

**Consolidated Condensed
Interim Financial Statements**
as at 30 June 2024

Consolidated Condensed Interim Financial Statements as at 30 June 2024

Joint Stock Company

Registered Office in Milan - Piazzale Cadorna 14

Share capital EUR 230,000,000.00 fully paid up

CORPORATE BODIES

Board of Directors

Chair	Andrea Gibelli
Deputy Chair	Gianantonio Battista Arnoldi
Directors	Fulvio Caradonna
	Ivo Roberto Cassetta
	Paola Panzeri
	Francesca Pili
	Maria Teresa Tomaselli

Board of Statutory Auditors

Chair	Marco Gurioli
Statutory Auditors	Massimo Codari
	Paola Luretti

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

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Certification of the Consolidated Condensed Interim Financial Statements pursuant to Article 154-bis of Legislative Decree 58/98

MANAGEMENT REPORT TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as at 30 June 2024

INTRODUCTION

With reference to the six-month period ended 30 June 2024 (hereinafter the “First Half of 2024” 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.

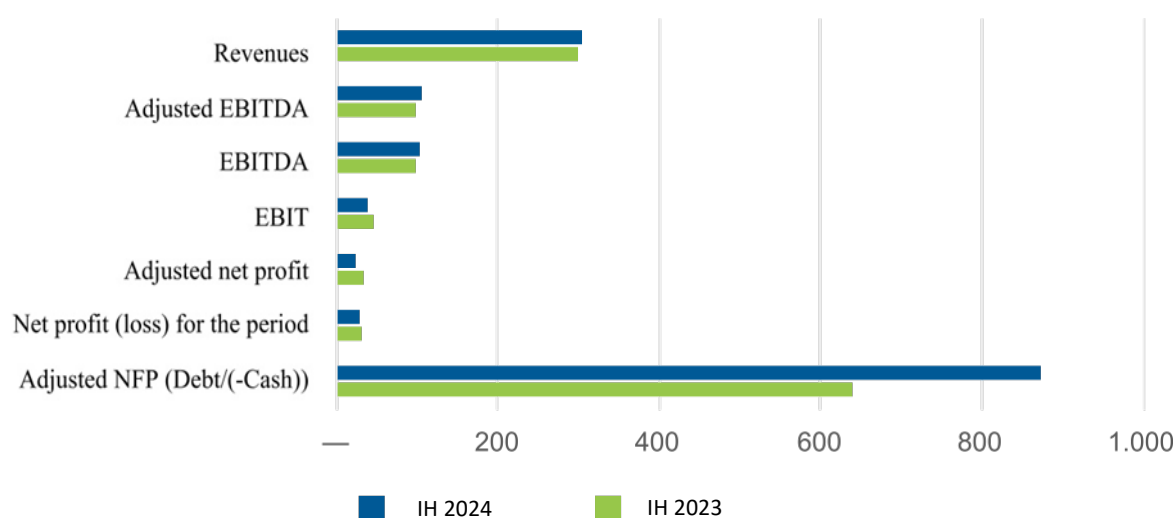
Thanks to the continued recovery in mobility and the growth in motorway traffic, the First Half of 2024 recorded results that were generally in line with expectations, despite the fact that the macroeconomic environment remains characterised by volatility.

The results for the period take into account the effects of the acquisition of 80% of the share capital of Viridis Energia S.p.A. and the companies directly controlled by it (together “Viridis”), consolidated with effect from 23 February 2024, through which the FNM Group entered the renewable energy production sector.

1 SUMMARY INDICATORS OF THE FNM GROUP CONSOLIDATED RESULTS

Amounts in EUR millions	1H 2024	1H 2023	Change	Change %	
Turnover	305.6	301.6	4.0	1.3	%
Adjusted EBITDA	106.0	100.0	6.0	6.0	%
EBITDA	105.1	100.0	5.1	5.1	%
EBIT	40.5	48.5	(8.0)	-16.5	%
Earnings before tax	34.3	42.6	(8.3)	-19.5	%
Adjusted net profit	24.6	33.8	(9.2)	-27.2	%
Net profit/loss for the period	30.1	33.3	(3.2)	-9.6	%
Shareholders' Equity (A)*	372.3	376.2	(3.9)	-1.0	%
Net Financial Position (Debt / (Cash)) (B)*	762.4	549.8	212.6	38.7	%
Adjusted Net Financial Position (Debt / (-Cash))*	875.6	642.8	232.8	36.2	%
Net invested capital (A+B)*	1,134.7	926.0	208.7	22.5	%
Market capitalisation at 30.06*	195.3	196.6	(1.3)	-0.7	%
Investments	342.8	208.5	134.3	64.4	%

* Comparative values relate to 31.12.2023



Credit Ratings¹











Moody's	
Long term	Baa3
Outlook	negative
Assignment date	05/04/2024
Fitch	
Long term	BBB
Outlook	stable
Assignment date	20/12/2021

¹ As shown in the table, Moody's updated its rating following the last review, which resulted in the confirmation of the rating of Baa3 and a change in the outlook from "stable" to "negative"; for Fitch, the rating was confirmed following periodic credit assessments, the last of which took place on 23 May 2024.

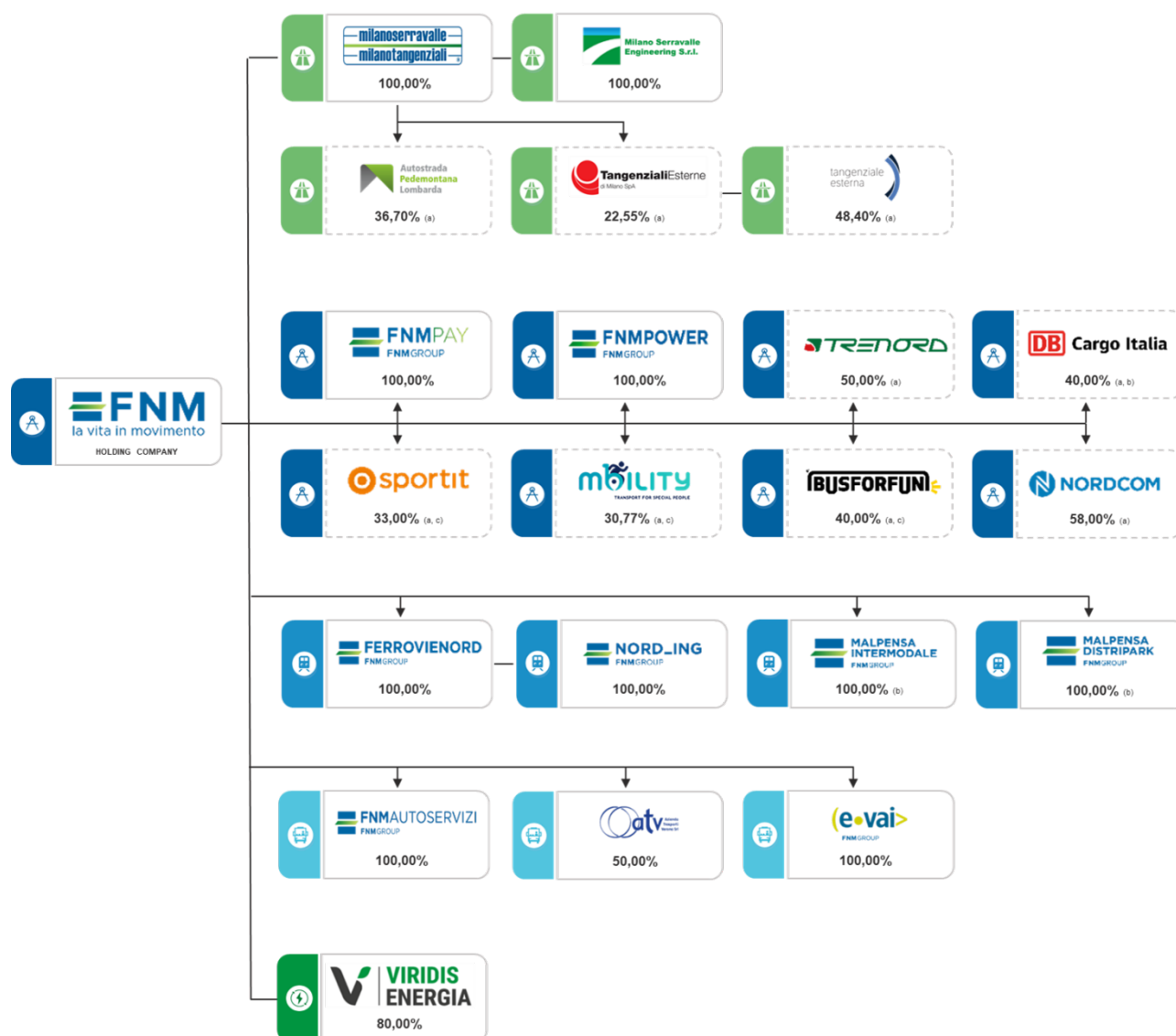
2 GROUP STRUCTURE AND BUSINESS SEGMENTS AS AT 30 JUNE 2024

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 operators in the sector. FNM S.p.A. is a Joint-Stock Company that has been listed on the Italian Stock Exchange since 1926. The majority shareholder is the Regione Lombardia, which holds a 57.57% stake.

The FNM Group operates in five segments:

 Motorways	Management of motorway infrastructure through a concession expiring in 2028 <ul style="list-style-type: none"> Highway from Milan to Serravalle Scrivia (A7 86Km) Milan West, East and North ring roads (A50 33Km, A51 29Km, A52 19Km) Pavia West ring road (A54 9Km) and Bereguardo-Pavia motorway link (A53 8Km) 	 185 Km <i>Motorway Network</i>
 Ro.S.Co & Services	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	 98 <i>Owned trains</i>
 Railway Infrastructure	Management of railway infrastructure in Lombardy on the basis of the concession expiring on 31 October 2060 Intermodal terminal management and real estate development in freight logistic sector	 330 Km <i>Railway Network</i>
 Road Passenger Mobility	LPT road transport in Lombardy (Province of Varese, Brescia and Como) and Veneto (Province of Verona) Train replacement services for Trenord Electric car-sharing service	 728 <i>Buses into service</i>
 Energy	Renewable energy production with 26 plants already operational Multiple initiatives for solar and wind power plants in different stages of implementation Operational structure with established expertise capable of managing all major stages of the value chain	 48 MW <i>Installed capacity</i>

The FNM Group is present in each segment through the main controlling interests and/or equity investments in companies subject to joint control or associates, highlighted in the table below.



(a) Companies subject to joint control and/or associates consolidated with the equity method for financial reporting purposes. As described in sections 2.1 and 10, as of 15 July 2024 FNM holds 100% of Nordcom.

(b) Companies operating in the freight transport and logistics sector, today included respectively in the Ro.S.Co. & Services and Railway Infrastructure segment.

(c) Company operating in Road passenger mobility, but considered in the Ro.S.Co. & Services segment for the purpose of preparing the Financial Statements.

For a detailed list of all subsidiaries and investee companies, please refer to Annex 1.

2.1 RO.S.CO. & SERVICES

The Parent Company FNM S.p.A. ("**FNM**" or the "Company") 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 S.r.l. ("**Trenord**", 50% jointly owned with Trenitalia S.p.A.) is the main operator of suburban and regional rail passenger transport services in the Regione Lombardia. For further details on the performance of the investee, please refer to section 2.6.

DB Cargo Italia S.r.l. ("**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.

Trenord and DB Cargo Italia are measured with the equity method in the Consolidated Financial Statements of the FNM Group.

The segment also includes the activities carried out by FNM – as the Group's Holding Company – mainly vis-à-vis its investees or associates, which are broken down as follows:

- administrative services (accounting, payroll processing, purchasing, treasury, etc.) and support for the development of extraordinary projects and initiatives;
- ICT (Information & Communication Technology) services through Nordcom, an in-house IT consulting company of the FNM Group, of which full control was acquired on 15 July 2024, following which the subsidiary will be fully consolidated. For more details on the acquisition, see section 10;
- leasing and management of owned properties, mainly referring to those located in Piazzale Cadorna.

FNM is also involved – together with the subsidiary FERROVIENORD – in the development of the **FILI project** dedicated to the redevelopment of the main connection centres on the Milan-Malpensa line, as better described in the Annual Financial Report as at 31 December 2023.

H2iseO project

The project, aims to develop a Hydrogen Valley in Valcamonica, starting from the use of hydrogen in local public transport, and in particular calls for: (i) the commissioning of 14 new hydrogen-powered trains to replace the current diesel-powered trains; (ii) the construction of 3 hydrogen production and distribution plants in Brescia, Iseo and Edolo; (iii) the implementation of various infrastructural adjustments to the railway line (new maintenance depot in Rovato, fitting out and specific adjustments along the line); (iv) the replacement of the entire fleet currently used by FNMA in the area with the commissioning of 40 hydrogen-powered buses.

