks together with Cassa Depositi e Prestiti and the EIB, with the support of the Lombardy Region as the reference partner. Having met the deadline of 31 August 2021, APL will also be able to benefit from the tax exemption as per Supplementary Act no. 2 to the Single Convention approved by the CIPESS for EUR 800 million.

Discussions continue with the financial institutions aimed at enforcing the fulfilment of the requirements of the Senior Loan 1 agreement in order to have the funds disbursed. Please note that APL obtained the second letter of consent (“Waiver”) in March 2022.

The work of the technical working group also continued in order to finalise the approval of Additional Agreement no. 3 and the related Economic and Financial Plan - the conclusion of which is one of the conditions precedent for the disbursement of the Senior Loan 1 - which led on 18 May 2022 to the approval of the 2020 Economic and Financial Plan-Rev.2 by the APL Board of Directors, in order to give the Awarding Body (Concessioni Autostradali Lombarde S.p.A. or CAL) the opportunity to send it to the Ministry of Infrastructure and Sustainable Mobility (MIMS) and the ART. Following the hearing requested by ART to APL, at which APL provided all the technical elements of clarification on the determination of the tariff reported in the 2020 Economic and Financial Plan - Rev.2, the Awarding Body notified APL of the opinion rendered by ART on 23 September 2022. CAL and APL immediately met in order to agree on the elements to be included in the Economic and Financial Plan of what was reported in the opinion of ART, in order to be able to reach the approval of the Additional Agreement no. 3 and the related Economic and Financial Plan (pursuant to Article 43 of Legislative Decree 201/2011, as amended), the definition of which is one of the conditions precedent to the disbursement of the Senior Loan 1.

It should also be recalled that in 2021, again in order to support the financeability of the construction of sections B2 and C of the Pedemontana infrastructure, the Lombardy Region made available a shareholder loan totalling EUR 900 million, disbursed and/or set aside from 2025 to 2044.

Traffic trends

In the first nine months of 2022, with regard to the A36 (sections A and B1), the Como bypass (A59) and the Varese bypass (A60), the Company recorded a total of 224.3 million vehicle-km, an increase of 26.7% compared to 177.1 million vehicle-km in the first nine months of 2021 and 6.2% compared to the pre-pandemic period.

For light vehicles, 178.6 million vehicle-km were recorded, which compares with 137.3 million vehicle-km in the first nine months of 2021 (+30.1%) and 170.8 million vehicle-km in the same period of 2019 (+4.6%). Heavy traffic volumes amounted to 45.8 million vehicle-km, an increase also compared to 39.8 million vehicle-km in the corresponding period of 2021 (+15.1%) and compared to pre-pandemic values (40.4 million vehicle-km in the first nine months of 2019, +13.3%).

*Economic data summary*³

In the first nine months of 2022, APL generated **revenue** of EUR 35.4 million, up from EUR 27.9 million in the same period of 2021, mainly due to traffic growth. No increases in motorway tolls were granted to APL during the period.

The increase in revenues together with a small increase in operating costs led to an improvement in **EBITDA** to EUR 16.9 million, up EUR 5.7 million compared to the first nine months of 2021.

EBIT increased by EUR 4.6 million to EUR 12.4 million, mainly due to the effect of higher financial amortisation of non-compensated assets (EUR +1.1 million) closely linked to the increase in EBITDA.

The period closed with a negative **net result** of EUR 3.2 million, compared to a loss of EUR 1.1 million in the first nine months of 2021, mainly due to the increase in financial expenses arising from the effect of applying amortised cost to the ancillary charges to the Senior Loan 1, which will not be capitalised on the value of the Work until work is started.

5 FNM GROUP HUMAN RESOURCES

The average number of employees of the FNM Group as of 30 September 2022 is 2,847 average FTE, compared to 2,825 average FTE in 2021, including MISE and its subsidiary MISE.

³ The figures provided for the associate are determined according to OIC accounting principles.

6 SIGNIFICANT EVENTS DURING THE PERIOD

The Shareholders' Meeting approves the 2021 financial statements.

26 April 2022: the Shareholders' Meeting approved the proposed separate financial statements of FNM S.p.A. and examined the consolidated financial statements of the FNM Group as at 31 December 2021. Following the vote of the majority shareholder the Lombardy Region, the Shareholders' Meeting resolved not to distribute dividends and therefore to allocate the profit for the 2021 financial year as follows:

- EUR 270,387 to the legal reserve;
- EUR 5,137,359 to retained earnings.

