

*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 31/03/2023

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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INTERIM MANAGEMENT REPORT

as at 31/03/2023

INTRODUCTION

With reference to the three-month period ended 31 March 2023 (hereinafter the "first quarter of 2023", "three months of 2023" or "period"), the quantitative data and the comments contained in this Report 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.

Thanks to the gradual recovery in mobility, the first three months of 2023 recorded improved results compared to the same period of the previous year, fully in line with expectations, despite the continuing uncertainties related to inflation and energy price dynamics.

It should be noted that the results for the period take into account the effects of the sale of the equity investment in La Linea S.p.A. ("La Linea"), which also resulted in the disposal of the indirect interest in Martini Bus S.r.l. ("Martini Bus") with effect from 16 January 2023.

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 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 ¹
 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 Italia) 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%  58%  60%
 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 Lombardy (Varese, Brescia and Como) and Veneto (Verona, Legnago and throughout the relative Province) Train replacement services for Trenord Electric car-sharing service 	 100%  50%  → 50.3%  100%	Omnibus Partecipazioni ⁴ 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%

1. It also includes Nord Energia, currently in liquidation, included in the Ro.S.Co. & Services segment.

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

3. Companies operating in the freight transport and logistics sector, currently included in the Ro.S.Co. & Services and Railway Infrastructure segments, respectively. Malpensa Distripark is in the start-up phase.

4. Company operating in road passenger road mobility, but considered in the Ro.S.Co. segment for the purposes of preparing the financial statements.

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. ("FNM") purchases and leases rolling stock directly to its subsidiaries operating in the LPT (Local Public Transport) and freight transport sector, primarily Trenord and DB Cargo Italia, acting as Rolling Stock Company (hereinafter referred to as "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. For further details please refer to section 1.5. DB Cargo Italia (40% owned by FNM S.p.A. with DB Cargo Italy S.r.l.) offers logistics and freight handling services, mainly on the rail network in Italy, using a fleet of 42 electric and diesel locomotives.

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.

It should be recalled 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 to replace the current diesel-powered 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.

The total investment is estimated at over EUR 300 million, of which over EUR 165 million for the trains, EUR 80.1 million financed with funds made available by the Lombardy Region with Regional Council Decree 7328 of 14 November 2022, through the FERROVIENORD Programme Agreement, and EUR 82.6 million contributed by FNM S.p.A. for the purchase of the trains. In addition, Ministerial Decree 144 of 31 March 2023 allocated resources of EUR 97.2 million under the NRRP for the construction of renewable hydrogen production, storage and refuelling facilities.

FNM S.p.A. also provides administrative services to its subsidiaries, manages its real estate assets and is involved, together with its subsidiary FERROVIENORD, in the development FILI project dedicated to the redevelopment of FERROVIENORD's main connection centres on the Milan-Malpensa line, as described in the Annual Financial Report as at 31 December 2022.

Consistent with the 2021-2025 Strategic Plan, within the People/Community pillar, FNM 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. (hereinafter referred to as "FNMPAY"), a wholly-owned subsidiary of FNM S.p.A., active in digital payment services to perform primarily acquiring services (payment acceptance through physical/virtual POS) focusing firstly on the Group's captive companies.

The development of the MaaC strategy includes the equity investments in Busforfun.Com S.r.l. ("Busforfun") and Sportit S.r.l. ("Sportit"). Busforfun, of which FNM S.p.A. currently holds 40% of the share capital, is a startup that develops innovative road transport solutions, capable of responding to the new mobility needs of both people (B2C) and businesses (B2B), acting as a mobility partner with a green and shared transport solution. Sportit is active through two brands: Snowit is the leading marketplace for the integrated sale of online ski passes, ski-related services and mountain-related experiences; Bikeit, on the other hand, operates in the online sale of service packages for cycle tourists, customisable to the needs of individual users.

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.

The jointly controlled company NORD ENERGIA S.p.A. and its subsidiary CMC Mesta S.A. were in liquidation as at 10 January 2023.

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 a 330 km railway network, divided between the Milan (222 km) and Iseo (108 km) branches, on the basis of the concession expiring on 31 October 2060 (the "**Concession**"), the programme agreement for investments (the "**Programme Agreement**") and the service contract for management (the "**Service Contract**"), both expiring in 2027, entered into with the Lombardy Region. Furthermore, 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. For further details, please refer to the Annual Financial Report as at 31 December 2022.

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. The company receives complete trains and uses self-propelled cranes to manage goods/containers, positioning the intermodal transport units in the storage locations, or it provides direct delivery to the customer. The terminal is equipped with two operational tracks with an extension of approximately 48,000 square metres and benefits from a service and logistics development area of more than 200,000 square metres.

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 Contract for those in the Province of Como. FNMA also operates substitute train services on behalf of Trenord.

LPT activities in the provinces of Varese and Brescia are carried out under Concession, while those in the province of Como are governed by a Service Contract; the subsidiary is operating under an extension of the original contracts and the duration has currently been extended until 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).

In Veneto, FNM is present with Azienda Trasporti Verona S.r.l. (hereinafter also referred to as "ATV"), that provides urban public transport services in the municipalities of Verona and Legnago and extra-urban services throughout the province of Verona on the basis of three Service Contracts, also extended until 31 December 2023. 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. At its session on 3 March 2023, the Government Body of the Verona LPT formulated an opinion in favour of revoking the above tender procedure both because the forecasts underlying the financial plan prepared by the contracting authority had ceased to apply and because the Municipality of Verona, within the framework of the Steering Committee, had asked for the scope of the new contract to include the management of the urban trolleybus within its territory, now nearing completion.

The methods of identifying the new concessionaire will be determined by the same contracting authorities through new formal decisions and may require a new tender to be held. Also under consideration, at the initiative of ATV, is the possibility of an extension to 31 December 2026 in application of the provisions of art. 24, paragraph 5-*bis* of Legislative Decree 4/2022, i.e. following the presentation of an economic and financial plan for the following years that calls for, among other things, significant investments, including partial self-financing.

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.

As mentioned above, with effect from 16 January 2023 the 51% interest in La Line and its subsidiary Martini Bus were removed from the scope of consolidation according to the methods described in the 2022 Annual Financial Report. The overall positive financial effect on the Group's net financial position is EUR 12.7 million: EUR 5.4 million by way of sale price and EUR 6.9 million represented by repayment in full of La Linea's positions payable to FNM.

Lastly, the road transport offer is complemented by the car sharing service provided by E-Vai S.r.l. ("**E-Vai**") integrated with the railway service (covering 46 railway stations) and the three main airports in Lombardy.

Finally, as described in the Annual Financial Report as at 31 December 2022, due to the renewal of the Service Contract with FERROVIENORD in effect from 1 January 2023, the annual consideration of EUR 1.8 million previously paid by the Lombardy Region ceased to be disbursed.

1.4 MOTORWAYS

The FNM Group is also present in the motorway infrastructure management sector thanks to its 100% shareholding in Milano Serravalle – Milano Tangenziali S.p.A. ("**MISE**"), fully consolidated in the FNM Group's financial statements starting on 26 February 2021. Thanks to the acquisition of MISE, FNM created a strategic group in the infrastructure sector in Lombardy for the management of the mobility system that integrates rail transport, local public road transport and motorway infrastructure.

MISE operates under a concession, which will expire on 31 October 2028, on the basis of the Single Concession Agreement entered into with the Awarding Body ANAS (now the Ministry of Infrastructure and Transport – or "MIT") on 7 November 2007, approved by Law no. 101 of 6 June 2008, which converted Decree Law no. 59 of 8 April 2008. On 10 March 2017, following communication by the Awarding Body, the Concession Addendum, relating to the second regulatory period 2013-2017, approved by ID no. 422 of 2 December 2016 and registered by the Court of Auditors on 1 February 2017, became effective. In particular, MISE is the concessionaire of the A7 Motorway, from Milan to Serravalle Scrivia, and the three Milan ring roads: A50 Tangenziale Ovest, A51 Tangenziale Est, A52 Tangenziale Nord. The Company also manages the western ring road of Pavia (A54) and the Bereguardo-Pavia (A53) motorway link. Located at the centre of one of the main European motorway networks, the network covers 184.9 km - of which 124.1 km with three lanes- and consists of the following:

<i>Section</i>		<i>Km</i>
A7	Milan Serravalle Motorway from Milan Piazza Maggi to Serravalle Scrivia	86.3
A53	Bereguardo-Pavia link road	9.1
A54	Pavia bypass	8.4
A50	Milan West bypass Motorway with Fiera Rho-Pero link	33.0
A51	Milan East bypass Motorway	29.4
A52	Milan North bypass Motorway	18.7
TOTAL		184.9

The network is interconnected to the main motorway sections in northern Italy:

- A4 SATAP S.p.A., Turin-Milan
- A4 Autostrade per l'Italia S.p.A. (Area 2 Office), Milan-Venice
- A8 Autostrade per l'Italia S.p.A. (Area 2 Office), Milan-Laghi
- A1 Autostrade per l'Italia S.p.A. (Area 2 Office), Milan-Bologna
- A7 Autostrade per l'Italia S.p.A. (Area 1 Office), Serravalle-Genoa
- A21 SATAP S.p.A., Turin-Piacenza
- A26 Autostrade per l'Italia S.p.A. (Area 1 Office), A7-A26 link road, Predosa Bettole

MISE's activities also include the management of contractual relations with sub-concessionaires, which are entrusted with the management of the 19 service areas located along the concession sections. In recent years, sub-concession agreements have been renewed for most of the service areas, entailing a shift in revenues from fixed fees to royalties. The new concessions call for a variable fee calculated on the sales of fuel and refreshment areas, plus a maintenance fee to reimburse the costs incurred by the company for maintenance activities on the common parts of the service areas (road paving, horizontal and vertical signage, guardrails, yard lighting, etc.). The new contracts establish more favourable economic conditions for MISE, especially with regard to fuel sales. In addition, as set forth during the tender, the new sub-concessionaires have planned significant modernisations of the facilities and enhancements of the services offered so as to make them more suited to the needs of motorway customers, including the installation of photovoltaic panels and charging stations for electric cars, the latter in every service area throughout the network under concession.

MISE also provides design, as well as technical and administrative support, services for infrastructure investments on the motorway network through Milano Serravalle Engineering ("**MISE Engineering**"), of which it holds 100% of the share capital.

As described in detail in the Annual Financial Report as at 31 December 2022, the sale by MISE to its investee Autostrada Pedemontana Lombarda S.p.A. ("APL") of a business unit owned by the

subsidiary MISE Engineering for a consideration of EUR 1.3 million became effective on 27 February 2023.

Lastly, MISE holds minority interests in some motorway concession companies, the main ones being APL (with 36.7% of the capital) and Tangenziali Esterne di Milano S.p.A. ("**TEM**", with 22.55% of capital), as better described in section 1.5.