The total investment as at 30 June 2024 is in line with that shown in the Annual Financial Report as at 31 December 2023 in section 6.1.

On 16 July 2024, the construction site for the Iseo plant was handed over, and on 19 July, the Services Conference for the Edolo plant was initiated.

The infrastructure part necessary for the overall operation of the hydrogen system is managed by FERROVIENORD through the Programme Agreement for investments. The hydrogen production and distribution plants are managed through the subsidiary FNM Power S.r.l. ("**FNM POWER**").

Mobility as a Community (MaaC)

Consistent with the 2021-2025 Strategic Plan, as part of 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) strategic paradigm as an enabling tool of the new digital mobility focused on the needs of communities. The development of the MaaC strategy includes, operationally, the equity investments in Busforfun.Com S.r.l. ("**Busforfun**"), Sportit S.r.l. ("**Sportit**") and Mbility S.r.l. ("**Mbility**"). For further details, please refer to the Annual Financial Report as at 31 December 2023. The Group is also directly active in the field of digital payment services through its subsidiary FNMPAY S.p.A. ("**FNMPAY**") to perform primarily acquiring services (payment acceptance through physical/virtual POS) supporting MaaC, focusing firstly on the Group's captive companies.

Lastly, it should be noted that the jointly controlled company NORD ENERGIA S.p.A. is in liquidation as of 10 January 2023.

2.2 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 the management and ordinary maintenance of infrastructure, as well as the acquisition and management of rolling stock granted for use to Trenord on behalf of the Regione Lombardia (the **"Service Contract"**). The Programme Agreement and the Service Contract were entered into with the Regione Lombardia and expire in 2027.

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 2023.

Lastly, the segment includes the management activities of the **Sacconago Intermodal Terminal** in Busto Arsizio (VA), near the Malpensa airport, carried out by Malpensa Intermodale S.r.l. (**"Malpensa Intermodale"**). For more information, please refer to the Annual Financial Report as at 31 December 2023. Malpensa Distripark S.r.l. (**"Malpensa Distripark"**) 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. As of September 2023, Malpensa Distripark also began MTO (Multimodal Transport Operator) activities for the management of rail freight transport services from the loading point to delivery.

2.3 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 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 Partecipazioni S.r.l.² – 50% owned by FNM S.p.A.), of a Service Contract for those in the Province of Como. FNMA also operates rail-replacement services on behalf of Trenord, tourist bus rental services with driver and school bus services on behalf of municipal administrations. These services are provided partly directly with its own personnel and partly by coordinating the work of subcontracted third-party transportation operators.

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 agreements and the duration has currently been extended until 31 December 2025 for the Varese Concession and the Como Service Contract and until 31 December 2024 for the Brescia Concession.

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 2026. ATV also operates in the commercial service sector with a licence for rental services with driver and, especially during the summer season, also provides tourist connections (Verona-Lake Garda-Venice) alongside its ordinary service. Public transport services are carried out partly directly with

² Company operating in Road passenger mobility, but considered in the Ro.S.CO. segment for the purposes of drafting the Financial Statements. It is measured with the equity method in the Consolidated Financial Statements of the FNM Group.

its own personnel and partly by coordinating the work of subcontracted third-party transportation operators.

Lastly, the road transport offer is complemented by the car sharing service provided by E-Vai S.r.l. (hereinafter "**E-Vai**") integrated with the railway service (covering 46 railway stations) and the three main airports in Lombardy. The service offering currently comprises the following models, the first aimed at the consumer segment and the others at the B2B segment: (i) Regional Electric — "station-based" regional car sharing service integrated with the regional rail service network; (ii) Public — service aimed at municipalities during working hours and at citizens at other times and on weekends; (iii) Corporate — service aimed at companies and their employees during working hours and for private use.

2.4 MOTORWAYS

Since 2021, the FNM Group has also been present in the motorway infrastructure management sector thanks to its 100% shareholding in Milano Serravalle – Milano Tangenziali S.p.A. (hereinafter "**MISE**").

MISE operates under a concession, which will expire on 31 October 2028, on the basis of the Consolidated 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 Additional Agreement, relating to the second regulatory period 2013-2017, approved by Interministerial Decree 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 (western ring road), A51 Tangenziale Est (eastern ring road), A52 Tangenziale Nord (northern ring road). The company also manages Tangenziale Ovest (western ring road) of Pavia (A54) and the Bereguardo-Pavia Motorway Link (A53). 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 Motorway Link	9.1
A54	Pavia Ring Road	8.4
A50	Motorway, Tangenziale Ovest (western ring road) of Milan with Fiera Rho-Pero link	33.0
A51	Motorway, Tangenziale Est (eastern ring road) of Milan	29.4
A52	Motorway, Tangenziale Nord (northern ring road) of Milan	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-Lakes;
- 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 Motorway Link, Predosa Bettola.

MISE's activities also include the management of contractual relations with sub-concessionaires, entrusted with the management of the 19 service areas located along the sections under concession,

which – on the basis of sub-concession agreements – pay MISE royalties on the value of sales. Consistent with the new sub-concession agreements, significant work is also planned to modernise the facilities and upgrade the services offered to make them more suited to the needs of motorway customers, including the installation of photovoltaic panels and charging stations for electric cars.

MISE also provides design activities, as well as technical and administrative support for infrastructure investments on the motorway network through Milano Serravalle Engineering S.r.l. **“MISE Engineering”**), of which it holds 100% of the share capital.

Lastly, MISE holds minority interests in some motorway concession companies, the main ones being Autostrada Pedemontana Lombarda S.p.A. (hereinafter referred to as **“APL”**, with 36.7% of the capital) and Tangenziali Esterne di Milano S.p.A. (hereinafter referred to as **“TEM”**, with a 22.55% stake), described in more detail in section 2.6. In support of the activities of the investees, MISE carries out (i) the collection service on behalf of Tangenziale Esterna di Milano (TEEM) under a contract entered into with the company Aurea S.c.ar.l. (a consortium company assigned O&M services under a “Global service” arrangement) expiring on 31 December 2024; and (ii) service activities in favour of APL in relation to the collection process, technical support and other administrative services by virtue of a cooperation agreement for consideration until 31 December 2024. As far as relations between MISE and its investees are concerned, it is necessary to mention the variable rate **Shareholder Loan** granted to APL in prior years (more information is available in Note 10 of the Notes to these Financial Statements).

Renewal and approval of the Economic and Financial Plan

While making reference to the Annual Financial Report as at 31 December 2023 for an analysis of issues relating to the renewal and approval of the Economic and Financial Plan (EFP) annexed to the motorway concession, and the relative repercussions on tariff trends, on 24 January 2024, the ART issued opinion No. 2/2024 relating to the update of the 2020-2024 EFP, without making any particular remarks except for the request to reformulate the EFP with the adoption of the same traffic assumptions as those used for the development of the RFP, i.e. without the COVID-19 effect. On 29 May 2024, the CIPESS (Committee for Economic Planning and Sustainable Development) then issued a favourable opinion on the proposed update of the EFP and related Additional Agreement No. 2 for the 2020-2024 regulatory period, and is currently awaiting the registration of the resolution in order to conclude the lengthy approval process.

On 12 April 2024, MIT started updating the EFP for the period 2025-2028, requesting MISE to develop simulations, including the inclusion of a terminal value at the end of the concession. With Decree Law No. 89 of 29 June 2024, specific regulations were introduced to update the Economic and Financial Plans (EFPs) of motorway concessions expiring in 2024. Concessionaires with a five-year regulatory expiry date in 2024 must submit update proposals by 31 July 2024, in accordance with the ART resolutions, and complete the procedure by 31 December 2024. MISE, falling into this category, is preparing a proposed Economic and Financial Plan (EFP) 2025-2028, which will be further updated in September with the newly published parameters of the ART.

SerraHydrogenValle project

The project, described in detail in the Annual Financial Report as at 31 December 2023, represents a synergistic and complementary extension of the H2iseO project and aims to develop, in MISE's area of competence, the first hydrogen refuelling motorway network in Italy through the creation of a motorway corridor with 5 hydrogen refuelling stations.

The investment, estimated at a total of EUR 55.4 million, is included in the EFP update that is currently being approved and had access to two sources of non-reimbursable financing: (i) under the NRRP relating only to the Carugate East and West and Tortona West stations for a total contribution of EUR 15.0 million (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); (ii) under the European Commission CEF tender with reference to the Carugate East and West, Tortona East and West and Rho West refuelling stations. However, since three refuelling stations out of the five have already received NRRP funding, the CEF grant – initially EUR 13.7 million for the five stations – will consequently be recalibrated to EUR 5.4 million relating to the Tortona East and Rho West stations only. Recovery of the excess amount already paid, related to the pre-financing of 50% of the initial grant amount, will be made after submission of the final report. The remaining part of the investment estimated at EUR 35 million will be financed from own resources.

The handover of the works to the contractor for all areas was completed in March 2024 and the works are in progress, with the Carugate areas being the most advanced. In addition, during the First Half of the

year, orders were formalised by the contractor for the hydrogen systems, which are scheduled to be delivered in July 2024 for the Carugate area. Commercial operations are scheduled to start in the second half of 2025. Any further improvements will follow a modular approach, integrating production and increasing distribution capacity according to demand trends. At a later stage, the project will allow for the potential installation of a photovoltaic plant for the production of renewable electricity, connected to an electrolyser for the production of hydrogen from renewable sources.

2.5 ENERGY

The Group is also present in the renewable energy production sector thanks to the acquisition of 80% of the share capital of Viridis Energia S.p.A. and its wholly-owned subsidiaries (hereinafter collectively referred to as **"Viridis"**), completed on 23 February 2024. The remaining portion of the share capital is 13.33% held by Lagi Energia 2006 S.r.l. and 6.67% by HNF S.p.A.

Active since 2010, Viridis is an integrated company in the renewable energy sector, mainly in photovoltaics, but also wind and biogas, operating in Italy and capable of supporting and managing all of the main stages of the industrial value chain. Indeed, the activity of Viridis consists of: (i) the development of new plants (greenfield), including the search and survey of suitable sites, authorisation, construction and sale of energy; (ii) the acquisition of operating plants (brownfield), including opportunity search activities, due diligence, project finance and possible plant revamping/repowering; (iii) maintenance and management, including commissioning, monitoring, reporting and supervision of health, safety and environmental aspects.

As at 30 June 2024, Viridis is the owner of: (i) 24 operating photovoltaic power generation plants with a nominal installed capacity of 46 MWp; (ii) 2 operating biogas power generation plants for a nominal installed capacity of 2 MWp; (iii) 4 plants under construction with an expected capacity of 35.5 MWp; (iv) 3 photovoltaic projects fully authorised and for which construction can already begin ("ready to build") with an expected capacity of 17.1 MWp; (v) several photovoltaic and wind power projects in various stages of development, of which 45 MWp in the final authorisation phase. The growth strategy is focused on the organic development of proprietary pipelines and flexible forms of partnership. In this respect, Viridis signed an agreement with Green & Green S.r.l. in June 2024 for the co-development of wind power plants in several Italian regions. The following table shows the installed capacity as at 30 June 2024:

Technology	Market regime	Tariff	MWp installed	COD	Incentive expiry	
Solar photovoltaic	Energy Bill 2	FIP	346 €/MWh	5.7	4 Q 2010	4 Q 2030
Solar photovoltaic	Energy Bill 4	FIP	average 257 €/MWh	14.1	3 Q 2011	3 Q 2031
Solar photovoltaic	Energy Bill 4	FIP	189 €/MWh	1.1	1 Q 2012	1 Q 2032
Solar photovoltaic	Energy Bill 4	FIP	average 180 €/MWh	2.4	4 Q 2012	4 Q 2032
Solar photovoltaic	FER 1	FIT	65 €/MWh	10.0	December 2022	December 2042
Solar photovoltaic	Market	—	—	1.5	June 2021	
Solar photovoltaic	FER 1 (first 18 months at Market)	FIT	65 €/MWh	10.3	December 2023	December 2043
Solar photovoltaic	Energy Bill 2	FIP	318 €/MWh	1.0	May 2011	May 2031
Biogas	Bio	FIT	280 €/MWh	2.0	1 Q 2013	1 Q 2028
Total operating plants			48.1			

The energy produced is sold to traders and wholesalers through PPAs (Power Purchase Agreements) typically on an annual basis and more recently also on a multi-year basis. Plants connected during the 2010-2014 period benefit from former energy account incentives (Feed-In Premium – FIP), while newly built plants, if eligible, can participate in auctions promoted by the GSE that guarantee a fixed selling price (Feed-In Tariff – FIT) for 20 years through a contract for difference. Direct self-consumption of the energy produced is not currently planned.

As described in more detail in the Information Document dated 05 March 2024, the total consideration paid for the acquisition is EUR 80.0 million and includes the subscription of 80% of a Shareholder Loan as well as the recognition of the capital contribution made by Lagi Energia 2006 and HNF prior to the closing, to support the development of future investments. The consideration also includes an advance payment of the earn-out agreed upon for the development of a portfolio of plants to be completed within 6 years of the closing. The transaction was financed by a credit line in the amount of EUR 85 million repayable in a lump sum by no later than August 2025.