The Shareholders' Meeting also:

- approved the Report on the remuneration policy and on the compensation paid
- and renewed the authorisation for the purchase and disposal of treasury shares, subject to revocation of the authorisation granted by the Meeting on 30 April 2021.

ESG rating of 7.4 received from Morningstar Sustainalytics

18 July 2022 - In order to reinforce its commitment to the greater integration of ESG principles within the Group's strategies and management, and with a view to stakeholder transparency, FNM voluntarily asked Morningstar Sustainalytics to assign an ESG Risk Rating to the FNM Group.

Sustainalytics assessed the ESG risk profile to which the FNM Group is exposed as negligible, assigning an ESG Risk Rating of 7.4 (on a scale between 0 and > 40, where 0 indicates the best rating and >40 the worst).

Its score ranks in the top 50 amongst the approximately 15,000 entities evaluated by Sustainalytics worldwide and in 4th place amongst the 171 entities active in the transport infrastructure sector.

7 SIGNIFICANT EVENTS AFTER 30 September 2022

Appointment of new Executive in charge of financial reporting

26 October 2022 - The Board of Directors of FNM S.p.A. appointed Mr. Eugenio Giavatto as Executive in charge of financial reporting with effect from 1 November 2022, pursuant to art. 154-bis of Legislative Decree no. 58/1998, after receiving the favourable opinion of the Board of Statutory Auditors and in compliance with the professionalism requirements set forth in art. 20 of the Company's Articles of Association. Mr. Giavatto assumed the position of Director of Administration, Finance and Control with effect from that same date.

The appointment followed the resignation of Ms. Valentina Montanari, who held her position at the FNM Group until 31 October 2022.

8 MANAGEMENT OUTLOOK

The Company maintains its forecasts of a gradual recovery in demand for mobility until the end of 2022, with motorway traffic expected to reach levels substantially in line with the pre-pandemic period, with heavy traffic higher than pre-pandemic levels and light traffic recovering markedly compared to 2021, and with demand for local public road transport recovering significantly, but still lower than in 2019.

The period continues to be characterised by the severe uncertainty arising from the increase in energy prices and, more generally, inflation resulting from the continuing conflict between Russia and Ukraine, which for the FNM Group is reflected in particular on the Road Passenger Mobility segment and on motorway infrastructure maintenance costs.

In the absence of visibility with respect to government measures to counteract recent extraordinary events, the company has not included relief provided by the national government for 2022 in the current year's estimates, either to support the drop in revenues resulting from the lower demand for local public road transport recorded due to COVID-19, or to offset the higher costs associated with the increase in energy costs.

In the light of the above considerations, the estimates for full year 2022 are confirmed: for the Group on a like-for-like basis (i.e. considering MISE consolidated for all of 2021), revenues posting double-digit growth in the low teens and adjusted EBITDA up by about 10%-15% compared to 2021. The Adjusted EBITDA/Revenues ratio is expected to rise slightly with respect to 2021.

Comparing reported figures instead, i.e. taking into account the consolidation of MISE as of 26 February 2021, revenues are expected to achieve double-digit growth in the mid teens and adjusted EBITDA is expected to increase by more than 20% compared to 2021. In this case too, the Adjusted EBITDA/Revenues ratio is expected to remain constant with respect to 2021.

The net financial debt at the end of 2022 ("Adjusted NFP") is expected to be in the range of EUR 750-800 million, with an Adjusted NFP/EBITDA ratio of approximately 4x, showing improvement on the 4.5x recorded at end 2021.

For Trenord – valued according to the equity method – transport demand is expected to recover markedly as well compared to 2021, although possible permanent changes in travel habits lead to the assumption of a gradual recovery in volumes to pre-pandemic levels over a period of a few years.

The investee company continues to constantly monitor all the main KPIs, regarding the performance of the service, attendance, receipts and the cost-revenue ratio.

Current estimates for the entire FNM Group take into account the increase in fuel and energy prices recorded in recent months. The continuing conflict in Ukraine could lead to a slowdown in growth and further price increases, which are currently difficult to estimate in magnitude and duration.

Considering that the contingent situation had a limited impact on the overall extent of operations in the first nine months of 2022, it is currently confirmed that it will have no impact on the business continuity of the Company and its subsidiaries and the recoverability of asset values.

The Company is maintaining a careful focus on the effective management of variable and discretionary costs relating to all of the Group's activities, and constantly monitors developments in order to understand whether and to what extent price increases could have an impact on traffic and, consequently, on the Group's expected results.