Renewal and approval of the Economic and Financial Plan

With regard to the issues relating to the renewal and approval of the Economic and Financial Plan (EFP) attached to the motorway concession, and the relative impacts on tariff trends, please recall that motorway sector regulations require the EFP to be updated every five years by 30 June of the first year of the new regulatory period.

With reference to the appeal for the annulment of the measures issued by the Transport Regulatory Authority on tariffs, on 9 January 2023 the Piedmont Regional Administrative Court, by decision no. 24/2023, rejected the appeal and the additional grounds submitted by MISE. Considering that the decision of the Regional Administrative Court is based on a now consolidated orientation of the Council of State, on 7 March 2023 the Board of Directors of the investee company approved a new EFP proposal – which fully incorporates the indications of ART Resolution 69/2019, particularly with regard to efficiency, as well as the effects of the shifting of the tariff regulatory period to 2020-2024 (originally 2018-2022) – and the draft Concession Addendum, based on the same resolution and the regulations that have been introduced in the area of motorway concessions. On the following 30 March, MISE forwarded to MIT the aforementioned draft Concession Addendum, including all annexes, thus starting the regulatory approval process.

It should be noted that, complying with the dictates of ART Resolution no. 69/2019, the EFP update was prepared starting from the development of a Regulatory Financial Plan (RFP) for the period from 2020 to 2028. Indeed, in accordance with the resolution, 2018 represents the "base" year and 2019 represents the "bridge" year on which to calculate the changes in the operating tariff at the beginning of the regulatory period, which extends from 2020 to 2024.

In addition, activities began for the certification of relief relating to the quantification of the economic effects of COVID-19. The recovery of these lost revenues, as well as the simulation of the impact of the adoption of estimated new inflation rates as of financial year 2024, will be included in the EFP by way of the "notional items" mechanism as of the next regulatory period.

Automotive hydrogen distributors

Following MISE's participation in the public notice for the selection of "project proposals for the construction of five renewable hydrogen refuelling stations for road transport to be financed under the National Recovery and Resilience Plan (NRRP)", on 22 March 2023, with note prot. no. 6977, pursuant to Article 15 of Director's Decree 113 of 10 November 2022, MIT gave notice of the provisional allocation of the grants and requested a specific declaration of acceptance. Grants amount to EUR 15.0 million, broken down as follows: EUR 4.9 million for the Carugate East area, EUR 4.8 million for the Carugate West area and EUR 5.3 million for the Tortona area. On the following 31 March, having acquired the grant acceptance documentation, as well as the documentation proving the fulfilment of the subjective and objective requirements declared in the application, MIT confirmed the award of the grant. Following this documentation, MISE took steps to acquire the surety guarantee provided for in Article 16 of the above-mentioned Director's Decree, which was transmitted to the Ministry in accordance with the timeframe indicated by the foregoing. Lastly, it should be noted that at the end of March 2023, the tender called by MISE in December 2022 for the executive design and construction of the five hydrogen refuelling stations (three of which are being financed as indicated above) was awarded to the cooperative CPL Concordia in a temporary grouping with Consorzio Integra, for a total value of works of EUR 48 million. The deadline for completion of the work is 30 June 2026.

1.5 MAIN INVESTEEES MEASURED WITH THE EQUITY METHOD

TRENORD

Trenord (50% jointly owned with Trenitalia S.p.A.) is one of the most important suburban and regional local public rail transport companies in Europe, in terms of both size and widespread service: its 460 stations, located across 2,000 kilometres of railway network in Lombardy and some provinces in neighbouring regions under the jurisdiction of two operators (FERROVIENORD and RFI of the FS Group), mean that 77% of Lombardy's municipalities have a railway station within a radius of 5 km, serving 92% of the region's residents. Trenord also manages passenger transport services on the Milan Railway Link, connects seven provinces of neighbouring regions (Alessandria, Novara, Parma, Piacenza, Verbano-Cusio-Ossola, Vercelli and Verona), as well as the Canton of Ticino, through TILO (50% owned jointly with the Swiss Federal Railways) and operates the Malpensa Express airport connection to Malpensa International Airport.

The subsidiary has a fleet of more than 400 trainsets leased from FNM and TRENITALIA, or made available, through FERROVIENORD, by the Lombardy Region, which enable it to operate around 2,200 trains every day.

The railway service is managed under a Service Contract for public rail transport with the Lombardy Region for the period 2015-2020, extended until 31 July 2023, under the same contractual conditions. In addition to the basic contract, Trenord manages the Service Contract - in a temporary grouping of companies with ATM S.p.A. - concerning services on the S5 Varese/Gallarate/Pioltello/Treviglio Line signed on 18 December 2008.

The renewal of the Service Contract for the duration of 120 months starting from 1 August 2023 is currently being negotiated, consistent with the pre-information notice regarding the assignment to Trenord of the public rail transport service pursuant to Regulation (EC) no. 1370/2007 published in the Official Journal of the European Union on 27 December 2019, as amended on 20 December 2021.

The subsidiary also provides traction and personnel for international train connections between Italy, Germany and Austria on the Brennero line in cooperation with Deutsche Bahn and Österreichische Bundes Bahn.

AUTOSTRADA PEDEMONTANA LOMBARDA (APL)

Another one of MISE's investee companies is APL: a concessionaire company for the design, construction and management of the motorway between Dalmine, Como, Varese, Valico di Gaggiolo and associated works, for a total of approximately 200 km (including junctions and associated works), of which 85 km in operation since 2015 (A and B1 sections, A59 and A60), based on a 30-year concession starting from the entry into operation of the entire motorway link.

Relations between APL and the Awarding Body (Concessioni Autostradali Lombarde S.p.A. or "CAL") are governed by the Single Concession Agreement entered into on 1 August 2007 and the relative Concession Addendums (Concession Addendum no. 1 entered into on 6 May 2010, Concession Addendum no. 2 entered into on 29 September 2016 and effective as of February 2020).

It is a complex intervention, on an engineering and environmental level, due to the development of the route, the importance of the connected infrastructures and the type of territory crossed. APL is also the first motorway in Italy to have the Free Flow Multi Lane collection system, which allows the amount of the toll to be calculated according to the actual use of the infrastructure, avoiding the use of toll booths and physical barriers.

Therefore, on 5 December 2022 a contract was signed with Webuild Italia S.p.A. (lead company of the temporary grouping formed by Webuild Italia S.p.A., Partecipazioni Italia S.p.A and Impresa Pizzarotti & C S.p.A.) for the assignment of the executive design, safety coordination during the executive design phase and execution of the works for sections B2 and C. With a start order dated 12 December 2022, contractual activities began, including the drafting of the executive project.

With regard to the works for section D, it should be noted that the updating of the final project for the section in question was temporarily suspended, consistent with the provisions of Concession Addendum no. 2 to the Single Concession Agreement and the requests of the Awarding Body to evaluate alternatives to the final project of 2010. Following the approval of the Technical-Economic Feasibility Project on 13 July 2021, the final design of "short section D" began on 12 October 2021. Among the main significant events that took place in the quarter in the regulatory area, on 29 March 2023, the Interministerial Committee for Economic Planning and Sustainable Development (CIPESS), at the end of its meeting held on the same date, issued Resolution no. 8/2023, expressing a favourable opinion on the proposal to update the EFP and the related outline of the third supplementary deed to the Single Concession Agreement, for the 2020-2024 regulatory period. Subsequent steps are therefore needed for conclusion of the approval process and the effectiveness of Concession Addendum no. 3.

TANGENZIALI ESTERNE DI MILANO (TEM)

TEM, in which MISE holds 22.55% of the share capital, in turn holds a single shareholding of 48.4% of the capital of the motorway concessionaire Tangenziale Esterna S.p.A. ("TE"), responsible for the design, construction and management of the Milan East Outer Bypass (hereinafter "TEEM"), entrusted to it under a concession by public tender with a negotiated project financing procedure. Following the awarding of the tender on 27 March 2009, the Single Concession Agreement was signed with the Awarding Body CAL, the content of which was subsequently supplemented and amended: the new Agreement signed on 29 July 2010 became fully effective on 22 November 2010. The TEEM motorway route has a length of 32 km, from Melegnano (A1 Milan - Bologna motorway) to Agrate Brianza (A4 Milan - Venice motorway). Together with the motorway section, important work was also carried out on the ordinary provincial and municipal roads, for a total of 38 km of associated newly constructed road works and 15 km of upgraded existing roads. The duration of the Concession is set at fifty years starting from the entry into operation of the entire motorway link in May 2015.

From 1 January 2023 tariff increases of 4.34% were applied (Interministerial Decree no. 438 of 30 December 2022).

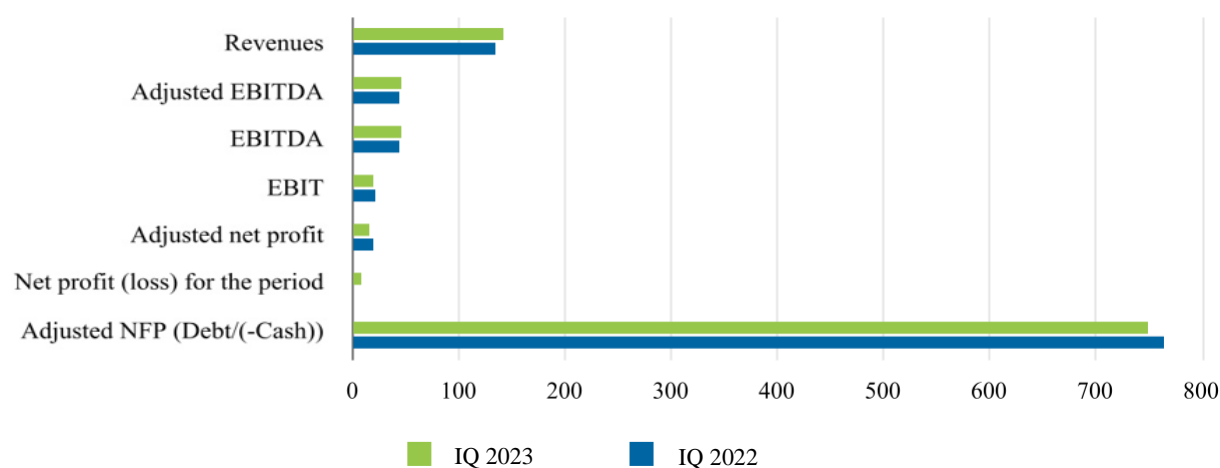
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It should be noted that, as a result of the valuation using the equity method, the contribution of the jointly controlled companies Trenord (and its associated company TILO), NORD ENERGIA (and its subsidiary CMC Mesta), NordCom, Omnibus Partecipazioni (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	Q1 2023	Q1 2022	Change	Change %
Revenues	143.7	136.6	7.1	5.2 %
Adjusted EBITDA	46.6	44.4	2.2	5.0 %
EBITDA	46.6	44.4	2.2	5.0 %
EBIT	21.2	23.2	(2.0)	-8.6 %
Earnings Before Tax	17.9	20.8	(2.9)	-13.9 %
Adjusted net profit	15.9	15.5	0.4	2.6 %
Net profit for the period	10.0	2.3	7.7	N/A
Shareholders' equity (A)*	315.3	306.9	8.4	2.7 %
Net financial position (Cash) (B)*	687.7	724.6	(36.9)	-5.1 %
Adjusted Net Financial Position (Debt / (-Cash))*	750.9	766.9	(16.0)	-2.1 %
Net invested capital (A+B)*	1,003.0	1,031.5	(28.5)	-2.8 %
Market capitalisation at 31.03	193.8	233.5	(39.7)	-17.0 %
Investments	101.5	118.7	(17.2)	-14.5 %

* Comparative values relate to 31.12.2022



Credit Ratings²

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

² After the assignment date, the credit ratings in the table were confirmed by the rating agencies following periodic credit assessments, most recently on 19 December 2022 for Moody's and 21 October 2022 for Fitch.