The acquisition of Viridis is consistent with the evolutionary path of the FNM Group aimed at defining new possible strategic areas that will allow it to strengthen its role as an infrastructure manager supporting future profitability, as a result of the changed possibilities of making some of the investments originally set forth in the 2021-2025 Strategic Plan. Entering a sector that is “green” by definition also reinforces the environmental objectives of the 2021-2025 Strategic Plan, which includes amongst its enabling elements investments in innovative energy projects, and will allow for the development of other environmental sustainability objectives with a view to achieving medium- and long-term decarbonisation targets and securing the country’s energy needs. FNM will therefore contribute more actively to achieving the goals of the 2030 Agenda and the country’s energy transition.

From an economic and financial point of view, Viridis is also able to generate positive and predictable operating cash flows from the outset, in addition to having highly liquid, well diversified assets in terms of size and geographical location. Thanks to the availability of a portfolio of photovoltaic and wind power plants in various stages of development and an operating structure with consolidated expertise in the sector, Viridis will allow the FNM Group to embark upon a strategic path towards becoming a producer of electricity from renewable sources. The development of this new business, which has attractive growth prospects in Italy over the coming years, will contribute towards strengthening the Group’s infrastructure business.

2.6 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 investee has a fleet of 467 trainsets, enabling it to make around 2,200 trips per day. Part of the fleet is leased for payment by FNM and Trenitalia, while the remaining part is made available on a free loan basis – through FERROVIENORD – by the Regione Lombardia.

The railway service is managed under a new Service Contract for public rail transport with the Regione Lombardia effective from 1 December 2023 to 30 November 2033 (more information can be found in the Annual Financial Report as at 31 December 2023).

The investee also provides traction and personnel for international train connections between Italy, Germany and Austria on the Brenner line in cooperation with Deutsche Bahn and Österreichische Bundesbahn. In this regard, it should be noted that at the end of April 2024 Trenord was awarded the European tender for the international long-distance service via the Brenner Pass called by Deutsche Bahn. Trenord will therefore manage the driving and security guard operations on the Italian part of the link with Germany and Austria for the duration of 8 years starting in December 2024, guaranteeing production of 1.2 million train-km per year for a total value of more than EUR 50 million.

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, Gaggiolo Pass and associated works, for a total of approximately 188 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 Consolidated Agreement entered into on 01 August 2007 and the relative Additional Agreements (Additional Agreement No. 1 entered into on 06 May 2010; Additional Agreement No. 2 entered into on 29 September 2016 and effective as of February 2020; Additional Agreement No. 3 entered into on 23 June 2023 and effective as of 10 January 2024).

It is a complex initiative, from both an engineering and environmental perspective, 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.

Renewal and approval of the Economic and Financial Plan

One of the most significant regulatory events in the First Half of 2024, as extensively explained in the 2023 Financial Statements, was the Interministerial Decree that gave full effect to Additional Agreement No. 3, which was registered by the Court of Auditors on 10 January 2024.

It should also be noted that pursuant to Article 12 of the Consolidated Agreement, APL asked the Awarding Body to revise the Economic and Financial Plan (EFP), believing that the conditions and reasons were in place for the alteration of the economic-financial balance of the concession. The investee and the Awarding Body agreed on an outline of Additional Agreement No. 4, including, *inter alia*, a rebalancing and updating economic and plan. This document was sent, in the first instance, by the Awarding Body to the Ministry of Infrastructure and Transport on 07 August 2023 and subsequently, following the acknowledgement of certain observations made by the Transport Regulatory Authority (ART), it was definitively transmitted to the Ministry of Infrastructure and Transport on 06 December 2023. On 29 May 2024, the CIPESS expressed a favourable opinion on the proposed revision of the EFP and related Additional Agreement No. 4, for the regulatory period 2024-2028, at the same time withdrawing its previous Resolution No. 7 of 21 March 2024. The Resolution passed the legitimacy check and is awaiting publication in the Official Journal.

Sections B2, C and D

In order to complete all the activities envisaged in the Agreement, APL still has to carry out the executive design and construction of the second part of the Work, which includes the B2, C and D motorway sections, as well as associated works.

An agreement to regulate the execution of the works was signed on 01 February 2024. On 12 February 2024, the Construction Manager handed over the first piece of the project for the clearance of ordnance in section C, and work is still ongoing. On 15 February 2024, the General Contractor submitted the second part of the project for ordnance clearance in section B2 and for the environmental clearance of the former ICMESA areas, which was revised and approved on 29 February 2024. On 17 April 2024, the second part of the project concerning the clearance in the B2 section and the former ICMESA areas was sent to the Awarding Body, which approved it on 11 June 2024 with some prescriptions. After the final verification report, the APL Board of Directors approved the project of the B2 and C sections on 17 June 2024 and sent it to the Awarding Body, which finally approved it on 26 June 2024. However, the approval will be final and the works will be handed over to the General Contractor only after obtaining confirmation from the banks that the conditions precedent stipulated in the loan agreement have been met. At present, plans are in place to disburse the financing in October 2024 at the same time as awarding of the works.

In light of the conditions set forth in the loan agreement, on 28 March 2024 MISE's Board of Directors also approved the contract for the assignment of the Operation & Maintenance (O&M) service, which provides for the outsourcing to MISE of all activities relating to the operational management of APL. In accordance with the above, the following were signed: the O&M Agreement dated 12 June 2024; the Preliminary Business Branch Lease Agreement dated 24 June 2024; the Additional Agreement to the O&M Agreement dated 04 July 2024. Considering the current projections for the completion of the sections, this contractual structure will produce significant effects as of the year 2027, as better described in the Annual Financial Report 2023.

TANGENZIALI ESTERNE DI MILANO (TEM)

As mentioned in section 2.4, MISE owns 22.55% of the share capital of TEM, which in turn holds a single shareholding of 48.4% of the capital of the motorway concessionaire Tangenziale Esterna S.p.A. (hereinafter "**TE**"), responsible for the design, construction and management of Tangenziale Est Esterna di Milano (Milan east outer ring road, 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 Consolidated 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.

With regard to the process of updating the 2024-2028 EFP, it should be noted that the same was examined by ART, which – in its opinion of 30 May 2024 – identified a number of critical issues concerning tariff dynamics and the application of the figurative items mechanism. In order to address the critical issues highlighted above, it is necessary for the EFP/RFP to be reformulated before submission to the CIPESS.

In May and June 2024, shareholders were notified of the intention of certain shareholders to sell their shares in TEM and TE to other shareholders for the purpose of exercising their right of first refusal. MISE did not exercise its right of first refusal in respect of the TE share transaction notified in May. The other transactions notified in May on the TEM shares and in June on the TE shares are still ongoing.

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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, NordCom, Omnibus Partecipazioni (and its joint venture ASF), Mbility and the associated companies DB Cargo Italia, Busforfun, 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/loss of companies measured with the equity method", respectively.

3 INFORMATION FOR INVESTORS

FNM is a Joint-Stock Company listed since 1926 on the Euronext Milan market (EXM, formerly Mercato Telematico Azionario – MTA) organised and managed by Borsa Italiana (the Italian Stock Exchange).

The FNM share is also present in the general indexes of Borsa Italiana (FTSE Italia All Share, FTSE Italia All Share Capped and FTSE Italia Small Cap) and is part of the FTSE Italia Travel and Leisure super sector.

Market on which the shares are listed	EXM (formerly MTA)
ISIN Code	IT0000060886
Ticker	FNM

3.1 THE MACROECONOMIC SCENARIO IN THE FIRST HALF OF 2024³

During the First Half of 2024, international economic activity continued to show some stability: world trade recovered, inflation decelerated faster than expected and labour market conditions remained solid. The disinflation process continues thanks to falling energy commodity prices and still tight monetary conditions. The conflict in the Middle East has had limited repercussions on the global economy, but nevertheless continues to be a major factor of uncertainty.

The latest available data for the Eurozone show GDP in the first quarter of 2024 also increasing on an annual basis by +0.4%. The latest economic information suggests that GDP continued to grow modestly in the second quarter: industrial activity remained weak, as indicated by multiple indicators, including industrial business confidence and the manufacturing PMI. The production data available up to April and qualitative evidence for the following months also point to a decline in construction value added. In services, growth would have continued, as envisaged by the PMI indices that are above the expansion threshold, particularly in tourism-related sectors. On the demand side, the earliest indicators show a modest strengthening of consumption in the second quarter, after a very weak start to the year. The slight recovery in household confidence and, above all, the still buoyant performance of the labour market would have had an impact: in the first few months of the year, employment continued to grow and the unemployment rate remained at its lowest level since the start of the Economic and Monetary Union (6.4% in May). Investments would still be held back by financing conditions.

Italy's economy performed better than the European average, showing GDP growth in the first quarter of 2024 of +0.7% year-on-year. Based on the estimates provided by the Bank of Italy, economic activity would have continued to grow at a moderate pace in the second quarter, still supported by growth in services, particularly in the tourism-related components, while the decline in manufacturing would have continued.

In June 2024, the Harmonised Index of Consumer Prices (HICP) increased by +1.2% year-on-year, slowing down considerably, mainly due to the decrease of energy goods prices (-7.2% year-on-year). The ANCE data also confirm the downward trend in the prices of construction materials, although the first signs of increases can be seen for some of them (bitumen bucks the trend, whose performance is closely linked to the rise in oil prices). Despite a scenario of moderate price reductions, it is nevertheless important to note that the cost of the main construction materials still exceeds the averages of the immediate post-pandemic period, which was already characterised by significant price increases due to the disruption of supply chains.

³ Sources: Bank of Italy – Economic Bulletin No. 2-3/2024; Istat – The labour market (13 June 2024), Consumer prices (28 July 2024), The outlook for the Italian economy 2024-2025 (06 June 2024), Collective Bargaining Agreements and Contractual Wages (30 April 2024); ANCE – Construction Flash No. 2/2024.

With regard to the labour market, the latest available data on Q1 2024 show an increase in the number of employed persons (+75 thousand compared to Q4 2023) as well as hours worked (+1.6% compared to the previous quarter): the employment rate in March stood at 62.0%, while unemployment stood at 7.2%. On a trend basis, labour costs show growth in average hourly wages of 2.8%. In fact, the first quarter of the year 2024 saw a continuation of the recovery phase of contractual wages with respect to inflation, which had started in October 2023. The wage trend is most favourable in the industrial sector, with an increase of +4.7% compared to Q1 2023; for private services, on the other hand, the figure is +2.3%. Thanks to the renewals recorded up to March, particularly in services, only two out of ten employees in the private sector are awaiting the renewal of their National Collective Bargaining Agreement. On average in 2024, according to information available at the end of March, wage growth in the private sector would be above 3% in both industry and services.

Monetary tightening by Central Banks in the major advanced economies continues with the aim of achieving an early return of inflation to the 2% target. In particular, the European Central Bank decided at its meeting of 06 June 2024 to cut the ECB's key interest rates by 25 basis points, considering it appropriate to moderate the degree of monetary policy tightening on the basis of an updated assessment of the inflation outlook and the intensity of monetary policy transmission. The rates are therefore in a range between 3.75% (deposit facility rate) and 4.50% (marginal lending facility rate).

Energy market trends

With reference to the price development of automotive energy, the price of Brent oil rose by about 20% compared to the prices recorded in the same period of the previous year, stabilising at the end of June at USD 87/barrel. Upward pressure was generated by higher than expected oil demand, as well as the extension of OPEC+ production cuts and tensions in the Middle East. The natural gas reference price for European markets (Title Transfer Facility – TTF) was around EUR 30 per megawatt hour in the First Half of 2024, down from the average value in the first half of 2023 (EUR 41 per megawatt hour). The price reduction was favoured by both above-average winter temperatures – which limited heating consumption – and weak industrial activity. The high level of stockpiles in Europe has also helped to reduce the need for additional supplies. As regards the Italian market specifically, the VTP index – the main reference in Italy for defining the wholesale gas price – shows a similar trend: the average gas price was around EUR 0.33 per cubic metre in the First Half of 2024, lower than the average values in the first half of 2023 (EUR 0.49 per cubic metre). On the other hand, the price of diesel fuel for cars was around EUR 1.8 per litre, in line with the average value for the same period last year⁴.

As far as the national electricity market scenario is concerned, Italy's net electricity demand in the First Half of 2024 was 151,604 GWh, an increase of 1.1% compared to the demand in the first half of 2023. Net energy production for consumption in the first half of 2024 amounted to 124,493 GWh, an increase of 0.6% compared to the first half of 2023. Production from Renewable Energy Sources (RES) increased by 27.3% year-on-year to 66,501 GWh. In particular, photovoltaic production showed an increase of +2,614 GWh (+17.4%), the result of higher installed capacity (+3,386 GWh), which compensated for the lower sunlight-related production (-772 GWh). With the increase in production from renewable sources, there was a concomitant drop in thermoelectric generation, which fell by 16.8% to 66,055 GWh compared to the first half of 2023. Domestic production, net of pumping consumption, covered 82.1% of electricity demand, while net imports met the remainder⁵.