Milan, 10 November 2022

The Board of Directors

The undersigned Eugenio Giavatto, in his capacity as "Executive in charge of financial reporting" of FNM S.p.A., hereby certifies, in compliance with the provisions of Article 154-bis of Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this Interim Management Report corresponds to the documented results in the Company's books and records.

The Executive in charge of financial reporting
Eugenio Giavatto

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE INDICATORS USED

This 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;
- (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 the nine months of 2021, the following components were excluded from EBITDA:

- a) release of a provision for risks following the partial closure of the dispute with the Customs Agency for EUR 2.2 million;
- b) non-ordinary expenses deriving from development projects, amounting to EUR 1.8 million.

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

EBIT: it represents the earnings for the period 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 liabilities and non-current financial liabilities.

Adjusted NFP: this is represented by the net financial position as identified above, excluding cash and cash equivalents and current financial liabilities relating to funded investments for the renewal of railway rolling stock set forth in the “2017 - 2032 Rolling Stock Programme”, in order to neutralise the effects of the timing for the collection of grants and the relative payments made to suppliers, accounted for in accordance with IFRIC 12.



Joint Stock Company

Registered Office in Milan - Piazzale Cadorna 14

Share capital EUR 230,000,000.00 fully paid up

Interim Management Report as at 30 September 2022

Consolidated Statement of Financial Position

Consolidated Income Statement

Other Consolidated Comprehensive Income

Statement of Changes in Consolidated Shareholders' Equity

Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30.09.2022

<i>Amounts in thousands of euros</i>	30/09/2022	31/12/2021	Change
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	477,326	447,543	29,783
Intangible assets	249,643	269,573	(19,930)
Goodwill	725	3,440	(2,715)
Right of use	21,859	27,810	(5,951)
Investments measured with the equity method	137,161	147,577	(10,416)
Investments in other companies	11,143	11,074	69
Financial receivables	68,222	58,539	9,683
Contractual assets	166,988	145,088	21,900
Deferred tax assets	32,886	35,773	(2,887)
Tax receivables	17	17	0
Other Receivables	2,128	1,918	210
TOTAL NON-CURRENT ASSETS	1,168,098	1,148,352	19,746
CURRENT ASSETS			
Inventories	12,029	9,504	2,525
Trade Receivables	145,927	133,067	12,860
Other Receivables	158,370	123,012	35,358
Tax receivables	391	1,501	(1,110)
Financial receivables	1,530	862	668
Financial Receivables measured at Fair Value in profit or loss	6,832	7,000	(168)
Investments in other companies	0	6,313	(6,313)
Receivables for funded investments	264,182	138,061	126,121
Cash and cash equivalents	305,417	351,832	(46,415)
TOTAL CURRENT ASSETS	894,678	771,152	123,526
Assets held for sale	31,323	0	31,323
TOTAL ASSETS	2,094,099	1,919,504	174,595
<u>LIABILITIES</u>			
Share capital	230,000	230,000	0
Other reserves	11,364	6,873	4,491
Reserve for indivisible profit	(22,721)	(63,596)	40,875
Reserve for actuarial gains/(losses)	(5,071)	(7,478)	2,407
Translation reserve	234	147	87
Profit/(loss) for the period	38,236	40,875	(2,639)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	252,042	206,821	45,221
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INT	20,566	21,512	(946)
TOTAL SHAREHOLDERS' EQUITY	272,608	228,333	44,275
NON-CURRENT LIABILITIES			
Payables to banks	173,743	165,683	8,060
Financial Payables	646,411	646,881	(470)
Payables for funded investments	12,581	12,581	0
Lease liabilities	19,564	22,793	(3,229)
Other liabilities	20,768	20,395	373
Deferred tax liabilities	0	0	0
Provisions for risks and charges	87,329	95,773	(8,444)
Post-employment benefits	21,172	28,011	(6,839)
TOTAL NON-CURRENT LIABILITIES	981,568	992,117	(10,549)
CURRENT LIABILITIES			
Payables to banks	56,459	88,774	(32,315)
Financial Payables	47,890	68,403	(20,513)
Payables for funded investments	34,028	36,978	(2,950)
Lease liabilities	8,248	6,947	1,301
Trade payables	518,626	372,327	146,299
Payables for taxes	9,292	6,189	3,103
Tax payables	16,179	1,551	14,628
Other liabilities	67,027	67,726	(699)
Provisions for risks and charges	58,900	50,159	8,741
TOTAL CURRENT LIABILITIES	816,649	699,054	117,595
Liabilities related to assets held for sale	23,274	0	23,274
TOT. LIABILITIES AND SHAREHOLDERS' EQUITY	2,094,099	1,919,504	174,595