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 2022. 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".

<i>Amounts in millions of euros</i>	Q1 2023	Q1 2022	Change	Change %
Revenues from sales and services	135.6	129.0	6.6	5.1 %
Other revenues and income	8.1	7.6	0.5	6.6 %
TOTAL REVENUES AND OTHER INCOME	143.7	136.6	7.1	5.2 %
Operating costs	(57.6)	(52.0)	(5.6)	10.8 %
Personnel costs	(39.5)	(40.2)	0.7	-1.7 %
ADJUSTED EBITDA	46.6	44.4	2.2	5.0 %
EBITDA	46.6	44.4	2.2	5.0 %
Depreciation, amortisation and write-downs	(25.4)	(21.2)	(4.2)	19.8 %
EBIT	21.2	23.2	(2.0)	-8.6 %
Financial income	1.3	1.0	0.3	30.0 %
Financial expenses	(4.6)	(3.4)	(1.2)	35.3 %
NET FINANCIAL INCOME	(3.3)	(2.4)	(0.9)	37.5 %
EARNINGS BEFORE TAX	17.9	20.8	(2.9)	-13.9 %
Income taxes	(2.0)	(5.3)	3.3	N/A
ADJUSTED COMPREHENSIVE INCOME	15.9	15.5	0.4	2.6 %
Profit of companies measured with the Equity method	(5.9)	(13.2)	7.3	N/A
COMPREHENSIVE INCOME	10.0	2.3	7.7	N/A
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(0.2)	(0.7)	0.5	N/A
COMPREHENSIVE GROUP INCOME	10.2	3.0	7.2	N/A

The **revenues from sales and services** recorded a net increase of EUR 6.6 million, i.e. approximately 5.1%, for the following reasons:

- motorway toll revenues of EUR 61.4 million (EUR 56.3 million in the first quarter of 2022) increased by EUR 5.1 million, or 9.1%, compared to the first quarter of 2022, mainly in relation to the traffic trend (+9.9%) and its composition, in which the light vehicles component increased significantly. The change in traffic volumes was also driven by the change in the conventional mileage at the toll application points of the Tangenziale Nord (North Bypass), with effect from 1 March 2023, following the opening to traffic of the upgraded S.P. 46 Rho-Monza;

- revenues from the leasing of rolling stock increased by EUR 2.6 million, mainly due to higher revenues on ROCK, POP, Caravaggio and Donizetti trains, for EUR 1.4 million, on TILO trains leased to Trenord, for EUR 1.1 million;
- revenues related to design and construction supervision for works on the railway network increased by EUR 2.2 million;
- revenues from ticketing on public road transport increased by EUR 1.7 million, net of the change due to the removal from the scope of consolidation of La Linea and its subsidiary Martini Bus of EUR -1.6 million, in relation to the gradual regression of the COVID-19 emergency and the associated easing of the restrictions on movement, going from EUR 6.4 million in the three months of 2022 to EUR 8.1 million in the period;
- 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 0.9 million, equal to a 89.9% increase compared to the 2022 comparative period;
- replacement services carried out by FNMA on behalf of Trenord increased by EUR 0.7 million during the period;
- revenues from sub-contracting activities decreased by EUR 2.1 million due to the change resulting from the removal from the scope of consolidation of La Linea and its subsidiary Martini Bus;
- revenues from public contracts and grants related to the public road transport service showed a net decrease of EUR 3.0 million. The change is due to the decrease (from EUR 3.1 million in the comparative period of 2022 to EUR 0.6 million in the first quarter of 2023) in the compensatory measures related to the additional services activated in the LPT sector as a result of the COVID-19 emergency to guarantee the capacity offered during the pandemic period as a result of the regulatory limits imposed on vehicle occupancy. In addition, in the comparative period of 2022, grants to support companies operating in the tourism sector of EUR 0.4 million were recognised.

Other revenues and income showed a net increase of EUR 0.5 million on the comparative period of 2022, of which EUR 0.3 million attributable to greater income from the recovery of general expenses related to construction services for the renewal of rolling stock and the modernisation of railway infrastructure, in view of the greater investments than in the comparative period.

Total revenues and other income thus rose by 5.2% and can be broken down into the four business areas as follows:

<i>Amounts in millions of euros</i>	Q1 2023	Q1 2022	Change	Chg %
Ro.S.Co. & Services	20.8	18.8	2.0	10.6 %
Railway infrastructure	37.1	33.2	3.9	11.7 %
Road passenger mobility	25.7	33.5	(7.8)	-23.3 %
Motorways	66.9	60.6	6.3	10.4 %
Intercompany eliminations	(6.8)	(9.5)	2.7	-28.4 %
Total consolidated revenues	143.7	136.6	7.1	5.2 %

Excluding from total revenues and other income the values of La Linea and Martini Bus and the share of the annual contribution for the development of car sharing for the first quarter of 2022 and the first 15 days of 2023 for La Linea and Martini Bus, revenues would amount to EUR 143.2 million and EUR 131.5 million respectively, making for an increase of 8.9%.

Operating costs recorded a net increase of EUR 5.6 million (10.8%) for the following main reasons:

- increase in railway infrastructure maintenance costs of EUR 1.8 million;
- increase in provisions for cyclical maintenance due to the entry into service of the ROCK, POP, Caravaggio, Donizetti and Colleoni trains, in the amount of EUR 1.4 million;
- increase of EUR 1.1 million in maintenance costs in the area of man-made structures, in particular for the maintenance of the man-made structure on the Po river and more green maintenance and cleaning work, particularly in the Segrate area;
- increase of EUR 0.5 million in motorway traffic-related costs (collection costs and concession fee).

Personnel costs, which decreased from EUR 40.2 million to EUR 39.5 million, are substantially in line with the comparative period of 2022 due to the combined effect of higher costs, partially offset by the removal from the scope of consolidation of the investee La Linea and its subsidiary Martini Bus, amounting to EUR 1.8 million.

In the absence of non-ordinary operating income items, **adjusted EBITDA** and EBITDA amounted to EUR 46.6 million, an increase of 5.0% as illustrated below in the four business areas:

<i>Amounts in millions of euros</i>	Q1 2023	Q1 2022	Change	Chg %
Ro.S.Co. & Services	12.1	11.0	1.1	10.0 %
Railway infrastructure	0.9	2.6	(1.7)	-65.4 %
Road passenger mobility	1.3	0.7	0.6	85.7 %
Motorways	32.3	30.1	2.2	7.3 %
Total adjusted EBITDA	46.6	44.4	2.2	5.0 %

Excluding the values of La Linea and Martini Bus and the share of the annual contribution for the development of the car sharing for the first quarter of 2022 and for the first 15 days of 2023 of La Linea and Martini Bus, adjusted EBITDA would be EUR 46.3 million in the first quarter of 2023 and EUR 42.5 million in the same period of 2022, an increase of 8.9%.

The item **depreciation, amortisation and write-downs** shows a net increase of EUR 4.2 million mainly due to the depreciation of motorway infrastructure following the commissioning of the Rho-Monza section at the end of the 2022 financial year.

Comprehensive operating income amounted to EUR 21.2 million, versus EUR 23.2 million in the first quarter of 2022, a net decrease of EUR 2.0 million.

Comprehensive profit/loss from financial operations in the first quarter of 2023 was EUR -3.3 million compared to EUR -2.4 million in the comparable period of 2022, in relation to higher financial expenses for the increase in interest rates and the discount rate.

Earnings before tax, that do not include the result of the companies accounted for using the equity method, amounted to EUR 17.9 million, a decrease compared to EUR 20.8 million in the first quarter of 2022.

Income taxes of EUR 2.0 million decreased by EUR 3.3 million compared to the first quarter of 2022, in relation to the lower taxable income earned by the Group and the benefit of EUR 1.7 million resulting from the different tax treatment of certain items following the receipt of a response to a request for a private letter ruling.

Adjusted comprehensive income, before the recognition of the result of the companies measured at equity, went from EUR 15.5 million in the comparative period of the previous year to EUR 15.9 million.

The **profit/(loss) of companies measured at equity** recorded a loss of EUR 5.9 million, versus a loss of EUR 13.2 million in the first quarter of 2022, 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	Q1 2023	Q1 2022	Change
Trenord S.r.l. *	(6,019)	(15,680)	9,661
Autostrada Pedemontana Lombarda	(728)	561	(1,289)
Tangenziali Esterne di Milano S.p.A.	(538)	0	(538)
NORD ENERGIA S.p.A. **	745	705	40
DB Cargo Italia S.r.l.	785	812	(27)
Omnibus Partecipazioni S.r.l. ***	(77)	335	(412)
NordCom S.p.A.	111	128	(17)
Busforfun.Com S.r.l.	(16)	(10)	(6)
SportIT	(130)	(37)	(93)
Result of companies valued at equity	(5,867)	(13,186)	7,319

* 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 31 March 2023, as in the comparative period 2022, there were no profits from discontinued operations.

The **consolidated comprehensive result** for the first quarter of 2023 was a profit of EUR 10 million, versus a profit of EUR 2.3 million in the first three months of 2022, due to the effects described above essentially deriving from the resolution of the epidemic emergency.

3.2 RECLASSIFIED STATEMENT OF FINANCIAL POSITION

Below is the reclassified statement of financial position as at 31 March 2023, compared with that as at 31 December 2022.

Please note that, in order to improve the representation of balance sheet trends, 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 2022, 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.