The average value of the PUN (Single National Price) Base Load in the First Half of 2024 stood at EUR 93.4/MWh, a clear decrease compared to the same period in 2023 (EUR 136.3/MWh). This trend was part of a framework of decreasing thermoelectric generation costs, as a result of weakening gas prices and CO₂ emission rights, and was favoured by increased production from renewable sources, as well as high import flows. An analysis of the changes in the PUN on a monthly basis shows, similarly to what was observed in the gas market, a drop in January and February, and a slight rise from March, remaining overall below the levels recorded in 2023. The recovery of hydroelectric generation continued in the First Half of 2024, a factor which, combined with weak demand, led to less reliance on thermoelectric production, supporting the fall in prices.

⁴ Ministry of Environment and Energy Security, Energy and Mining Statistics.

⁵ Terna, Monthly Electricity System Report (June 2024).

3.2 OUTLOOK 2024

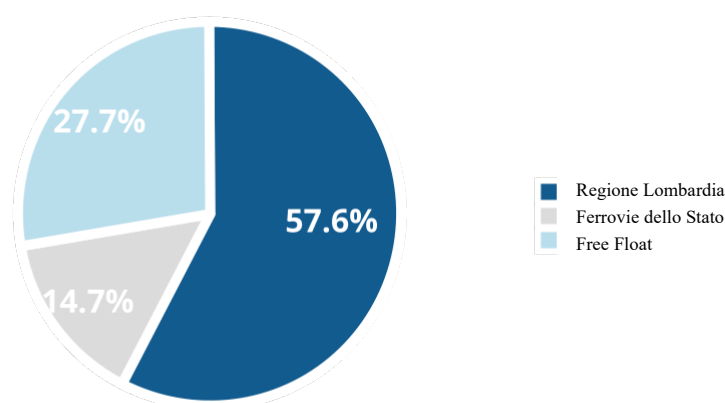
According to ECB expert projections published in March 2024, Eurozone GDP will grow by 0.6% in 2024, 1.5% in 2025 and 1.6% in 2026. In the comparison with last December, estimates were revised downwards by 2 tenths of a percentage point for 2024, mainly reflecting the carry-over effects from the less favourable than expected data for 2023, as well as a deterioration in the outlook.

On the other hand, the updated projections for the Italian economy published by the Bank of Italy estimate a modest but constant GDP increase (+0.6% in 2024, +0.9% in 2025 and +1.1% in 2026). Activity would benefit from the acceleration of foreign demand and the recovery of disposable income, but the effects of still restrictive financing conditions and reduced incentives for residential construction would impact investment. A deceleration in the investment growth rate is expected as a result of the discontinuation of construction incentives, which is more than offset by the effects on other types of investment and the implementation of the new formulation of measures in the NRRP, as well as the reversal of the ECB's monetary policy. Inflation would be 1.1% in 2024 and just over 1.5% on average in the following two years.

3.3 SHAREHOLDER STRUCTURE

As at 30 June 2024, the share capital amounted to EUR 230,000,000.00, corresponding to 434,902,568 ordinary shares with no par value.

At the same date, to the best of the Company's knowledge based on the communications received in accordance with Article 120 of the Consolidated Law on Finance ("TUF") and other available information, the shareholder structure of the Company showed the following material shareholdings:



The graph shows the composition of shareholders who own stakes of over 5% of the total share capital and who have voting powers. The Regione Lombardia is the majority shareholder with a 57.57% shareholding. A further 14.74% of the share capital is owned by Ferrovie dello Stato Italiane S.p.A., while the remaining shares are owned by private parties, as the Company is listed on the stock exchange.

3.4 FNM STOCK PERFORMANCE

The FNM share price at 30 June 2024 was EUR 0.45, which corresponds to a market capitalisation of EUR 195.3 million, marking a decrease of -0.7% compared to the end of 2023. During the period under review, the stock was characterised by moderate price volatility, mainly in May in connection with certain

corporate events involving an FNM Group investee, which fluctuated between a high of EUR 0.54 and a low of EUR 0.43. Average daily trading of the shares amounted to approximately 278.1 thousand shares traded daily. A total of 35.3 million shares, or approximately 8.1% of the share capital, were traded during the six-month period (32.4 million shares, or approximately 7.5% of the share capital, in H1 2023).

The stock performance during the current period is shown below:

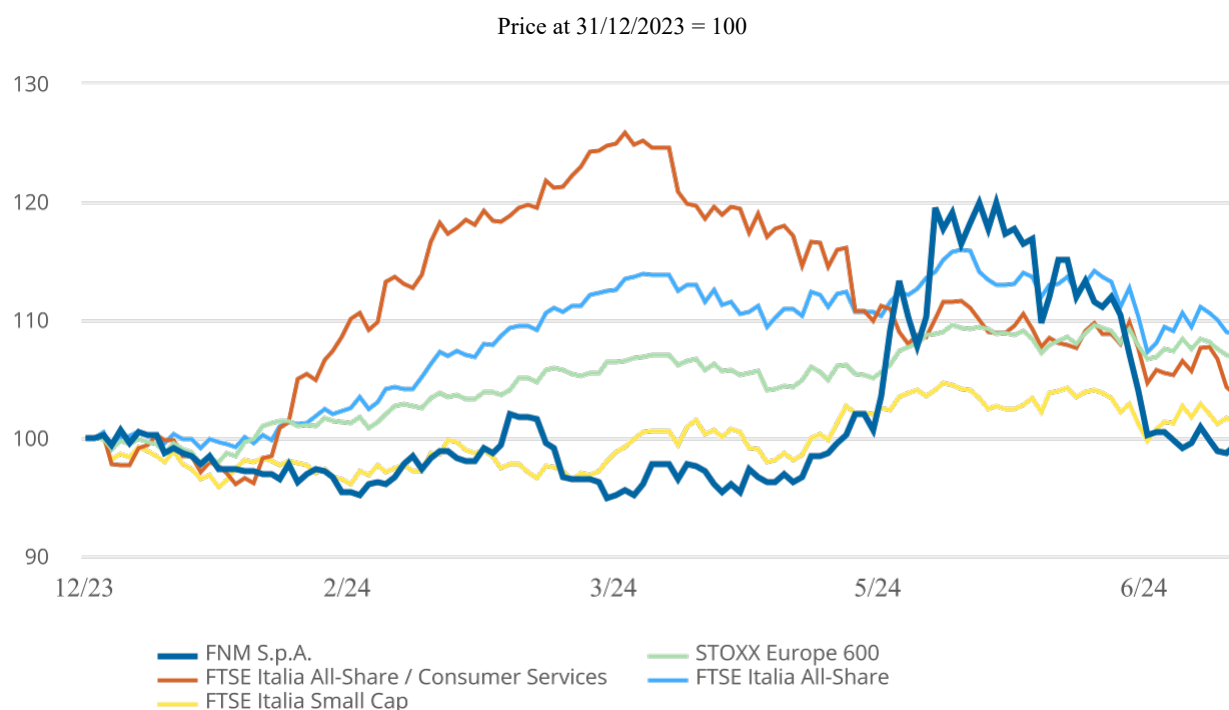


Key share and stock market data for the First Half of 2024

Closing price on 30/06/2024	EUR 0.45
Number of ordinary shares (million)	434.9
Market capitalisation (million)	EUR 195.3
Average price	EUR 0.46
Maximum price	EUR 0.54
Minimum price	EUR 0.43
Average volumes traded (thousand)	278.1
Maximum volumes traded (thousand)	2,132.9
Minimum volumes traded (thousand)	7.0

Source: FactSet Prices

The FNM stock performance is in line with the Small Cap index, which underperformed the main market indices, deviating significantly in May for the reasons outlined above. The FNM stock performance compared to the main reference indexes in the First Half of 2024 is shown below:



Source: FactSet Prices

3.5 RATING

The Company's creditworthiness has been evaluated as "investment grade" by two leading rating agencies, with Fitch assigning it a rating of BBB with stable outlook and Moody's assigning it a rating of Baa3 with negative outlook, both updated on 23 May and 05 April 2024, respectively.

Both ratings also apply to the EMTN Programme (Euro Medium Term Note Programme), the constitution of which was approved on 16 September 2021, and the EUR 650 million bond issue placed on 13 October 2021.

For further information, please refer to the notes published on the Agencies' websites, and in the Investor > Debt and Credit Rating > Credit Rating section of the Group's website.

4 CONSOLIDATED OPERATING AND FINANCIAL PERFORMANCE

4.1 ECONOMIC DATA SUMMARY

The reclassified Income Statement for the period is shown below, compared with that of the corresponding period of 2023. 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 "Extraordinary income and expenses".

As indicated in section 2.5, the First Half of 2024 includes the economic effects arising from the line-by-line consolidation of Viridis and its subsidiaries as of 23 February 2024. The period of comparison represents the scope of consolidation prior to the acquisition.

<i>Amounts in EUR millions</i>	1H 2024	1H 2023	Change	Change %
Revenues from sales and services	285.2	282.6	2.6	0.9 %
Other revenues and income	20.4	19.0	1.4	7.4 %
TOTAL REVENUES AND OTHER INCOME	305.6	301.6	4.0	1.3 %
Operating costs	(111.5)	(119.2)	7.7	(6.5) %
Personnel costs	(88.1)	(82.4)	(5.7)	6.9 %
ADJUSTED EBITDA	106.0	100.0	6.0	6.0 %
Extraordinary income and expenses	(0.9)	—	(0.9)	— %
EBITDA	105.1	100.0	5.1	5.1 %
Depreciation, amortisation and write-downs	(64.6)	(51.5)	(13.1)	25.4 %
EBIT	40.5	48.5	(8.0)	(16.5) %
Financial income	7.9	3.5	4.4	N/A
Financial expenses	(14.1)	(9.4)	(4.7)	50.0 %
NET FINANCIAL INCOME (LOSS)	(6.2)	(5.9)	(0.3)	5.1 %
EARNINGS BEFORE TAX	34.3	42.6	(8.3)	(19.5) %
Income taxes	(9.7)	(8.8)	(0.9)	10.2 %
ADJUSTED COMPREHENSIVE INCOME	24.6	33.8	(9.2)	(27.2) %
Profit/Loss of companies measured with the equity method	5.5	(0.5)	6.0	N/A
COMPREHENSIVE INCOME	30.1	33.3	(3.2)	(9.6) %
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(0.2)	(0.1)	(0.1)	N/A
COMPREHENSIVE GROUP INCOME	30.3	33.4	(3.1)	(9.3) %

In the First Half of 2024, revenues increased by 1.3% and adjusted EBITDA by 6%. Excluding the effects of the consolidation of Viridis Energia and its subsidiaries as of 23 February 2024, therefore on a like-for-like basis compared to the same period in 2023, revenues decreased by 1.3%, while adjusted EBITDA grew by 0.5%.

The adjusted EBITDA/revenue ratio is 34.7% (33.2% in H1 2023).

In order to better represent the changes in the period, the pro-forma reclassified Income Statement is shown below, considering the consolidation of Viridis from 01 January 2024. The first half 2023 comparison period was similarly pro-rated as if Viridis had been consolidated with effect from 01 January 2023.