CONSOLIDATED INCOME STATEMENT NINE MONTHS OF 2022

<i>Amounts in thousands of euros</i>	9 months 2022	9 months 2021
Revenues from sales and services	402,386	329,852
Grants	15,872	17,523
Revenues from construction services - IFRIC 12	71,977	83,052
Other income	23,128	17,227
of which: Non Recurring	-	-
TOTAL REVENUES AND OTHER INCOME	513,363	447,654
Raw materials, consumables and goods used	(22,588)	(16,317)
Service costs	(109,840)	(85,786)
of which: Non Recurring	-	(1,797)
Personnel costs	(120,182)	(112,157)
Depreciation, amortisation and write-downs	(68,598)	(55,556)
Write-down of financial assets and contractual assets	(1,381)	(2,318)
Other operating costs	(37,490)	(26,186)
of which: Non Recurring	-	2,237
Costs of construction services - IFRIC 12	(66,209)	(80,387)
TOTAL COSTS	(426,288)	(378,707)
EBIT	87,075	68,947
Financial income	5,450	2,594
of which: Non Recurring	-	-
Financial expenses	(9,812)	(19,046)
of which: Non Recurring	-	(5,497)
NET FINANCIAL INCOME	(4,362)	(16,452)
Net profit of companies measured with the equity method	(21,342)	(12,891)
EARNINGS BEFORE TAX	61,371	39,604
Income tax	(24,508)	(14,259)
of which: Non Recurring	-	-
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	36,863	25,345
NET PROFIT FROM DISCONTINUED OPERATIONS	-	-
PROFIT/(LOSS) FOR THE PERIOD	36,863	25,345
Profit/(loss) attributable to NON-CONTROLLING interests	(1,373)	2,978
Profit/(loss) attributable to Parent Company shareholders	38,236	22,367
Profit/(loss) attributable to NCIs for discontinued operations	-	-
Profit/(loss) attributable to Parent Company shareholders for discontinued operations	-	-
Earnings per share attributable to Group shareholders		
Basic earnings per share (euro)	0.09	0.05
Diluted earnings per share (euro)	0.09	0.05
Earnings per share attributable to Group shareholders for discontinued operations		
Basic earnings per share (euro)	-	-
Diluted earnings per share (euro)	-	-

OTHER CONSOLIDATED COMPREHENSIVE INCOME

<i>Amounts in thousands of euros</i>	30/09/2022	30/09/2021
PROFIT/(LOSS) FOR THE PERIOD	36,863	25,345
Other components of companies consolidated on a line-by-line basis		
Post-employment benefit actuarial gain/(loss)	2,755	53
Tax effect	(770)	(14)
Total components that will not be reclassified in the operating result	1,985	39
Change Fair value of derivatives	2,725	1,217
Tax effect	(654)	(292)
Total components that will be reclassified in the operating result	2,071	925
Total companies consolidated on a line-by-line basis	4,056	964
Other components of companies consolidated with the equity method		
Post-employment benefit actuarial gain/(loss) of companies measured with the equity method	848	23
Total components that will not be reclassified in the operating result	848	23
Change Fair value of derivatives	2,421	
Gains/(losses) arising from the translation of financial statements of foreign companies	87	(3)
Total components that will be reclassified in the operating result	2,508	(3)
Total companies consolidated with the equity method	3,356	20
Total Other Comprehensive Income	7,412	984
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	44,275	26,329
Comprehensive Profit/(Loss) attributable to non-controlling interests	(946)	3,069
Comprehensive Profit/(Loss) attributable to Parent Company shareholders	45,221	23,260

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>Amounts in thousands of euros</i>	Share capital	Other reserves	Indivisible Profits/Losses	Reserve for actuarial gain/loss	Translation reserve	Profit/Loss for the year	Shareholders' equity attributable to the Group	Shareholders' equity attributable to non-controlling interests	Total Shareholders' equity
Balance as at 01.01.2021	230,000	7,788	203,387	(7,661)	105	24,185	457,804	19,304	477,108
Total Comprehensive Income		888		8	(3)	22,367	23,260	3,069	26,329
Allocation of 2020 profit			24,185			(24,185)	-		-
Change in the scope of consolidation			(285,809)				(285,809)	13,281	(272,528)
Balance as at 30.09.2021	230,000	8,676	(58,237)	(7,653)	102	22,367	195,255	35,654	230,909
Balance as at 31.12.2021	230,000	6,873	(63,596)	(7,478)	147	40,875	206,821	21,512	228,333
Total Comprehensive Income		4,491		2,407	87	38,236	45,221	(946)	44,275
Allocation of 2021 profit			40,875			(40,875)	-		-
Balance as at 30.09.2022	230,000	11,364	(22,721)	(5,071)	234	38,236	252,042	20,566	272,608