Amounts in millions of euros	31/03/2023	31/12/2022	Change
Inventories	12.1	12.1	—
Trade receivables	167.3	153.0	14.3
Other current receivables	92.5	85.8	6.7
Current financial assets	9.0	8.9	0.1
Receivables for funded investments	52.7	47.6	5.1
Trade payables	(159.6)	(166.6)	7.0
Other current payables and current provisions	(159.8)	(147.4)	(12.4)
Operating Net Working Capital	14.2	(6.6)	20.8
Other receivables - Rolling Stock 2017 - 2032	55.4	64.0	(8.6)
Receivables for funded investments - Rolling stock 2017 - 2032	191.2	201.7	(10.5)
Trade Payables - Rolling Stock 2017 - 2032	(307.0)	(304.1)	(2.9)
Net Working Capital Funded Investments	(60.4)	(38.4)	(22.0)
Net Working Capital Total	(46.2)	(45.0)	(1.2)
Fixed assets	834.4	840.8	(6.4)
Equity investments	166.0	171.8	(5.8)
Non-current receivables	172.6	175.1	(2.5)
Non-current payables	(33.1)	(31.1)	(2.0)
Provisions	(90.7)	(95.0)	4.3
Assets and liabilities held for sale	—	14.9	(14.9)
NET INVESTED CAPITAL	1,003.0	1,031.5	(28.5)
<i>Equity</i>	<i>315.3</i>	<i>306.9</i>	<i>8.4</i>
Adjusted Net Financial Position	750.9	766.9	(16.0)
Net Financial Position for funded investments (cash)	(63.2)	(42.3)	(20.9)
<i>Total net financial position</i>	<i>687.7</i>	<i>724.6</i>	<i>(36.9)</i>
TOTAL SOURCES	1,003.0	1,031.5	(28.5)

Net operating working capital, net of changes for funded investments, increased by EUR 20.8 million as a result of the following changes:

- **trade receivables** increased by EUR 14.3 million, mainly as a result of the increase in receivables for general expenses and technical expenses invoiced related to the modernisation of railway infrastructure for EUR 5.7 million, as well as the effect of the different collection times of receivables from the client of the Veneto LPT Service Contract for EUR 9 million;
- **other current payables and provisions** increased by EUR 12.4 million in relation to higher payables to the tax authorities for VAT, by EUR 6.0 million, and for current taxes, by EUR 3.6 million;
- **trade payables** decreased by EUR 7 million, mainly due to the payment of the investment in cyclical maintenance carried out in previous years;
- **other current receivables** increased by EUR 6.7 million due to the different collection timing of receivables arising from the recharging of costs to joint ventures as well as the

- increase in advances paid against the start-up of new orders for the extraordinary maintenance of the railway infrastructure;
- **receivables for funded investments** increased by EUR 5.1 million in connection with the progress of certain funded railway infrastructure orders.

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

- **other receivables - rolling stock 2017 - 2032** amounting to EUR 55.4 million decreased by EUR 8.6 million in connection with the use of advance payments made in previous years due to the progress of orders;
- **receivables for funded investments - rolling stock 2017 - 2032** decreased by EUR 10.5 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 53.7 million; the collection of grants for the period amounted to EUR 64.6 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 50.8 million. These investments were paid with the available funds allocated by the Lombardy Region, excluded from the Adjusted NFP.

The item **fixed assets** comprises mainly tangible assets of EUR 481.5 million, of which EUR 345.9 million pertain to rolling stock, intangible assets for EUR 333.0 million, of which EUR 325.9 million relating to the motorway infrastructure freely revertible to the Awarding Body (Ministry of Infrastructure and Transport) and EUR 19.9 million for rights of use.

The value of equity investments decreased by EUR 5.9 million due to the lower result for the period contributed by companies accounted for using the equity method.

Non-current receivables primarily include contractual assets deriving from investments made in the motorway network up to 31 March 2023, but not yet recognised, for EUR 72.4 million, loans from MISE to investees for EUR 55.6 million and net deferred tax assets of EUR 33.6 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 31 March 2023, compared with 31 December 2022.

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 in the "2017 - 2032 Rolling Stock Programme":

Amounts in millions of euros	31/03/2023	31/12/2022	Change
Liquidity	(209.7)	(194.6)	(15.1)
Current financial debt	143.8	140.6	3.2
Current Net Financial Position (Debt / -Cash)	(65.9)	(54.0)	(11.9)
Non-current financial debt	816.8	820.9	(4.1)
Adjusted Net Financial Position	750.9	766.9	(16.0)
Net Financial Position for funded investments (cash)	(63.2)	(42.3)	(20.9)
Net Financial Position	687.7	724.6	(36.9)

As at 31 March 2023, the total net financial position was EUR 687.7 million, compared to a balance of EUR 724.6 million as at 31 December 2022. Isolating the amount relating to funded investments (EUR 63.2 million), the adjusted net financial position was EUR 750.9 million, compared to a balance of EUR 766.9 million as at 31 December 2022.

Please also note that as at 31 March 2023 the Group has liquidity headroom of EUR 100 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	31/03/2023	31/03/2022
EBITDA	46.6	44.4
Net Working Capital	(19.1)	(25.0)
Financial expenses/income paid	0.2	(0.1)
Free cash flow from operations	27.7	19.3
Gross investments paid with equity funds	(10.3)	(5.2)
Highway infrastructure investments paid with equity funds	(9.5)	(10.2)
Change in NWC investments - own funds	(13.1)	(4.0)
Funded investments - rail infrastructure	(28.0)	(8.7)
Change in NWC funded investments - rail infrastructure	5.4	(33.8)
Public grants collected own funds	2.3	—
Collection of railway infrastructure investment funding	21.6	1.4
Collection of motorway infrastructure investment funding	8.9	—
Cash flow generation	5.0	(41.2)
Loan disbursement to investees	(1.0)	—
Loan repayment by investees	6.9	—
Divestments	5.5	—
Free cash flow	16.4	(41.2)
Cash flow	16.4	(41.2)
Adjusted NFP (Debt/-Cash) INITIAL 01/01	766.9	755.6
Cash flow generation	(16.4)	41.2
IFRS 16 Effect	1.3	2.8
Other changes in financial payables	(0.9)	—
Total change in NFP	(16.0)	44.0
Adjusted NFP (Debt/-Cash) FINAL 31/03	750.9	799.6

Cash flow generation in the period was positive for EUR 16.4 million and derives from operations, partially offset by investments paid, as well as by the sale of equity investments during the quarter. The **operating cash flow** deriving from income management is a positive EUR 27.7 million, due to EBITDA of EUR 46.6 million, in part negatively affected by the change in net working capital. Net investments of approximately EUR 22.7 million were paid in the first quarter of 2023 (compared to EUR 60.5 million paid in the first quarter of 2022).

Finally, cash generation for the period was positively influenced by the sale of the investments in La Linea, and its subsidiary Martini Bus, and in NTT for EUR 5.5 million. At the same time as the sale, the investee La Linea fully repaid the loan disbursed by FNM in the amount of EUR 7.2 million and offset the balance of the current correspondence accounts in the amount of EUR 0.3 million.

3.3 INVESTMENTS

Investments amounted to EUR 101.5 million versus EUR 118.7 million of the comparative period of 2022.

In particular, **investments made with own funds** by the FNM Group gross of collections of the consideration for construction services accrued in the first quarter of 2023 total EUR 19.8 million compared to EUR 15.4 million in the comparative period of the previous year, and are broken down as follows:

- investments related to the **Ro.S.Co. & Service** segment, for EUR 3.3 million (EUR 1.0 million in Q1 2022), which mainly refer to the revamping of TAF rolling stock;
- investments classified in the **railway infrastructure** segment amounting to EUR 0.7 million (EUR 0.7 million in the first quarter of 2022);
- investments in the **road passenger mobility** segment of EUR 6.3 million (EUR 3.5 million in Q1 2022), mainly attributable to the purchase of 26 buses;
- **investments in revertible assets made on the motorway infrastructure** amounting to EUR 9.5 million (EUR 10.2 million in the first quarter of 2022) mainly related to the upgrading of S.P. 46 Rho-Monza, extraordinary maintenance on the Po River viaduct and the start of work on upgrading the safety barriers and lighting on the A51.

The **investments financed** gross of contributions collected, and managed by the FNM Group in the first quarter of 2023, on behalf of the Lombardy Region, in accordance with the Programme Agreement and the Service Contract include:

- **Investments in Railway Infrastructure** of EUR 11.6 million (EUR 8.7 million in 2022) relating to the modernisation of railway infrastructure;
- **Investments in airport rolling stock** of EUR 16.3 million (not present in 2022);
- **Investments for the renewal of 2017-2032 rolling stock** of EUR 53.7 million (EUR 94.7 million in 2022). Please note that these investments do not contribute to the determination of the Adjusted NFP. As far as rolling stock is concerned, the following were delivered during 2023:
 - 4 "Caravaggio" type (EMU) high-capacity trains;
 - 3 "Donizetti" type (EMU) trains;
 - 2 "Colleoni" type trains.

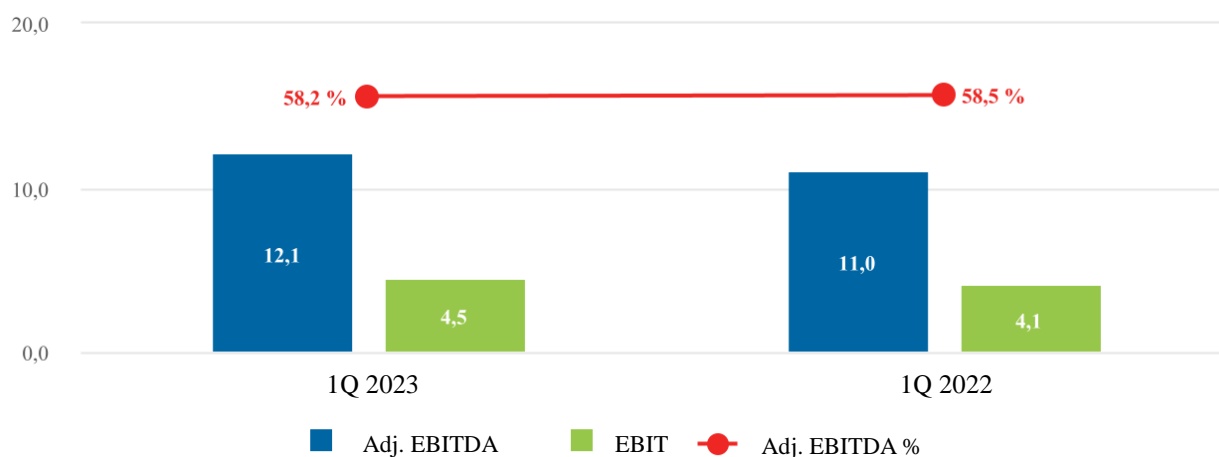
4 OPERATING PERFORMANCE OF BUSINESS SEGMENTS

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	Q1 2023						Q1 2022					
	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	16.7	33.9	25.4	66.4		142.4	15.7	30.6	29.0	60.2		135.5
Intercompany revenues	4.1	1.9	0.3	0.5	(6.8)	0.0	3.1	1.5	4.5	0.4	(9.5)	0.0
Revenues from construction services net of funded investment costs	0.0	1.3	0.0	0.0		1.3	0.0	1.1	0.0			1.1
Segment revenues	20.8	37.1	25.7	66.9	(6.8)	143.7	18.8	33.2	33.5	60.6	(9.5)	136.6
Adjusted EBITDA	12.1	0.9	1.3	32.3		46.6	11.0	2.6	0.7	30.1		44.4
Adjusted EBITDA %	26 %	2 %	3 %	69 %			25 %	6 %	2 %	68 %		
EBITDA	12.1	0.9	1.3	32.3		46.6	11.0	2.6	0.7	30.1		44.4
EBITDA %	26 %	2 %	3 %	69 %			25 %	6 %	2 %	68 %		
EBIT	4.5	0.4	(0.8)	17.1		21.2	4.1	2.0	(1.4)	18.5		23.2