Amounts in EUR millions	01 January 2024 IH 2024 FNM GROUP		23 February 2024 IH 2024 PRO-FORMA		IH 2023 FNM GROUP		IH 2023 VIRIDIS		IH 2023 PRO- FORMA		Change	Change %
	A	B	C= A+B	D	E	F= D+E	G= C - F	G/F				
Revenues from sales and services	285,2	2,3	287,5	282,6	8,6	291,2	(3,7)	-1,3%				
Other revenues and income	20,4	0,1	20,5	19,0	0,2	19,2	1,3	6,8%				
TOTAL REVENUES AND OTHER INCOME	305,6	2,4	308,0	301,6	8,8	310,4	(2,4)	-0,8%				
Operating costs	(111,5)	(0,6)	(112,1)	(119,2)	(2,9)	(122,1)	10,0	-8,2%				
Personnel costs	(88,1)	(0,3)	(88,4)	(82,4)	(0,8)	(83,2)	(5,2)	6,2%				
ADJUSTED EBITDA	106,0	1,5	107,5	100,0	5,1	105,1	2,4	2,3%				
Extraordinary income and expenses	(0,9)	-	(0,9)	-	-	-	(0,9)	n.d.				
EBITDA	105,1	1,5	106,6	100,0	5,1	105,1	1,5	1,4%				
Depreciation, amortisation and write-downs	(64,6)	(1,6)	(66,2)	(51,5)	(3,8)	(55,3)	(10,9)	19,7%				
EBIT	40,5	(0,1)	40,4	48,5	1,3	49,8	(9,4)	-18,9%				
Financial income	7,9	1,5	9,4	3,5	-	3,5	5,9	n.d.				
Financial expenses	(14,1)	(0,1)	(14,2)	(9,4)	(1,3)	(10,7)	(3,5)	32,7%				
NET FINANCIAL INCOME (LOSS)	(6,2)	1,4	(4,8)	(5,9)	(1,3)	(7,2)	2,4	-33,3%				
EARNINGS BEFORE TAX	34,3	1,3	35,6	42,6	-	42,6	(7,0)	-16,4%				
Income taxes	(9,7)	-	(9,7)	(8,8)	-	(8,8)	(0,9)	n.d.				
ADJUSTED COMPREHENSIVE INCOME	24,6	1,3	25,9	33,8	-	33,8	(7,9)	-23,4%				
Profit/Loss of companies measured with the equity method	5,5	-	5,5	(0,5)	-	(0,5)	6,0	n.d.				
COMPREHENSIVE INCOME	30,1	1,3	31,4	33,3	-	33,3	(1,9)	-5,7%				
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(0,2)	0,3	0,1	(0,1)	-	(0,1)	0,2	-160,0%				
COMPREHENSIVE GROUP INCOME	30,3	1,0	31,3	33,4	-	33,4	(2,1)	-6,2%				

The Income Statement is shown below with only the pro-forma balances for the First Half of 2024 and the first half of 2023.

Amounts in EUR millions	1H 2024 PRO-FORMA	1H 2023 PRO- FORMA	Change	Change %
Revenues from sales and services	287.5	291.2	(3.7)	(1.3) %
Other revenues and income	20.5	19.2	1.3	6.8 %
TOTAL REVENUES AND OTHER INCOME	308.0	310.4	(2.4)	(0.8) %
Operating costs	(112.1)	(122.1)	10.0	(8.2) %
Personnel costs	(88.4)	(83.2)	(5.2)	6.3 %
ADJUSTED EBITDA	107.5	105.1	2.4	2.3 %
Extraordinary income and expenses	(0.9)	—	(0.9)	— %
EBITDA	106.6	105.1	1.5	1.4 %
Depreciation, amortisation and write-downs	(66.2)	(55.3)	(10.9)	19.7 %
EBIT	40.4	49.8	(9.4)	(18.9) %
Financial income	9.4	3.5	5.9	N/A
Financial expenses	(14.2)	(10.7)	(3.5)	32.7 %
NET FINANCIAL INCOME (LOSS)	(4.8)	(7.2)	2.4	(33.3) %
EARNINGS BEFORE TAX	35.6	42.6	(7.0)	(16.4) %
Income taxes	(9.7)	(8.8)	(0.9)	10.2 %
ADJUSTED COMPREHENSIVE INCOME	25.9	33.8	(7.9)	(23.4) %
Profit/Loss of companies measured with the equity method	5.5	(0.5)	6.0	N/A
COMPREHENSIVE INCOME	31.4	33.3	(1.9)	(5.7) %
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	0.1	(0.1)	0.2	N/A
COMPREHENSIVE GROUP INCOME	31.3	33.4	(2.1)	(6.3) %

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

The **revenues from sales and services** recorded a net increase of EUR 3.7 million, i.e. approximately 1.3%, for the following reasons:

- revenues from the lease of rolling stock decreased by EUR 14.0 million, mainly due to lower revenues, for EUR 9.9 million, on trains leased to Trenord under free loan for use as of 01 January 2024, following the amendments made to the FERROVIENORD 2023-2028 Service Contract, as well as the reduction in revenues after new contracts were signed for TSR, CSA and CORADIA trains leased to Trenord for EUR 4.0 million;

- revenues related to design activities, site safety and expenses for site security guards for railway network projects decreased by EUR 1.5 million;
- motorway toll revenues of EUR 138.5 million (EUR 132.8 million in the first half of 2023) increased by EUR 5.7 million, or 4.3%, due to the 2.3% tariff adjustment as of 01 January 2024 and the traffic trend (+2.2% compared to 30 June 2023). In particular, the change in traffic volumes for the first two months of the half-year was due to the adjustment of the conventional mileage at the points of application of the toll on the Tangenziale Nord (northern ring road) of Milan (adjustment as of 01 March 2023), as well as the effect of the leap year;
- revenues from public road transport ticketing increased by EUR 1.8 million, despite the deconsolidation of La Linea and its subsidiary Martini Bus as of 16 January 2023, in connection with the continued recovery of sales, in both urban and regional services, as well as due to tariff increases granted in July 2023, on tickets and the tariff increase of about 15% on season tickets granted as of 01 January 2024;
- revenues from energy sales increased by EUR 1.5 million in connection with the commissioning of new plants;
- rail-replacement services carried out by FNMA on behalf of Trenord increased by EUR 1.0 million during the period;
- the consideration for the Service Contract for the management of the railway infrastructure with the Regione Lombardia increased by EUR 0.8 million due to the increase in production, the adjustment to inflation, the increase in the number of trains in the managed fleet, as well as higher revenues related to historical assets;
- network access revenues increased by EUR 0.6 million due to the 2024 inflation adjustment and increased kilometres travelled.

Other revenues and income showed an increase of EUR 1.3 million on the comparative period of 2023, attributable primarily to higher 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 half-year.

Total revenues and other income thus declined by 0.8% and can be broken down into the five business areas as follows:

Amounts in EUR millions	1H 2024 PRO-FORMA	1H 2023 PRO-FORMA	Change	Chg %
Ro.S.Co. & Services	38.6	42.2	(3.6)	(8.5) %
Railway infrastructure	65.8	76.1	(10.3)	(13.5) %
Road passenger mobility	55.7	52.2	3.5	6.7 %
Motorways	151.6	144.7	6.9	4.8 %
Energy	10.5	8.8	1.7	19.3 %
Intercompany eliminations	(14.2)	(13.6)	(0.6)	4.4 %
Total consolidated revenues	308.0	310.4	(2.4)	(0.8) %

Operating costs recorded a net decrease of EUR 10 million (8.2%) for the following main reasons:

- decrease in the provisions for cyclical maintenance due to the application of the amendments to the FERROVIENORD 2023-2028 Service Contract, for EUR 9.9 million;
- decrease of EUR 6.0 million in motorway infrastructure maintenance costs, net of allocations to and utilisations of the renewal provision;
- lower costs for repairing damage to the railway infrastructure, in the amount of EUR 2.1 million, as a result of fewer exceptional events in the period under review compared to the comparative period;
- sundry third-party services increased by EUR 3.9 million, mainly due to higher charges for design, technical services, safety coordination and project management entrusted to third parties for the execution of projects within the scope of the integrated railway infrastructure maintenance contracts;
- increase in rail-replacement service costs of EUR 2.1 million;

- increase in IT costs by EUR 1.2 million;
- higher provisions for risks and charges of EUR 0.7 million;
- increase in employee expenses, by EUR 0.6 million;
- increase in commercial expenses and commissions to third parties by EUR 0.6 million in relation to higher advertising expenses during the period.

Personnel costs, rose by EUR 5.2 million from EUR 83.2 million to EUR 88.4 million, due to the higher number of FTEs (+24), the application of the higher remuneration policies applied as part of the renewal of the National Collective Bargaining Agreement for Motorway and Tunnel Companies and Consortia, which took place in the second half of 2023, as well as the provisions made for the contractual holiday of the National Collective Bargaining Agreement for the Railway/Tram Sector, which expired on 31 December 2023.

Adjusted EBITDA (excluding extraordinary items), amounting to EUR 107.5 million, increased by 2.3%, as illustrated below for the five business segments:

Amounts in EUR millions	1H 2024 PRO-FORMA	1H 2023 PRO-FORMA	Change	Chg %
Ro.S.Co. & Services	16.4	22.1	(5.7)	(25.8) %
Railway infrastructure	0.4	4.8	(4.4)	(91.7) %
Road passenger mobility	3.7	3.1	0.6	19.4 %
Motorways	80.0	70.0	10.0	14.3 %
Energy	7.0	5.1	1.9	37.3 %
Total adjusted EBITDA	107.5	105.1	2.4	2.3 %

Extraordinary income/expenses for the half-year, which were not present in the comparative period in 2023, amounted to EUR 0.9 million and were attributable to non-ordinary expenses deriving from development projects linked to the acquisition of Viridis.

The item **depreciation, amortisation and write-downs** showed a net increase of EUR 10.9 million mainly due to the depreciation of motorway infrastructure following the commissioning of works on the motorway infrastructure for EUR 69.3 million.

As a result of the changes commented on, **EBIT** amounted to EUR 40.4 million, compared to EUR 49.8 million in the first half of 2023, a net decrease of EUR 9.4 million.

The **comprehensive net financial expense** in the First Half of 2024 amounted to EUR -4.8 million, compared to EUR -7.2 million in the comparative period of 2023, due to the higher average liquidity and higher rates of return, as well as higher financial income from the sale of certain assets of Viridis, which led to the definition of the scope of the acquisition, for EUR 1.5 million.

Earnings before tax, that do not include the result of the companies valued at equity, amounted to EUR 35.6 million, a decrease compared to EUR 42.6 million in the first half of 2023.

Income taxes, amounting to EUR 9.7 million, rose by EUR 0.9 million compared to the first half of 2023, in relation to the abolition of the tax benefit on re-invested profits (ACE – aid for economic growth) from 2024 and given that the comparative period had recorded the benefit of EUR 1.7 million resulting from the different tax treatment of certain items following the receipt of the response to the request for a tax ruling filed by MISE and the refund of the tax wedge not deducted in 2008, amounting to EUR 0.7 million; these effects were partially offset by the lower taxable income of the Group.

Adjusted comprehensive income, before the recognition of the result of the companies valued at equity, went from EUR 33.8 million in the comparative period of the previous year to EUR 25.9 million.

The **profit/(loss) of companies valued at equity** recorded a profit of EUR 5.5 million, versus a loss of EUR 0.5 million in the first half of 2023, mainly due to the positive result of the investee Trenord S.r.l. This item is broken down as follows:

Amounts in EUR thousands	1H 2024	1H 2023	Change
Trenord S.r.l. *	5,316	(1,000)	6,316
Autostrada Pedemontana Lombarda	(844)	(583)	(261)
Tangenziali Esterne di Milano S.p.A. **	(977)	(941)	(36)
NORD ENERGIA S.p.A. in liquidation	1,007	725	282
DB Cargo Italia S.r.l.	270	1,334	(1,064)
Omnibus Partecipazioni S.r.l. ***	697	(1)	698
NordCom S.p.A.	220	296	(76)
Busforfun.Com S.r.l.	—	(60)	60
Mbility S.r.l.	(56)	—	(56)
SportIT S.r.l.	(123)	(232)	109
Profit/Loss of companies measured with the equity method	5,510	(462)	5,972

* includes the result of TILO SA

** includes the result of Tangenziale Esterna S.p.A.

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

For more information on the results of the investees Trenord and APL, please refer to section 5.6 "Operating performance of business segments – Main investee companies".

In the period ended 30 June 2024, as in the comparative period 2023, there were no profits from discontinued operations.

The **consolidated comprehensive income** for the First Half of 2024 was a profit of EUR 31.4 million, versus a profit of EUR 33.3 million in the first half of 2023, due to the effects described above.

4.2 RECLASSIFIED STATEMENT OF FINANCIAL POSITION

Below is the reclassified Statement of Financial Position as at 30 June 2024, compared with that as at 31 December 2023. Balances at 31 December 2023 are attributable to the scope of consolidation prior to the Viridis acquisitions.

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 "Programme for the purchase of Rolling Stock for the regional railway service for the years 2017-2032 and integration of supplies of the Programme for the purchase of Rolling Stock as per Regional Government Decree No. X/4177 of 16/10/2015" (hereinafter the "Rolling Stock Programme 2017-2032"), illustrated in detail in section 6.2 of the Management Report as at 31 December 2023, 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 falling under the "Rolling Stock Programme 2017-2032", have been shown separately. On the other hand, it should be noted that the funded investments in rolling stock for airport services are represented among the funded investments in railway infrastructure.