CONSOLIDATED STATEMENT OF CASH FLOWS AT 30.09.2022

<i>Amounts in thousands of euros</i>	30/09/2022	30/09/2021
Cash flow from operating activities	Total	Total
Profit for the period	36,863	25,345
Income tax	24,508	14,259
Net profit of companies measured with the equity method	21,342	12,891
Amortisation for the period of intangible assets	30,508	24,630
Depreciation for the period of property, plant and equipment	26,271	25,359
Amortisation of right of use	5,371	4,685
Asset impairment	6,448	-
Provisions for risks and charges	23,231	32,907
Releases of provisions for risks and charges	(4,322)	(4,420)
Provision for bad debts	226	2,318
Write-down of contractual assets	1,155	-
Releases provision for bad debts	(130)	-
Gains from disposal of property, plant and equipment	(311)	(426)
Plusvalenze da cessione di attività destinate alla vendita	-	-
Capital grants for the period	(2,621)	(2,743)
Interest income	(5,450)	(2,594)
Interest expense	9,812	19,046
Other non-monetary income	-	272
Cash flow from income activities	172,901	151,529
Net change in the provision for post-employment benefits	(2,507)	(1,697)
Variazione netta del fondo svalutazione crediti	-	-
Net change in provision for risks and charges	(12,905)	(26,092)
Increase in trade receivables	(17,658)	(18,488)
(Increase)/Decrease in inventories	(3,050)	1,231
Increase in other receivables	(13,406)	(11,476)
(Increase)/Decrease in trade payables	(6,532)	(30,283)
Increase in other liabilities	5,407	9,779
Payment of taxes	(6,803)	(2,221)
Variazione netta imposte anticipate/differite	-	-
Total cash flow from/(for) operating activities	115,447	72,282
Cash flow from/(for) investing activities		
Investments in intangible assets with own funds	(1,596)	(1,091)
Investments in property, plant and equipment with own funds	(71,753)	(28,775)
Increase/(Decrease) in trade payables for investments with own funds	44,333	(10,259)
Investments in funded rolling stock net of grants collected	(13,984)	(57,669)
Funded investments in railway infrastructure net of grants collected	(25,741)	(8,445)
Investments in non-compensated assets for motorway infrastructure	(30,494)	(39,314)
Disposal value of property, plant and equipment	480	930
Other Equity Investments	(8,400)	(299)
Dividends distributed by investees measured with the equity method	900	3,860
Other changes in financial receivables	578	4,368
Interest income collected	528	499
Opening of Time deposits	(4,500)	-
Bond subscription	-	(1,000)
Sottoscrizione fondi tesoreria	-	-
Loan disbursement to investee companies	(950)	-
Variazione dei crediti finanziari da attività cedute	-	-
Collection from the disposal of other equity investments	6,313	-
Incasso deposito vincolato	-	-
Conam acquisition net of cash held	-	(251)
MISE (Ministry of Economic Development) acquisition net of cash held	-	(363,552)
Total cash flow from/(for) investing activities	(104,286)	(500,998)
Flusso di cassa da attività destinate alla vendita		
Decremento delle attività destinate alla vendita	-	-
Totale flusso di cassa da attività destinate alla vendita	-	-
Cash flow from/(for) financing activities		
Repayment of finance lease payables	(5,140)	(5,262)
Loan repayment	(25,307)	(75,157)
New loans	-	620,000
Emissione prestito obbligazionario	-	-
Interest paid	(3,370)	(14,403)
Decrease in payables to banks	-	(3,145)
Interessi su prestito obbligazionario pagati	-	-
Rimborso prestito obbligazionario	-	-
Non-controlling shareholder withdrawal	(21,858)	-
Debito verso azionisti per dividendi non ancora erogati	-	-
Dividendi deliberati a soci FNM non ancora erogati	-	-
Decrease in other financial liabilities	(1,760)	(6,752)
Dividendi erogati ad azionisti FNM	-	-
Dividendi erogati a terzi	-	-
Total cash flow from/(for) financing activities	(57,435)	515,281
Liquidity generated (+)/absorbed (-)	(46,274)	86,565
Cash and cash equivalents at start of period	351,832	253,344
IFRS 5	(141)	-
Cash and cash equivalents at end of period	305,417	339,909
Liquidity generated (+)/absorbed (-)	(46,274)	86,565