4.1 RO.S.CO & SERVICES

Amounts in millions of euros	Q1 2023	Q1 2022	Chg	Chg %
Leasing rolling stock	13.5	12.4	1.1	8.9 %
Other revenues	7.3	6.4	0.9	14.1 %
Total revenues	20.8	18.8	2.0	10.6 %
Adj. EBITDA	12.1	11.0	1.1	10.0%
Adj. EBITDA %	58.2%	58.5%		
EBIT	4.5	4.1	0.4	9.8%



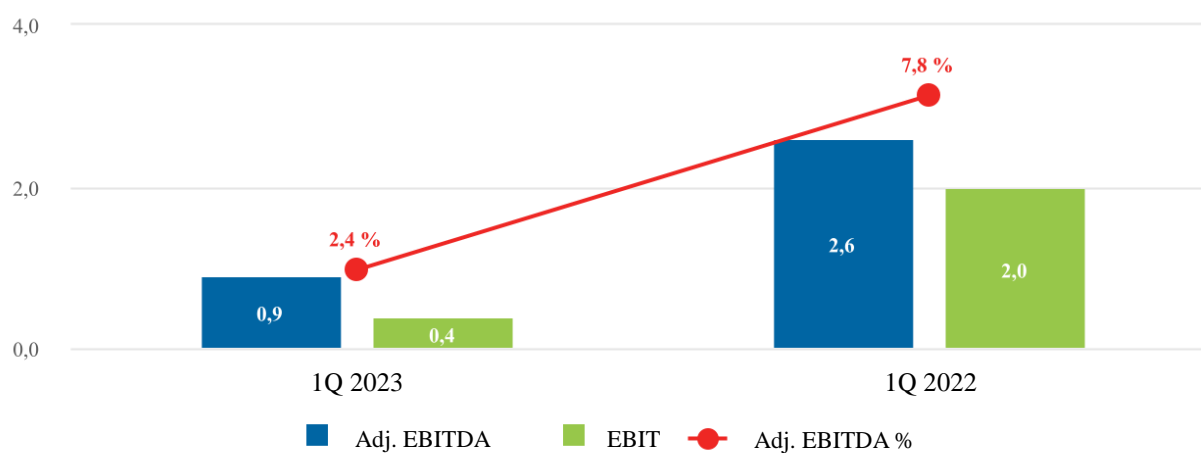
Revenues for this segment amounted to EUR 20.8 million, up EUR 2.0 million compared to EUR 18.8 million in the first quarter of 2022. The main revenue item is represented by **lease payments**

for rolling stock, primarily to Trenord, amounting to EUR 13.5 million, up EUR 1.1 million compared to the same period of 2022 thanks to higher revenues on TILO trains put into service in 2022. **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, amounted to EUR 7.3 million, up by EUR 0.9 million compared to the first quarter of 2022. The change is attributable to higher revenues for IT services, mainly provided to MISE, and higher cost recoveries mainly due to insurance reimbursements.

Adjusted EBITDA was EUR 12.1 million, an increase of EUR 1.1 million compared to the first quarter of 2022 and in line with the revenue trend, partially offset by higher personnel costs, related inter alia to the increase in average headcount (+11 FTEs), service costs, IT and communication costs, also related to the development of the H2iseO and Fili projects. Adjusted EBITDA is also affected by the start-up costs of FNMPAY, which decreased compared to the first quarter of 2022 mainly due to lower financial intermediation costs.

4.2 RAILWAY INFRASTRUCTURE

Amounts in millions of euros	Q1 2023	Q1 2022	Chg	Chg %
Public contracts and grants	28.4	26.1	2.3	8.8 %
Leasing rolling stock	4.8	3.4	1.4	41.2 %
Other revenues	3.9	3.7	0.2	5.4 %
Total revenues	37.1	33.2	3.9	11.7 %
Adj. EBITDA	0.9	2.6	-1.7	-65.4%
Adj. EBITDA %	2.4%	7.8%		
EBIT	0.4	2.0	-1.6	-80.0%



Segment **revenues** amounted to EUR 37.1 million, up EUR 4.0 million (+12.1%) compared to EUR 33.1 million in the same period of 2022.

In particular, **revenues relating to public contracts and grants**, which include the consideration deriving from the Service Contract for infrastructure management and the Programme 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, amounted to EUR 28.4 million and increased by EUR 2.3 million compared to the same period of 2022. This trend was mainly due to increased network access revenues, driven by the recovery of higher traction energy costs, as well as higher recoveries for planning activities and costs related to network interventions, as provided for in the Programme Agreement. During the period investment grants for financed rolling stock decreased, in keeping with the lower progress of orders for new trains, as well as lower fees related to the renewal of the Service Contract with effect from 1 January 2023, which provides for, among other things, the discontinuation of the grant for car sharing (equal to EUR 0.5 million in the same period of 2022).

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 1.4 million as a result of the expansion of the Lombardy Region fleet made available to Trenord.

Other revenues increased by EUR 0.3 million due in part to higher revenue from the sale of scrap metal.

Adjusted EBITDA for the segment was EUR 0.9 million, down by EUR 1.7 million compared to the same period of 2021 (EUR 2.6 million). The change is mainly due to higher costs for ordinary infrastructure maintenance activities, both on the Milan branch and the Iseo branch, also incurred to cope with the damage caused by the derailment that occurred at the end of 2022, maintenance and overhaul of operating machinery and work on signalling systems. In addition, in the first quarter of 2023 maintenance activities were brought forward with respect to both the timing of the comparative year and the current year forecast. Costs were also adversely affected by rising utility charges. It should also be noted that the increase in provisions for cyclical maintenance on the fleet made available to Trenord and traction energy costs corresponds to higher revenues from the lease of rolling stock and network access, respectively. Finally, personnel costs also increased on the same period of the previous year due to the increase in headcount (+18 FTEs).

As far as **terminal operations** are concerned, during the period revenues decreased by 9.1% to EUR 0.3 million. EBITDA improved by 13.9% to EUR -0.18 million, mainly due to lower maintenance, fuel and utility costs.

4.3 PASSENGER ROAD TRANSPORT

Operational data

<i>Mobility indicators</i>		<i>Q1 2023</i>	<i>Q1 2022</i>	<i>Chg %</i>	<i>Q1 2019</i>	<i>Chg %</i>
Passengers	million	17.4	13.9	25.2 %	20.3	-14.3 %
- ATV	million	16.3	12.9	26.4 %	18.9	-13.8 %
- FNMA	million	1.1	1.0	10.0 %	1.4	-21.4 %
LPT	mln bus/km	6.5	7.2	-9.7 %	6.5	— %
- ATV	mln bus/km	5.2	5.9	-11.9 %	5.3	-1.9 %
- FNMA	mln bus/km	1.3	1.3	— %	1.2	8.3 %

Overall, travellers carried in the first quarter of 2023 totalled 17.4 million, up 25.2% from 13.9 million in the first quarter of 2022, but still 14.3% lower than in the same period of 2019. Local public transport services provided amounted to 6.5 million bus-km, down 9.7% compared to the first quarter of 2022 and stable compared to the 2019 due to the absence of additional services required to guarantee social distancing during the pandemic period. In addition, the difficulties due to the shortage of drivers continued, requiring a reduction in the urban service provided by ATV in the period of approximately 0.2 million bus-km compared to the first quarter of 2022.

Economic performance

<i>Amounts in millions of euros</i>	<i>Q1 2023</i>	<i>Q1 2022</i>	<i>Chg</i>	<i>Chg %</i>
Public contracts and grants	13.0	15.1	(2.1)	-13.9 %
Transport services	11.4	16.6	(5.2)	-31.3 %
Other revenues	1.3	1.8	(0.5)	-27.8 %
Total revenues	25.7	33.5	(7.8)	-23.3 %
Adj. EBITDA	1.3	0.7	0.6	85.7%
Adj. EBITDA %	5.1%	2.1%		
EBIT	(0.8)	(1.4)	0.6	ns



Revenues for the period decreased by EUR 7.8 million (-23.3%) to EUR 25.7 in the first three months of 2023 from EUR 33.5 million in the same period of 2022. This performance was essentially attributable to the deconsolidation of La Linea and its subsidiary Martini Bus as of 16 January 2023 and the discontinuation of the public contribution to car sharing, net of which the segment would show revenues up by 2.0% to EUR 25.0 million in Q1 2023 from EUR 24.5 million in the same period of the previous year.

In particular, **revenues from public contracts and grants** amounted to EUR 13.0 million, down by EUR 2.1 million from EUR 15.1 million in the first quarter of 2022 (the figures include the contribution, gross of intercompany eliminations, of La Linea and Martini Bus, amounting to EUR 0.1 million and EUR 0.4 million, respectively). They take into account the loss of contributions for additional services (amounting to EUR 2.9 million in the first quarter of 2022 and absent in the reporting period), which correspond to lower subcontracting costs of EUR 2.5 million. Revenues in the first quarter of 2023 were also affected by the non-recognition of the European Contribution and the Regional Contribution related to car sharing for EUR 0.5 million, as well as the non-payment to Martini Bus of the contribution to support companies operating in the tourism sector, which had amounted to EUR 0.4 million in the first three months of 2022. On the other hand, revenues benefited from higher income from Service Contracts, reflecting the increase in the kilometre fee already shown in 2022 and the recognition of the tax credit on the cost of methane of EUR 0.5 million, which continued throughout the first quarter of 2023. In the reporting period, no compensation was received for lost ticketing revenue related to the pandemic period, which was also absent in the first quarter of 2022.