Amounts in EUR millions	30/06/2024	31/12/2023	Change
Inventories	16.7	13.4	3.3
Trade receivables	164.3	171.0	(6.7)
Other current receivables	116.2	95.9	20.3
Current financial assets	1.8	3.3	(1.5)
Receivables for funded investments	131.3	49.2	82.1
Current contract assets	31.6	10.2	21.4
Trade payables	(229.3)	(220.2)	(9.1)
Other current payables and current provisions	(168.2)	(152.1)	(16.1)
Operating Net Working Capital	64.4	(29.3)	93.7
Other receivables – Rolling Stock 2017-2032	14.3	41.2	(26.9)
Receivables for funded investments – Rolling Stock 2017-2032	164.6	161.6	3.0
Trade payables – Rolling Stock 2017-2032	(288.5)	(293.5)	5.0
Net Working Capital – Funded Investments	(109.6)	(90.7)	(18.9)
Net Working Capital – Total	(45.2)	(120.0)	74.8
Fixed assets	984.2	808.5	175.7
Equity investments	178.9	173.7	5.2
Non-current receivables and contract assets	134.1	189.3	(55.2)
Non-current payables	(34.6)	(36.7)	2.1
Provisions	(82.7)	(88.8)	6.1
NET INVESTED CAPITAL	1,134.7	926.0	208.7
Own funds	372.3	376.2	(3.9)
Adjusted Net Financial Position	875.6	642.8	232.8
Net Financial Position for funded investments (cash)	(113.2)	(93.0)	(20.2)
Total Net Financial Position	762.4	549.8	212.6
TOTAL SOURCES	1,134.7	926.0	208.7

Operating Net Working Capital, net of changes for funded investments, increased by EUR 93.3 million as a result of the following changes:

- **trade receivables** decreased by EUR 6.7 million, mainly as a result of the decrease in trade receivables from related parties, for EUR 9.6 million, partially offset by the increase in receivables from the Customer of the Veneto LPT Service Contract for the different collection times, equal to EUR 2.4 million;
- the **other current receivables** increased by EUR 20.3 million due to (i) the increase in advances paid for the start-up of new orders for the extraordinary maintenance of the railway infrastructure and other rolling stock for EUR 9.9 thousand, (ii) the contribution to the consolidation of other Viridis assets for EUR 10.5 million, mainly attributable to tax receivables for EUR 6.5 million (of which EUR 4.3 million for VAT already requested for reimbursement) and receivables from Gestore dei Servizi Energetici for EUR 2.4 million;
- **receivables for funded investments** and **current contract assets** increased by EUR 82.1 million and EUR 21.4 million respectively, in connection with the progress of funded railway infrastructure orders;
- **trade payables** rose by EUR 9.1 million in connection with the increase in payables for investments to modernise the railway infrastructure and for operating activities and were partially offset by the payment of investments for the motorway infrastructure;
- **other current payables and provisions** increased by EUR 16.1 million in relation to higher payables to the Tax Authorities for current taxes, by EUR 12.5 million, and for VAT, by EUR 4.4 million.

As concerns **Net Working Capital for funded investments**:

- **other receivables – Rolling Stock 2017-2032**, amounting to EUR 14.3 million, fell by EUR 26.9 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** increased by EUR 3.0 million due to the recognition of the portion of accrued revenues, corresponding to the funded investments made, measured according to the percentage of completion method, amounting to EUR 158.8 million; almost fully offset by the collection of grants for the period of EUR 156.0 million; higher than the recognition of the portion of accrued revenues;
- **trade payables – Rolling Stock 2017-2032** decreased as a result of payments made amounting to EUR 143.7 million. These investments were paid with the available funds allocated by the Regione Lombardia, excluded from the Adjusted NFP.

The item **fixed assets** comprises mainly tangible assets of EUR 573.6 million, of which EUR 329.9 million pertain to rolling stock, intangible assets for EUR 339.3 million, of which EUR 297.5 million relating to the motorway infrastructure freely revertible to the Awarding Body (Ministry of Infrastructure and Transport), goodwill deriving from the acquisition of Viridis of EUR 44.4 million and rights of use of EUR 26.9 million.

The increase in tangible assets and rights of use is attributable to the consolidation as of 23 February 2024 of the subsidiary Viridis in the amount of EUR 88.4 million and EUR 13.5 million, respectively. More in detail, the subsidiary contributed the following to the consolidated tangible assets: photovoltaic plants for EUR 47.2 million, biogas plants for EUR 7.4 million, land and buildings for EUR 7.3 million, and work in progress on photovoltaic plants for EUR 23.3 million.

In addition, during the period works carried out in prior years amounting to EUR 67.9 million were transferred from contract assets to motorway infrastructure after they were commissioned.

The value of **equity investments** increased by EUR 5.2 million due to the higher profit for the period contributed by the companies valued using the equity method, amounting to EUR 5.5 million, other equity investments, amounting to EUR 2.4 million, and other changes in the Statement of Comprehensive Income, amounting to EUR 0.3 million; these effects were partially offset by the dividends distributed by the investee companies Nord Energia in liquidation and Omnibus, amounting to EUR 3.0 million.

Non-current receivables primarily include **contract assets** deriving from investments made in motorway infrastructure up to 30 June 2024, but not yet recognised, for EUR 12.3 million, which decreased as a result of what is set forth above, loans from FNM and MISE to investees for EUR 71.1 million and net deferred tax assets of EUR 41.3 million.

Provisions include non-current provisions related to cyclical maintenance, the Motorway Infrastructure Renewal Provision and post-employment benefits.

Below is the breakdown of the Group's Net Financial Position as at 30 June 2024, compared with 31 December 2023.

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 "Rolling Stock Programme 2017-2032":

Amounts in EUR millions	30/06/2024	31/12/2023	Change
Liquidity	(237.7)	(302.3)	64.6
Current financial debt	255.4	178.0	77.4
Current Net Financial Position (Debt / -Cash)	17.7	(124.3)	142.0
Non-current financial debt	857.9	767.1	90.8
Adjusted Net Financial Position	875.6	642.8	232.8
Net Financial Position for funded investments (Cash)	(113.2)	(93.0)	(20.2)
Net Financial Position	762.4	549.8	212.6

As at 30 June 2024, the total Net Financial Position was EUR 762.4 million, compared to a balance of EUR 549.8 million as at 31 December 2023. Isolating the amount relating to funded investments (EUR 113.2 million), the adjusted Net Financial Position was EUR 875.6 million, compared to a balance of EUR 642.8 million as at 31 December 2023.

Please also note that as at 30 June 2024 the Group had liquidity headroom of EUR 140 million in uncommitted lines.

The **adjusted Net Financial Position** is the result of cash flow changes in the reference period:

Amounts in EUR millions	30/06/2024	30/06/2023
EBITDA	106.0	100.0
Net Working Capital	(19.0)	(12.6)
Tax paid	—	(15.9)
Financial expenses/income paid	(2.0)	(3.5)
Free cash flow from operations	85.0	68.0
Gross investments paid with own funds	(30.6)	(27.9)
Motorway infrastructure investments paid with own funds	(3.8)	(16.2)
Change in NWC – Investments with own funds	(7.5)	(21.8)
Funded investments – Railway infrastructure	(149.6)	(67.2)
Change in NWC – Funded investments for railway infrastructure	8.4	0.1
Public grants collected – Own funds	5.1	3.0
Collection of railway infrastructure investment funding	40.1	82.0
Collection of motorway infrastructure investment funding	2.4	8.9
Cash flow generation	(50.5)	28.9
Acquisition of equity investments net of cash held	(55.2)	—
Loan disbursement to investees	(1.0)	(2.0)
Investments in other equities	(1.5)	—
Time Deposit collections	—	6.7
Loan repayment by investees	—	6.9
Dividends – cash-in	3.0	3.7
Divestments	—	5.5
Free cash flow	(105.2)	49.7
Dividends – cash-out	(10.0)	(10.0)
Cash flow	(115.2)	39.7
Adjusted NFP (Debt/-Cash) INITIAL 01/01	642.8	766.9
Cash flow generation	115.2	(39.7)
IFRS 16 effect	4.2	1.5
Recognition of Viridis financial debt	62.4	—
Recognition of Viridis put option and earn-out	51.8	—
Other changes in financial payables	(0.8)	33.0
Total change in NFP	232.8	(5.2)
Adjusted NFP (Debt/-Cash) FINAL 30/06	875.6	761.7

Cash flow generation in the period was negative for EUR 50.5 million and derives from positive operations, fully offset by investments paid.

The **operating cash flow** deriving from income management was a positive EUR 85.0 million, due to EBITDA of EUR 106.0 million, in part negatively affected by the change in Net Working Capital described above.

In the First Half of 2024, net investments paid, both with own funds and on funded railway infrastructure, totalled EUR 134.6 million (compared to EUR 39.1 million paid in the first half of 2023).

The **cash flow** for the period, a negative EUR 115.2 million, was greatly influenced by the cash outflow related to the acquisition of the 80% stake in Viridis, amounting to EUR 80.0 million, net of the cash held by the subsidiary Viridis, amounting to EUR 26.5 million, which resulted in a net cash outflow of EUR 53.5

million. In addition, there was a net cash outflow of EUR 1.7 million in connection with the acquisition of companies operating in the energy sector by Viridis after being consolidated.

The adjusted Net Financial Position also reflects the amounts arising from: (i) the change in the scope of consolidation due to the recognition of bank debt and financial liabilities related to the acquired scope; and (ii) the recognition of the liability for the put option granted to minority shareholders and the contractualised earn-out portion.

4.3 INVESTMENTS

Investments in the period amounted to EUR 342.8 million compared to EUR 208.5 million of the comparative half of 2023.

In particular, **investments made with own funds** by the FNM Group, including penalties, gross of collections of the consideration for construction services accrued in the First Half of 2024 totalled EUR 34.4 million, compared to EUR 44.4 million in the comparative period of the previous year, and are broken down as follows:

- investments related to the **Ro.S.Co. & Services** segment for EUR 5.4 million (EUR 7.8 million in H1 2023), mainly referring to investments in TAF rolling stock;
- investments classified in the **Rail Infrastructure** segment amounting to EUR 10.8 million (EUR 3.0 million in H1 2023), of which EUR 7.7 million relating to the start of real estate development work on the Sacconago Terminal;
- investments in the **Road Passenger Mobility** segment of EUR 2.0 million (EUR 17.4 million in H1 2023), mainly relating to buses and the associated equipment;
- investments in the **Motorway Infrastructure** for EUR 6.5 million (EUR 16.2 million in the first half of 2023), attributable to revertible assets realised on the motorway infrastructure for EUR 3.8 million (EUR 15.6 million in the first half of 2023), and other investments for EUR 2.7 million;
- investments in the **Energy** segment for the construction of plants of EUR 9.7 million.

The **funded investments** gross of contributions collected and managed by the FNM Group in the First Half of 2024, on behalf of the Regione Lombardia, in accordance with the Programme Agreement and the Service Contract include:

- **Investments in Railway Infrastructure** of EUR 93.8 million (EUR 38.0 million in H1 2023) relating to the modernisation of railway infrastructure;
- **Investments in airport rolling stock** of EUR 55.8 million (EUR 29.2 million in H1 2023);
- **Investments for the renewal of rolling stock 2017-2032** of EUR 158.8 million (EUR 96.8 million in H1 2023). 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 the First Half of 2024:
 - 10 “Caravaggio” type (EMU) high-capacity trains;
 - 5 “Donizetti” type (EMU) trains;
 - 4 “Colleoni” type trains;
 - 5 “Donizetti” type (EMU) trains – Lombardy Plan.

5 OPERATING PERFORMANCE OF BUSINESS SEGMENTS

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

1H 2024 PRO-FORMA

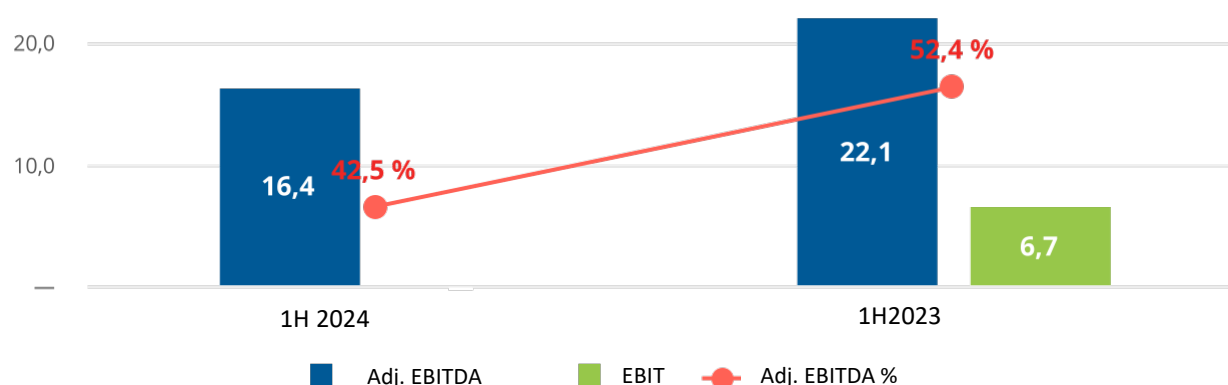
<i>Amounts in EUR millions</i>	Ro.S.Co. & Services	Railway infrastructure	Road passenger mobility	Motorways	Energy	Eliminations	Total
Revenues from third parties	29.5	57.9	55.1	150.1	10.5		303.1
Intercompany revenues	9.1	3.0	0.6	1.5	—	(14.2)	—
Revenues from construction services net of funded investment costs	—	4.9	—	—	—		4.9
Segment revenues	38.6	65.8	55.7	151.6	10.5	(14.2)	308.0
Adjusted EBITDA	16.4	0.4	3.7	80.0	7.0	—	107.5
Adjusted EBITDA %	15%	— %	3%	74%	7%		
EBITDA	15.5	0.4	3.7	80.0	7.0	—	106.6
EBITDA %	15%	— %	3%	75%	7%		
EBIT	—	(0.9)	(1.5)	40.2	2.6	—	40.4

1H 2023 PRO-FORMA

<i>Amounts in EUR millions</i>	Ro.S.Co. & Services	Railway infrastructure	Road passenger mobility	Motorways	Energy	Eliminations	Total
Revenues from third parties	33.8	69.6	51.9	143.5	8.8		307.6
Intercompany revenues	8.4	3.7	0.3	1.2	—	(13.6)	—
Revenues from construction services net of funded investment costs	—	2.8	—	—	—		2.8
Segment revenues	42.2	76.1	52.2	144.7	8.8	(13.6)	310.4
Adjusted EBITDA	22.1	4.8	3.1	70.0	5.1	—	105.1
Adjusted EBITDA %	21%	5%	3%	67%	5%		
EBITDA	22.1	4.8	3.1	70.0	5.1	—	105.1
EBITDA %	21%	5%	3%	67%	5%		
EBIT	6.7	3.8	(1.4)	39.4	1.3	—	49.8

5.1 RO.S.CO & SERVICES

Amounts in EUR millions	1H 2024	1H 2023	Chg	Chg %
Lease of rolling stock	23.2	27.2	(4.0)	-14.7 %
Other revenues	15.4	15.0	0.4	+2.7 %
Total revenues	38.6	42.2	(3.6)	-8.5 %
Adj. EBITDA	16.4	22.1	(5.7)	-25.8 %
Adj. EBITDA %	42.5 %	52.4 %		
EBIT	—	6.7	(6.7)	N/A



Revenues for this segment amounted to EUR 38.6 million, down EUR 3.6 million compared to the first half of 2023. The trend is entirely attributable to the decrease in **rolling stock lease payments** (primarily to Trenord), down by EUR 4.0 million mainly due to lower lease payments on TSR, Coradia, Tilo and CSA trains following the new framework agreement with Trenord. The **other revenues**⁶ amounted to EUR 15.4 million, an increase of EUR 0.4 million compared to the first half of 2023 due to higher income from payment institute services for the management of collections from self-service cash terminals of Trenord.

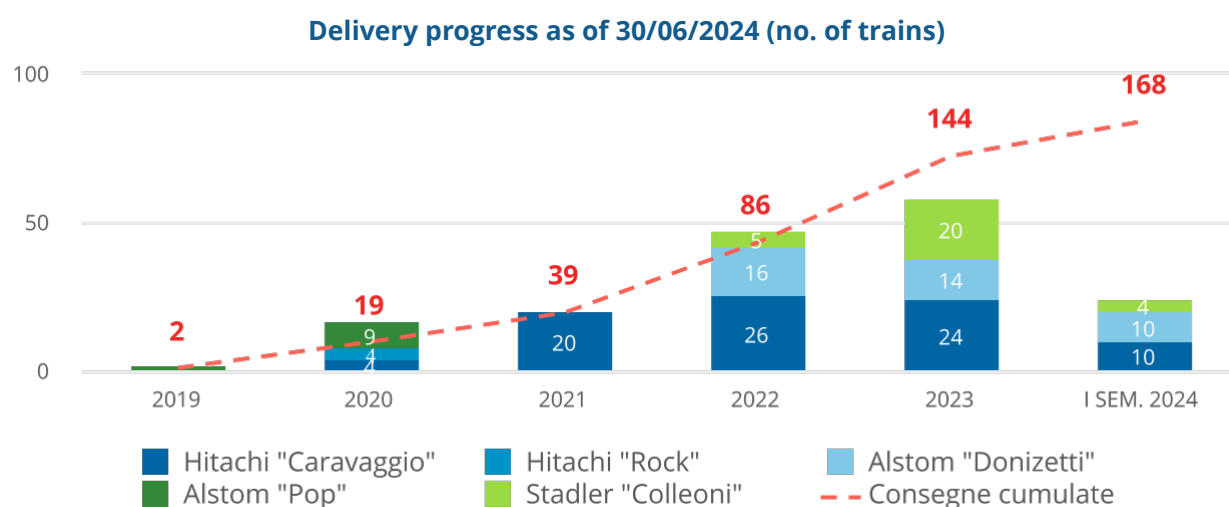
Adjusted EBITDA amounted to EUR 16.4 million, down EUR 5.7 million compared to the first half of 2023 as a result of the joint effect of the revenue trends described previously and higher operating costs of EUR 2.1 million. In particular, the latter were mainly affected by higher personnel costs of EUR 1.5 million relating to the increase in the average workforce (+9 FTE) and the adjustment of the National Collective Bargaining Agreement, as well as the increase in other operating costs of EUR 0.6 million linked to higher IT expenses.

⁶ They include revenues from administrative services related to the management through service contracts with investee companies of the corporate centralised activities, income from the management of real estate owned and income from financial intermediation by FNMPAY to carry out acquiring services.

5.2 RAILWAY INFRASTRUCTURE

Operational data:

The implementation status of the Rolling Stock Renewal Programme for regional railway services for the years 2017-2032 as at 30 June 2024 is shown below:

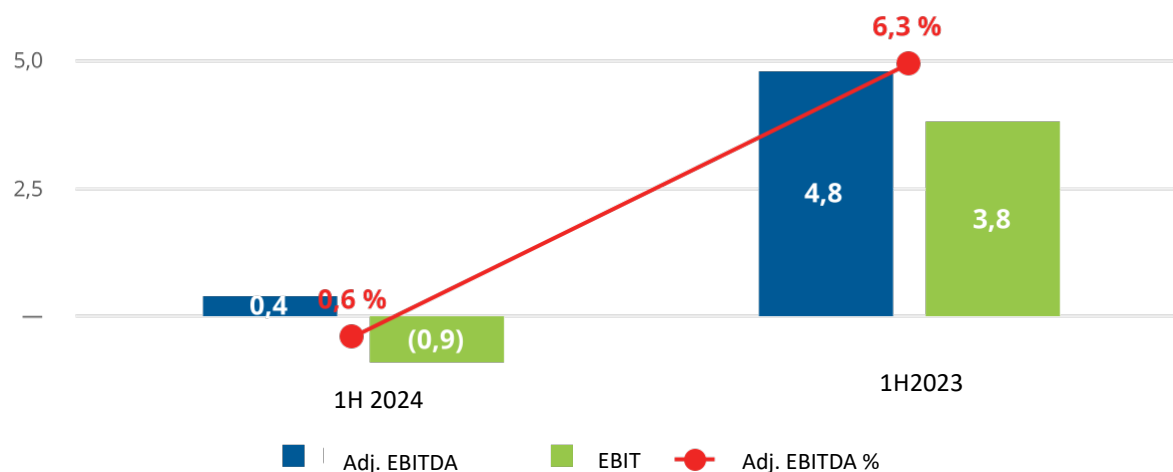


The COVID-19 emergency led to a delay in deliveries and in obtaining the authorisation to market the trains, but the Regione Lombardia's goal of completing the Programme by 31 December 2025 was guaranteed. As far as Hitachi supplies are concerned, at 30 June 2024, the 50 Caravaggio trains covered by the first and second Executive Contracts have been delivered, as well as the 34 trains covered by the third Executive Contract, with completion of the deliveries scheduled by September 2024. With regard to Alstom, as of 30 June 2024, 28 of the 31 Donizetti trains related to the first Executive Contract and 12 of the 20 Donizetti trains related to the second Executive Contract have been delivered, with deliveries expected to be completed by January 2025. 29 of the 30 Colleoni trains were delivered by Stadler under the first Executive Contract, with deliveries scheduled to be completed by August 2024.

With regard to Hitachi's supply of Caravaggio trains for the Malpensa and Orio al Serio airport service, deliveries of the 8 trains under the variation of the third Executive Contract are scheduled from December 2024 to March 2025, while those of the 18 trains under the sixth Executive Contract are scheduled from April to December 2025.

Economic performance:

Amounts in EUR millions	1H 2024	1H 2023	Chg	Chg %
Public contracts and grants	44.3	43.7	0.6	+1.4 %
Revenues from network access	13.4	12.8	0.6	+4.7 %
Lease of rolling stock	—	9.9	(9.9)	N/A
Other revenues	8.1	9.7	(1.6)	-16.5 %
Total revenues	65.8	76.1	(10.3)	-13.5 %
Adj. EBITDA	0.4	4.8	(4.4)	-91.7 %
Adj. EBITDA %	0.6 %	6.3 %		
EBIT	(0.9)	3.8	(4.7)	N/A



Revenues for this segment amounted to EUR 65.8 million, down EUR 10.3 million compared to the first half of 2023. The trend is almost entirely attributable to the absence of the item “Lease of rolling stock” due to the different treatment of cyclical maintenance costs for rolling stock owned by the Regione Lombardia⁷ following the updating of the FERROVIENORD Service Contract, discussed in detail in the Annual Financial Report as at 31 December 2023, which should be referred to for further information. Excluding this item, which – it should be recalled – has a neutral impact on EBITDA, the segment’s revenues would decrease by EUR 0.4 million compared to the first half of 2023.

In particular, the **revenues relating to public contracts and grants**⁸ amounted to EUR 44.3 million, up EUR 0.6 million from the same period of 2023. This trend was caused by (i) higher revenues from the Service Contract linked to the increase in production, the adjustment to inflation and the recovery of general expenses related to funded investment orders for a total of EUR 2.8 million; (ii) higher incentives of EUR 0.5 million linked to the “Ferrobonus” following the initiation of MTO activities as of October 2023; (iii) lower revenues for design activities and cost recoveries related to work on the network in the amount of EUR 2.7 million. **Revenues from network access** increased by EUR 0.6 million due to the 2024 inflation adjustment and the increase in kilometres travelled on the Milan Branch.

Adjusted EBITDA for the segment stood at EUR 0.4 million, down by EUR 4.4 million compared to the same period of 2023, due to the combined effect of the revenue trend and higher costs of EUR 4.0 million. More specifically, personnel costs increased by EUR 2.0 million compared to the first half of 2023 due to the increase in the workforce (+20 FTE) and the adjustment of the National Collective Bargaining Agreement, with a similar trend in operating costs mainly due to the higher charges for design, technical services, safety coordination and project management entrusted to third parties as part of the integrated railway infrastructure maintenance contracts.

Regarding **terminal management**, revenues in the period amounted to EUR 1.1 million, up EUR 0.5 million compared to the first half of 2023. EBITDA was a negative EUR 0.9 million, marking a deterioration of EUR 0.6 million compared to H1 2023 due to higher costs linked to MTO activities and the hiring of new staff in 2023. The result was also affected by the cancellation of trains by railway companies due to disruptions on the railway lines and maintenance work carried out by FERROVIENORD that affected the Terminal’s operations in April, May and June 2024.

⁷ The costs for the second-level maintenance of the train fleet managed by FERROVIENORD on behalf of the Regione Lombardia are borne directly by the Region and accounted for annually on the basis of the multi-year planning provided by Trenord. Therefore, the train lease revenue paid by Trenord to FERROVIENORD and the associated provisions are no longer recognised in the Income Statement.

⁸ These 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 Regione Lombardia.