Revenues from transport services (ticketing, replacement services provided by FNMA on behalf of Trenord, sub-contracted activities Adj. EBITDA 11,4 million, EBIT 10,4 million, Adj. EBITDA % 91,2%) amounted to EUR 11.4 million, down by EUR 0.5 million (-4.3%) from EUR 11.9 million in the first quarter of 2022.

million, down EUR 5.2 million compared to EUR 16.6 million in the first quarter of 2022. The performance in the period is solely attributable to the sale of La Linea and Martini Bus, whose contribution to revenue, gross of intercompany eliminations, decreased from EUR 7.8 million in the first quarter of 2022 to EUR 0.5 million in the reporting period. Excluding the aforementioned change in the scope of consolidation, the aggregate would have increased by EUR 2.1 million, mainly due to higher revenues from passenger transport for EUR 1.7 million and the higher amount invoiced for train replacement services for EUR 0.7 million.

Other revenues, excluding the impact of the change in the scope of consolidation for EUR 0.3 million, were substantially stable compared to the first quarter of 2022, amounting to EUR 1.3 million.

Adjusted EBITDA for the period was EUR 1.3 million, an increase of EUR 0.6 million compared to the first quarter of 2022, despite the change in the scope of consolidation (La Linea and Martini Bus had contributed EUR 1.4 million to the segment's adjusted EBITDA in the first quarter of 2022, while the contribution for the same period in 2023 was EUR 0.3 million). The trend is attributable to a general improvement in margins, mainly due to higher revenues from transport services of EUR 2.4 million. Lastly, E-Vai's EBITDA decreased by EUR 0.5 million as a result of lower government grants and higher costs related to the expansion of the car-sharing business.

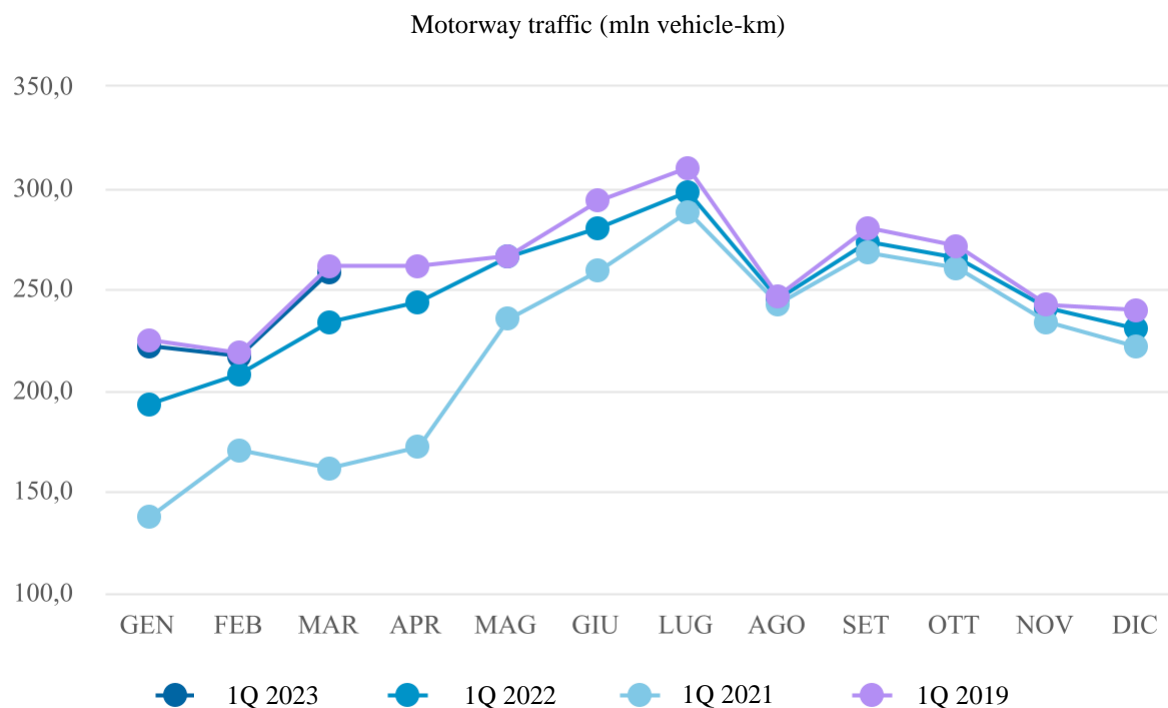
4.4 MOTORWAYS

Traffic and tariff trends

Paying traffic		Q1 2023	Q1 2022	Chg %	Q1 2019	Chg %
Light vehicles	mln vehicle-	546.4	484.1	12.9 %	560.3	-2.5 %
Heavy vehicles	mln vehicle-	150.8	150.3	0.3 %	144.5	4.4 %
Total	mln vehicle-	697.2	634.4	9.9 %	704.8	-1.1 %

Traffic performance in the first three months of 2023 continued the trend of the latter part of the previous year. In fact, on a year-on-year basis, traffic volumes are close to those of 2019.

With regard to the breakdown between light and heavy vehicles, the quarter just ended again showed that light vehicles increased significantly more than heavy vehicles due to the different restrictions during the pandemic period.



On the basis of the monthly performance of paying traffic, the significant recovery recorded in January 2023 can be attributed to the effect of the Omicron variant, which was still affecting mobility at the beginning of 2022.

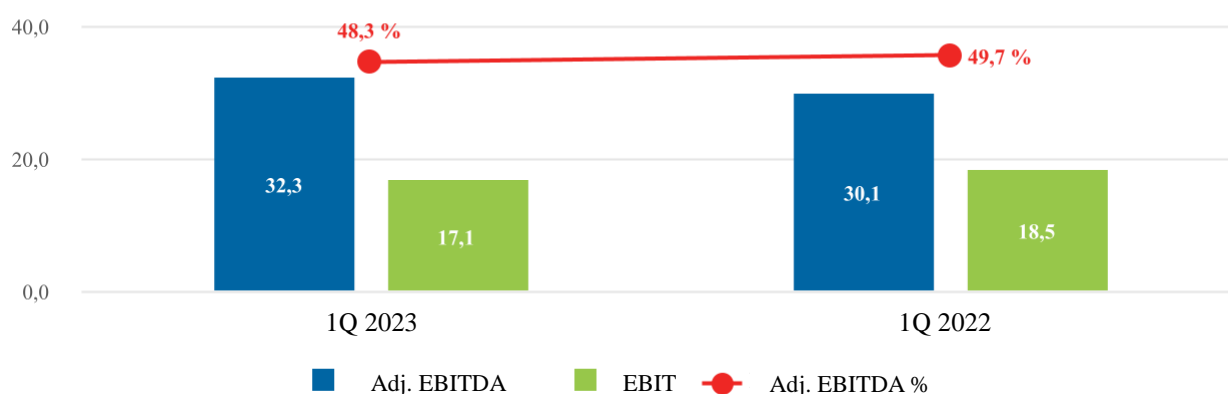
Following the opening to traffic of both carriageways of Lot 1 and Lot 2 of the redeveloped S.P. 46 Rho-Monza with motorway characteristics, which took place on 14 November 2022, on the following 6 December MISE submitted a request, in compliance with the Agreements in force, to adjust the conventional distance at the toll application points of the Milan North Bypass Motorway. On 29 December 2022, the Awarding Body acknowledged the request by MISE and authorised it to adjust the conventional distance at the toll application points of the Milan North Bypass Motorway from 15.0 to 17.0 km with effect from 1 January 2023. On the same date, the subsidiary informed the Awarding Body, by virtue of the current socio-economic situation, of the temporary suspension of the above-mentioned adjustment, pending the submission of the issue to its Board of Directors. During the meeting held on 26 January 2022, the Board of Directors approved the adjustment of the conventional distance at the toll application points of the A52 - Milan North Bypass Motorway as of 1 March 2023.

In the preliminary investigation in view of the tariff adjustment for 2023, on 4 January 2023, the Awarding Body acknowledged the request formulated by MISE, pointing out that, based on Decree Law no. 198/2022, the deadline for the adjustment of motorway tariffs relating to the years 2020

and 2021 and those relating to all the years included in the new regulatory period was deferred until the definition of the procedure for updating the economic and financial plans prepared in compliance with the resolutions adopted by Transport Regulatory Authority. It therefore follows that motorway tariffs have not changed.

Economic performance

Amounts in millions of euros	Q1 2023	Q1 2022	Chg	Chg %
Toll revenues	61.4	56.3	5.1	9.1 %
Other revenues	5.5	4.3	1.2	27.9 %
Total revenues	66.9	60.6	6.3	10.4 %
Adj. EBITDA	32.3	30.1	2.2	7.3%
Adj. EBITDA %	48.3%	49.7%		
EBIT	17.1	18.5	(1.4)	-7.6%



In the first quarter of 2023, the Motorways segment reported **revenues** of EUR 66.9 million, up by EUR 6.3 million compared to EUR 60.6 million in the same period of 2022, mainly due to the increase in **toll revenues** (EUR +5.1 million), attributable to the increase in traffic, as well as its composition, which saw a strong light vehicle component compared with the same period of the previous year. The increase in toll revenues was also driven by the change in conventional mileage as of 1 March 2023, following the opening to traffic of the upgraded S.P. 46 Rho-Monza.

Other revenues also grew (+EUR 1.2 million compared to the first quarter of 2022), mainly due to higher income from service area concessions, which benefited not only from the positive traffic trend, but also from the renewal of contracts with more favourable economic conditions for MISE, resulting in an increase of EUR 0.9 million (equal to an increase of approximately 90% compared to the first quarter of 2022). Growth in other revenues was also driven by the higher recovery of maintenance costs for the service areas under the new contracts in place with sub-concessionaires for EUR 0.3 million.

Adjusted EBITDA for the period was EUR 32.3 million, up EUR 2.3 million on the first quarter of 2022, primarily due to the increase in revenues. EBITDA was affected by increased maintenance costs on the motorway infrastructure and restoration, mainly attributable to expenses for the renovation of the structures on the Po Bridge, higher expenses in the area of safety at the integrated barrier in Zerbolò, as well as increased ordinary maintenance in the area of greenery and cleaning for specific works in the Segrate area and advance paving maintenance. These effects were partially offset by the higher utilisation of the renewal provision as a result of the restoration work carried out. In this regard, it should be recalled that the cost of the maintenance performed includes the effect of the update of the ANAS price lists, as set forth in Decree Law no. 50 of 17 May 2022, converted by Law no. 91 of 15 July 2022, the effects of which were extended for works performed in 2023. The increase in operating costs is also attributable to higher costs related to the resumption of traffic (including collection charges and concession fees), the service carried out by the parent company and higher costs related to information systems following the introduction of the new ERP (Enterprise Resource Planning). Labour costs also increased slightly due to the combined effect of the renewal of the National Collective Bargaining Agreement (CCNL) and the accrual of the performance bonus, offset to a large extent by the reduction in the workforce (-31 FTEs).

4.5 MAIN INVESTEE COMPANIES

TRENORD

Service performance

		Q1 2023	Q1 2022	Chg %	Q1 2019	Chg %
Passengers transported	million	47.0	32.7	43.7 %	57.5	-18.3 %

The recovery in the number of travellers continued in the first quarter of 2023, up 43.7% compared to the same period in 2022, but still 18.3% lower than in the first quarter of 2019 (pre-pandemic values).

Economic performance

Revenues for the period increased by EUR 36.1 million to EUR 212.1 million from EUR 176.0 million, mainly due to the growth in ticketing revenues to EUR 86.4 million from EUR 59.3 million in the first quarter of 2022 (+45.7%), as a result of the increase in passenger volume and the tariff adjustment that took place from September 2022 for ordinary tickets and from 9 January 2023 for the integrated tariff system of the Milan and Monza Brianza Mobility Basin (STIBM). Revenues

from the public rail transport Service Contract increased by 6.6% to EUR 114.0 million in the reporting period, mainly due to pass-through costs (energy/tolls and lease of rolling stock). Other revenues increased by 19.4% to EUR 11.7 million from EUR 9.8 million in the same period of 2022 due to higher services to third parties. No compensation for lost revenues related to the pandemic period was recorded in the first quarter of 2023, as was the case in 2022.

Trenord recorded EBITDA of EUR 30.6 million in the first quarter of 2023, up EUR 20.1 million compared to EUR 10.5 million in the same period of 2022. The increase in revenues was partially offset by higher personnel costs (EUR +3.9 million) in connection with the increase in the workforce (+166 FTEs), by higher costs for traction energy and network access (EUR +7.0 million) and by sales commissions, third-party services and maintenance (EUR +3.0 million). EBIT, although improving, was still negative by EUR 11.7 million (EUR -31.7 million in the first quarter of 2022), in the presence of substantially stable depreciation and amortisation. Finally, the net result went from a loss of EUR 31.4 million in the first quarter of 2022 to a loss of EUR 12.0 million in the first quarter of 2023, mainly due to the improvement in operations and the combined effect of higher financial expenses partially offset by higher prepaid tax recognised in the period.

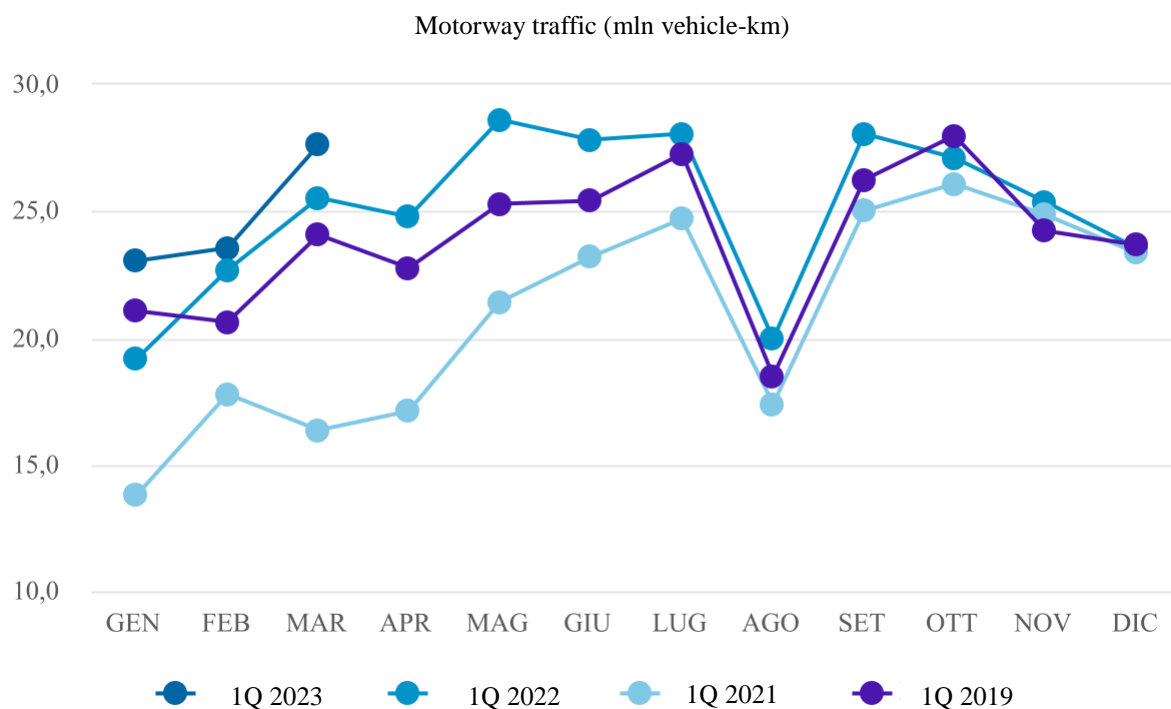
AUTOSTRADA PEDEMONTANA LOMBARDA (APL)

Traffic and tariff trends

Paying traffic		Q1 2023	Q1 2022	Chg %	Q1 2019	Chg %
Light vehicles	mln vehicle-	59.7	52.8	12.9 %	53.0	12.7 %
Heavy vehicles	mln vehicle-	14.5	14.2	2.0 %	12.7	14.2 %
Total	mln vehicle-	74.2	67.1	10.6 %	65.7	13.0 %

The traffic recorded in the first quarter of 2023, as in 2022, continues to perform well, improving by 10.6% on the same period in 2022. Traffic volumes for the period were significantly higher than in the same period of 2019 (+13.0%), for both heavy traffic (+14.2%) and light traffic (+12.7%).

Below is a graph summarising the traffic trend on a monthly basis over the last two years, compared with the pre-COVID period:



With regard to tariffs, as of 1 January 2021 no increases in motorway tariffs were granted to the Company. The recognition of the tariff adjustment was influenced, according to the approach of the Competent Authorities, by the failure to complete the process of updating the EFP, which is still in progress, as explained in section 1.5.

In the absence of the regulatory prerequisites represented by the existence of a EFP in force, the Ministry of Infrastructure and Transport (MIT) deemed that again in 2023 it could not accept the requests to update the tariff submitted by the Company, as was the case for the years 2022 and 2021. The MIT has in any case communicated that, when the new EFP becomes effective, the recovery of any tariff adjustments accrued as of the beginning of the current regulatory period will in any event be possible. It therefore follows that motorway tariffs have not changed.

APL challenged the measure referred to in the MIT note of 4 January 2023 whereby the request for a tariff adjustment as of 1 January 2023 was rejected, just as it also challenged the measures for the years 2022 and 2021.

Economic data summary

The following data are reported in accordance with the regulations of the Italian Civil Code, interpreted and supplemented by the accounting principles issued by the Italian Accounting Body (OIC).

In the first three months of 2023, APL generated **revenues** of EUR 11.8 million, up from EUR 10.8 million in the same period of 2022, mainly due to traffic growth. As mentioned above, no increases in motorway tolls were granted to APL during the period.

The increase in revenues led to an improvement in **EBITDA** to EUR 5.1 million, up EUR 0.4 million compared to the first three months of 2022.

Operating profit increased by EUR 0.4 million to EUR 3.7 million, in line with the EBITDA trend, against depreciation, amortisation and other provisions that remained stable overall compared to the first quarter of 2022.

The investee ended the first quarter of 2023 with a **net loss** of EUR 3.8 million, worsening with respect to the result recorded in the first quarter of 2022 (the loss was EUR 1.5 million), mainly due to the increase in financial expenses (EUR +3.3 million) arising from the effect of the application of the amortised cost to the accessory charges to the Senior Financing 1, which will not be capitalised on the value of the works until works are started.

5 FNM GROUP HUMAN RESOURCES

The average number of employees of the FNM Group as at 31 March 2023 was 2,559 FTEs, compared to 2,556 FTEs in 2022, net of the 233 FTEs associated with the subsidiaries sold.

6 SIGNIFICANT EVENTS DURING THE PERIOD

Finalisation of sale of equity investment in La Linea S.p.A. and its subsidiary Martini Bus S.r.l.

31 March 2023 - the sale of the equity investment in La Linea S.p.A., entailing the disposal of the equity investment held indirectly in Martini Bus S.r.l., was finalised. The transaction was finalised after fulfilment of the obligations set out in the preliminary contract entered into on 7 December 2022. In terms of financial effects, the sale of the equity investment resulted in the removal of the two subsidiaries from the scope of consolidation of FNM with effect from 16 January 2023. As previously reported, as at 31 December 2022 the equity investment in La Linea had been reclassified to assets held for sale in accordance with IFRS 5.

7 SIGNIFICANT EVENTS AFTER 31 MARCH 2023

The Shareholders' Meeting approves the 2022 financial statements.

21 April 2023: 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 2022.

The Shareholders' Meeting resolved to allocate the profit for the year, amounting to EUR 8,030,832.46, as follows:

- EUR 401,541.62 to the legal reserve;
- EUR 7,629,290.84 as distribution of the ordinary dividend to Shareholders.

In order to guarantee remuneration of EUR 0.0230 for each ordinary share outstanding, the Shareholders' Meeting also approved adding 2,373,500 to the dividend by using the retained earnings reserves.

The dividend will be payable as of 7 June 2023, with ex-dividend no. 14 on 5 June 2023 and record date on 6 June 2023.

The Shareholders' Meeting also:

- approved Section Two of the report on the remuneration policy and on the compensation paid, prepared pursuant to Art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and
- renewed the authorisation for the purchase and disposal of treasury shares, subject to revocation of the authorisation granted by the Meeting on 26 April 2022.

8 MANAGEMENT OUTLOOK

In view of the results achieved in the first quarter of 2023, which are fully in line with expectations, the Company confirms its overall forecasts for the full year 2023.

In 2023, the demand for mobility is expected to gradually recover: motorway traffic is expected to reach levels in line with the pre-pandemic period, with heavy traffic higher than in 2019 and light traffic steadily recovering from 2022; on the other hand, demand for local public transport will still be lower than in 2019.

The current estimates for the FNM Group in 2023 take into account the uncertainty related to inflation trends as well as the fuel and energy prices recorded in the last year, which are reflected in particular on the Road Passenger Mobility segment and motorway infrastructure maintenance costs. No assumptions are included for motorway toll increases or extraordinary contributions to cover

lower traffic revenues and/or to compensate for higher charges associated with increased energy costs.

In light of these considerations, in 2023, the FNM Group is expected to have:

- revenue growth in the range of 1%-5% compared to 2022 (this growth would be in the range of 2%-7% if 2022 were considered on a like-for-like basis with 2023, i.e. if 2022 excluded the values of La Linea and Martini Bus and the loss of the annual contribution for the development of car-sharing);
- adjusted EBITDA growth in the range of 1%-5% compared to 2022 (this growth would be in the range of 2%-7% if 2022 were considered on a like-for-like basis with 2023, i.e. if 2022 excluded the values of La Linea and Martini Bus and the loss of the annual contribution for the development of car-sharing);
- the Adjusted EBITDA/Revenues ratio is expected to remain constant with respect to 2022.

The net financial debt at the end of 2023 ("Adjusted NFP") is expected to be in the range of EUR 700-750 million, with an Adjusted NFP/EBITDA ratio of 3.5x - 4.0x, showing an improvement compared to the ratio level recorded at the end 2022. The forecast of net financial debt takes into account investments financed by the FNM Group gross of public contributions, decreasing by 10-20% compared to 2022.

For Trenord - valued according to the equity method - transport demand is expected to recover markedly as well compared to 2022, with 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, passengers, receipts and the cost-revenue ratio.

Milan, 11 May 2023

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 combinations;
- (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.

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 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.



Interim Management Report as at 31 March 2023

- ***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 31.03.2023

<i>Amounts in thousands of euros</i>	31/03/2023	31/12/2022
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and machinery	481,487	480,501
Intangible assets	332,992	340,038
Right of use	19,901	20,233
Investments measured with the equity method	154,833	160,690
Equity investments measured at fair value through profit or loss	11,141	11,141
Other financial assets measured at amortised cost	58,800	57,316
Financial Assets measured at fair value through profit or loss	4,359	4,324
Contractual assets	72,434	77,208
Deferred tax assets	33,572	32,658
Tax receivables	17	17
Other Assets	3,371	3,542
TOTAL NON-CURRENT ASSETS	1,172,907	1,187,668
CURRENT ASSETS		
Inventories	12,071	12,109
Trade Receivables	167,275	152,964
Other Assets	147,033	149,490
Tax receivables	912	212
Other financial assets measured at amortised cost	1,476	1,174
Financial Assets measured at fair value through profit or loss	7,506	7,709
Receivables for investments in services under concession	243,867	249,333
Cash and cash equivalents	273,301	236,928
TOTAL CURRENT ASSETS	853,441	809,919
Assets held for sale	—	21,966
TOTAL ASSETS	2,026,348	2,019,553

<i>Amounts in thousands of euros</i>	31/03/2023	31/12/2022
<u>LIABILITIES</u>		
Share capital	230,000	230,000
Other reserves	13,365	13,335
Reserve for indivisible profit	46,683	(22,721)
Reserve for actuarial gains/(losses)	(5,435)	(5,357)
Translation reserve	215	200
Profit/(loss) for the period	10,180	68,476
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	295,008	283,933
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING	20,333	22,980
TOTAL SHAREHOLDERS' EQUITY	315,341	306,913
NON-CURRENT LIABILITIES		
Payables to banks	142,051	143,681
Bond Loan	644,755	644,398
Financial Payables	234	2,197
Lease liabilities	17,189	18,029
Payables for funded investments	12,587	12,587
Other liabilities	33,105	31,095
Provisions for risks and charges	71,034	74,540
Post-employment benefits	19,665	20,410
TOTAL NON-CURRENT LIABILITIES	940,620	946,937
CURRENT LIABILITIES		
Payables to banks	58,583	55,070
Bond Loan	2,164	961
Financial Payables	35,003	35,679
Lease liabilities	7,906	7,746
Payables for funded investments	40,535	41,112
Trade payables	466,587	470,689
Payables for taxes	12,947	9,382
Tax payables	10,846	6,676
Other liabilities	65,632	63,722
Provisions for risks and charges	70,184	67,641
TOTAL CURRENT LIABILITIES	770,387	758,678
Liabilities related to assets held for sale	—	7,025
TOT. LIABILITIES AND SHAREHOLDERS' EQUITY	2,026,348	2,019,553

Q1 2023 CONSOLIDATED INCOME STATEMENT

<i>Amounts in thousands of euros</i>	Q1 2023	Q1 2022
Revenues from sales and services	132,583	123,078
Revenues from construction services - IFRIC 12	15,473	18,807
Grants	2,962	5,921
Other income	6,748	6,479
TOTAL REVENUES AND OTHER INCOME	157,766	154,285
Raw materials, consumables and goods used	(8,409)	(8,266)
Service costs	(35,775)	(32,914)
Personnel costs	(39,499)	(40,172)
Depreciation, amortisation and write-downs	(25,436)	(21,219)
Write-down of financial assets and contractual assets	(70)	(88)
Other operating costs	(13,333)	(10,719)
Costs of construction services - IFRIC 12	(14,129)	(17,717)
TOTAL COSTS	(136,651)	(131,095)
EBIT	21,115	23,190
Financial income	1,304	1,047
Financial expenses	(4,629)	(3,425)
NET FINANCIAL INCOME	(3,325)	(2,378)
Net profit of companies measured with the equity method	(5,867)	(13,186)
EARNINGS BEFORE TAX	11,923	7,626
Income taxes	(1,963)	(5,337)
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	9,960	2,289
NET PROFIT FROM DISCONTINUED OPERATIONS	—	—
PROFIT/(LOSS) FOR THE PERIOD	9,960	2,289
Profit/(loss) attributable to NCIs	(220)	(684)
Profit/(loss) attributable to Parent Company shareholders	10,180	2,973
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)	0.02	0.01
Diluted earnings per share (euro)	0.02	0.01
Earnings per share attributable to Group shareholders for discontinued operations		
Basic earnings per share (euro)	—	—
Diluted earnings per share (euro)	—	—

OTHER CONSOLIDATED COMPREHENSIVE INCOME IN THE FIRST QUARTER OF 2023

<i>Amounts in thousands of euros</i>	Q1 2023	Q1 2022
PROFIT/(LOSS) FOR THE PERIOD	9,960	2,289
Other components of companies consolidated on a line-by-line basis		
Post-employment benefit actuarial gain/(loss)	(104)	1,236
Tax effect	30	(345)
Total components that will not be reclassified in the operating result	(74)	891
Fair value measurement of derivatives	40	1,012
Tax effect	(10)	(243)
Total components that will be reclassified in the operating result	30	769
Total companies consolidated on a line-by-line basis	(44)	1,660
Other components of companies measured with the equity method		
Post-employment benefit actuarial gain/(loss) of companies measured with the equity	(4)	(67)
Total components that will not be reclassified in the operating result	(4)	(67)
Gains/(losses) arising from the translation of financial statements of foreign companies	15	7
Total components that will be reclassified in the operating result	15	7
Total companies measured with the equity method	11	(60)
Total Other Comprehensive Income	(33)	1,600
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	9,927	3,889
Comprehensive Profit/(Loss) attributable to non-controlling interest	(220)	(482)
Comprehensive Profit/(Loss) attributable to Parent Company shareholders	10,147	4,371

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 01.01.2022	230,000	6,873	(63,596)	(7,478)	147	40,875	206,821	21,512	228,333
Total Comprehensive Income		769		622	7	2,973	4,371	(482)	3,889
Allocation of 2021 profit			24,185			(24,185)	—		—
Balance as at 31.03.2022	230,000	7,642	(39,411)	(6,856)	154	19,663	211,192	21,030	232,222
Balance as at 31.12.2022	230,000	13,335	(22,721)	(5,357)	200	68,476	283,933	22,980	306,913
Total Comprehensive Income		30		(78)	15	10,180	10,147	(220)	9,927
Allocation of 2022 profit			68,476			(68,476)	—		—
Put option recognition			2,430				2,430		2,430
Change in the scope of consolidation			(1,502)				(1,502)	(2,427)	(3,929)
Balance as at 31.03.2023	230,000	13,365	46,683	(5,435)	215	10,180	295,008	20,333	315,341

CONSOLIDATED STATEMENT OF CASH FLOWS AT 31.03.2023

<i>Amounts in thousands of euros</i>	31/03/2023	31/03/2022
Cash flow from operating activities	Total	Total
Profit for the period	9,960	2,289
Income taxes	1,963	5,337
Net profit of companies measured with the equity method	5,867	13,186
Amortisation for the period of intangible assets	14,755	9,914
Depreciation for the period of property, plant and equipment	9,027	8,338
Amortisation of right of use	1,654	1,812
Provisions for risks and charges	5,416	4,252
Releases of provisions for risks and charges	(311)	—
Provision for bad debts	70	88
Gains/(losses) from disposal of property, plant and equipment	64	(28)
Write-down of contractual assets	—	1,155
Releases provision for bad debts	(19)	—
Gains from disposal of assets held for sale	(186)	—
Capital grants for the period	(846)	(833)
Interest income	(1,118)	(1,047)
Interest expense	4,629	3,425
Cash flow from income activities	50,925	47,888
Net change in the provision for post-employment benefit	(1,032)	(1,115)
Net change in the provision for bad debts	(51)	—
Net change in provision for risks and charges	(6,624)	(5,151)
Increase in trade receivables	(13,224)	(4,395)
(Increase)/Decrease in inventories	38	(1,477)
Increase in other receivables	(5,612)	(3,915)
Increase/(Decrease) in trade payables	1,170	(3,536)
Increase/(Decrease) in other liabilities	1,607	(9,285)
Total cash flow from operating activities	27,197	19,014
Cash flow from/(for) investing activities		
Investments in intangible assets with own funds	(351)	(563)
Investments in property, plant and equipment with own funds	(9,993)	(4,631)
Decrease in trade payables for investments with own funds	(16,592)	(5,434)
Collection of grants on investments with own funds	2,328	—
Gross investments in non-compensated assets for motorway infrastructure	(5,909)	(8,893)
Payment of capitalised financial charges on motorway infrastructure	(70)	—
Collection of motorway infrastructure investment funding	8,873	—
Gross funded investment in rolling stock	(42,273)	(125,457)
Collection of rolling stock investment funding	64,575	87,847
Gross funded railway infrastructure investment	(22,592)	(42,541)
Collection of railway infrastructure investment funding	21,644	1,418
Disposal value of property, plant and equipment	30	98
Other changes in financial receivables	257	(128)
Interest income collected	429	72
Loan disbursement to investee companies	(1,000)	—
Loan repayment by investees	6,938	—
Total cash flow from/(for) investing activities	6,294	(98,212)
Cash flow from assets held for sale		
Decrease in assets held for sale	5,500	—
Total cash flow from assets held for sale	5,500	—

Cash flow from/(for) financing activities		
Repayment of finance lease payables	(2,002)	(1,804)
New loans	1,456	—
Decrease in payables to banks	(1,663)	(1,658)
Interest paid	(243)	(175)
Decrease in other financial liabilities	(166)	(558)
Total cash flow from financing activities	(2,618)	(4,195)
Liquidity generated (+)/absorbed (-)	36,373	(83,393)
Cash and cash equivalents at start of period	236,928	351,832
Cash and cash equivalents at end of period	273,301	268,439
Liquidity generated (+)/absorbed (-)	36,373	(83,393)