5.3 ROAD PASSENGER MOBILITY

Operational data

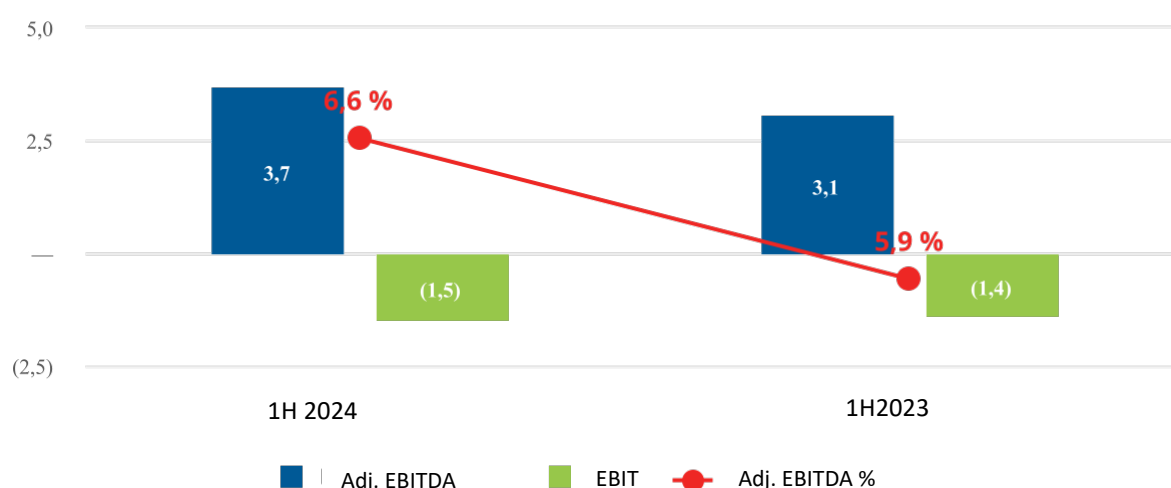
Mobility indicators		1H 2024	1H 2023	Chg %
Passengers	million	35.3	34.9	+1.1 %
- ATV	million	33.2	32.9	+0.9 %
- FNMA	million	2.1	2.0	+5.0 %
LPT	mln bus/km	12.1	12.4	-2.4 %
- ATV	mln bus/km	9.7	10.0	-3.0 %
- FNMA	mln bus/km	2.4	2.4	— %

Overall, travellers carried in the First Half of 2024 totalled 35.3 million, up 1.1% from 34.9 million in the first half of 2023, highlighting a slowdown in the pre-pandemic recovery impacted by the loss of the “transport bonus”. In fact, the demand for LPT by road remains 10.6% lower than in 2019. Local public transport services provided amounted to 12.1 million bus-km, down 2.4% compared to H1 2023 and by 4.0% compared to the same period of 2019, due to difficulties caused by the shortage of drivers, which required a further reduction in the service provided by ATV during the period.

With regard to the development of tariffs, it should be noted that a tariff increase of approximately 15% for ATV season tickets came into force on 01 January 2024.

Economic performance

Amounts in EUR millions	1H 2024	1H 2023	Chg	Chg %
Public contracts and grants	25.5	25.1	0.4	+1.6 %
Transport services	26.8	23.9	2.9	+12.1 %
Other revenues	3.4	3.2	0.2	+6.3 %
Total revenues	55.7	52.2	3.5	+6.7 %
Adj. EBITDA	3.7	3.1	0.6	+19.4 %
Adj. EBITDA %	6.6 %	5.9 %		
EBIT	(1.5)	(1.4)	(0.1)	+7.1 %



Revenues for the period amounted to EUR 55.7 million, up EUR 3.5 million compared to the first half of 2023. In this regard, it should be noted that in the comparative period this segment still included the contribution of La Linea and its subsidiary Martini Bus, deconsolidated as of 16 January 2023, amounting to EUR 0.7 million.

In particular, the **revenues from public contracts and grants** amounted to EUR 25.5 million, up EUR 0.4 million compared to the first half of 2023, thanks to higher revenues related to the increase in grants for current expenses from the Regione Lombardia related to the benefits deriving from the "Patto per il TPL" (LPT Agreement) following lower revenues related to the COVID emergency. **Revenues from transport services**⁹ amounted to EUR 26.8 million, up EUR 2.9 million compared to the first half of 2023 as a result of higher revenues of EUR 2.1 million from passenger transport and the higher fee of EUR 1.0 million invoiced for rail-replacement services, partially offset by the decline in revenues linked to the change in scope of EUR 0.5 million. **Other revenues** amounted to EUR 3.4 million, an increase of EUR 0.2 million compared to the first half of 2023 thanks to the increase in passenger fines as a result of the increase in ticket verification rounds and the recovery of excise duty on diesel fuel.

Adjusted EBITDA for the period was EUR 3.7 million, an increase of EUR 0.6 million compared to the first half of 2023 as a result of the growth in revenues from transport services mentioned above, partially offset by the increase in operating costs, mainly due to increased sub-contracting to third parties to carry out additional runs of EUR 1.9 million, also connected with the shortage of drivers, higher personnel costs of EUR 0.7 million linked to the increase in the average cost, partially offset by the reduction in the average workforce (-33 FTE), and the absence of the contribution of La Linea and its subsidiary Martini Bus of EUR 0.3 million.

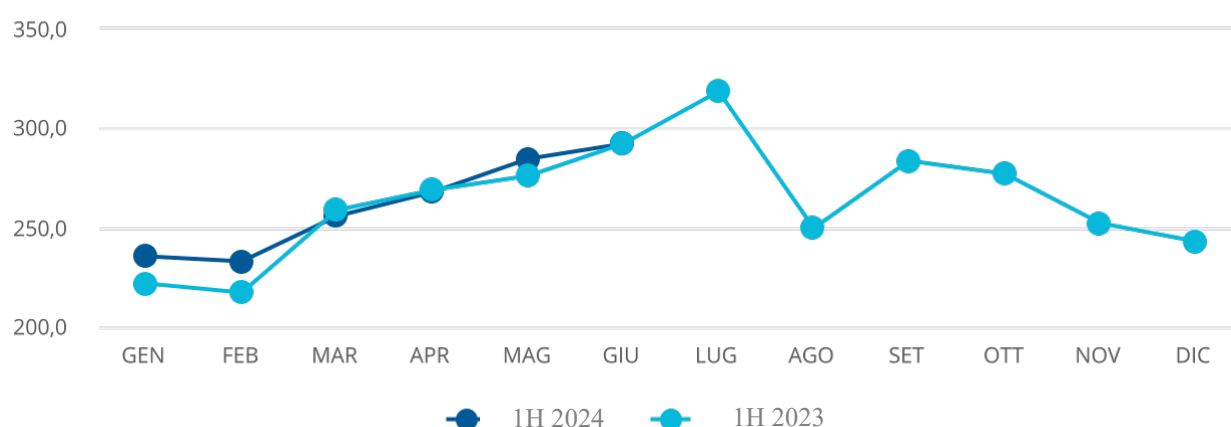
5.4 MOTORWAYS

Traffic and tariff trends

Paying traffic		1H 2024	1H 2023	Chg %
Light vehicles	mln vehicle-km	1,251.2	1,220.7	+2.5 %
Heavy vehicles	mln vehicle-km	316.4	312.9	+1.1 %
Total	mln vehicle-km	1,567.6	1,533.6	+2.2 %

The table above shows that traffic volumes recorded a generalised increase in the early months of 2024, also benefiting from the conventional route adjustment of Tangenziale Nord (northern ring road) on 01 March 2023, following the opening to traffic of the upgraded S.P. 46 Rho-Monza.

Motorway traffic (mln vehicle-km)



Observing the monthly trend in paying traffic, it can be seen that the traffic trend, which was extremely positive in January and February, came to a noticeable halt in March, especially in the area of heavy vehicles across all sections under concession. In particular, the recovery recorded in the first two months

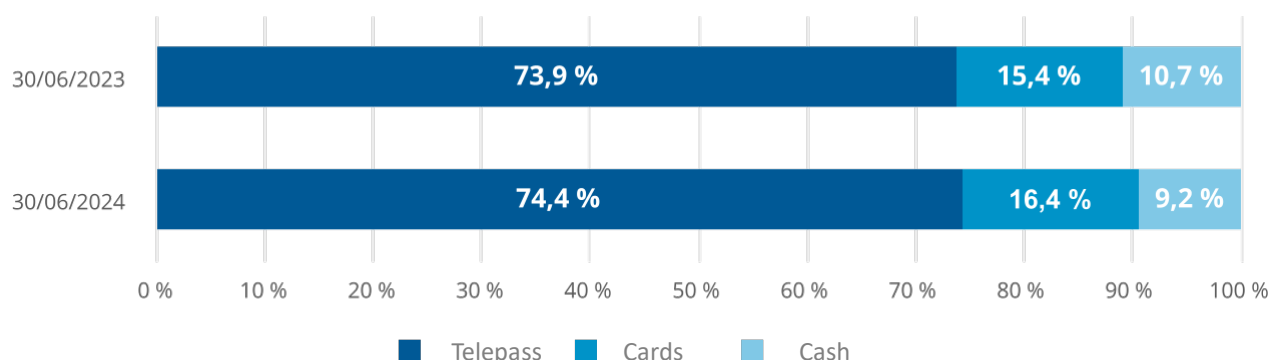
⁹ They include revenues from ticketing, rail-replacement services performed by FNMA on behalf of Trenord, subcontracted activities and revenues from car sharing of E-Vai.

of the year is attributable to both the conventional route adjustment on Tangenziale Nord (northern ring road) and the extra day in February, as 2024 is a leap year. The trend in March may be related to bad weather conditions that limited travel during the Easter holidays. On the other hand, the performance in the second quarter of 2024 is generally in line with the same period in 2023.

In the First Half of 2024, the total number of accidents recorded on the concession network decreased by 5% compared to the same period in 2023. There were 3 fatal accidents (0 in the same period in 2023). The accident rate, calculated as the number of accidents per 100 million vehicle-km, stood at 55.4 in the First Half of the year, a decrease of 4.2 points compared to 59.7 in the first half of 2023. MISE is continuing to implement a programme of actions aimed at reinforcing video surveillance of the sections under its jurisdiction, as well as increasing user awareness of compliance with the Highway Code and of how to behave in the event of an accident. Steps were also taken to improve the safety of workers working on fixed or mobile construction sites following a fatal event at the beginning of the year, by enhancing specific safety training courses and the drafting and dissemination of a policy, which all contracting companies carrying out activities on the sections under their jurisdiction were then asked to adopt.

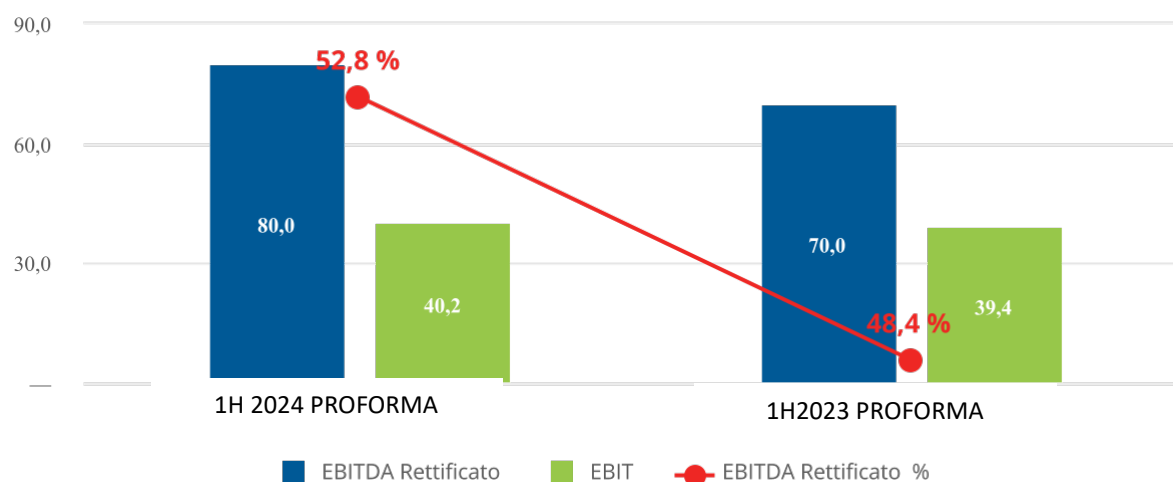
With regard to the preliminary analysis concerning the 2024 tariff adjustment, it should be noted that by virtue of the regulatory provision included in the "Milleproroghe" Decree Law of 28 December 2023 and the communication sent by the Awarding Body, MISE's motorway tariffs were adjusted by 2.3% as of 01 January 2024.

A steady decrease in the use of manual (cash) lanes by users and a consequent steady increase in traffic on lanes equipped with automatic toll collection systems (Telepass and cards) was also observed in the First Half of 2024. The table below shows the breakdown of the different toll payment methods:



Economic performance

Amounts in EUR millions	1H 2024	1H 2023	Chg	Chg %
Toll revenues	138.5	132.8	5.7	+4.3 %
Other revenues	13.1	11.9	1.2	+10.1 %
Total revenues	151.6	144.7	6.9	+4.8 %
Adj. EBITDA	80.0	70.0	10.0	+14.3 %
Adj. EBITDA %	52.8 %	48.4 %		
EBIT	40.2	39.4	0.8	+2.0 %



Revenues for this segment amounted to EUR 151.6 million, up EUR 6.9 million compared to the first half of 2023. The improvement is mainly driven by the increase in **toll revenues** (EUR +5.7 million) due to the 2.3% tariff increase as of 01 January 2024 and the positive traffic trend, which also incorporates the conventional route adjustment of Milan's Tangenziale Nord (northern ring road). **Other revenues** increased by EUR 1.2 million compared to the first half of 2023, mainly due to higher cost recoveries for the management of the Agrate and Terrazzano barriers (the amount shown in 2023 was subject to a positive adjustment for MISE) and higher recoveries from motorway damage compensation following accidents.

Adjusted EBITDA for the period was EUR 80.0 million, up EUR 10.0 million on the first half of 2023, due to the revenue trend and decrease in costs (EUR 3.1 million). The latter are, however, the result of varying trends across the different cost items, which are also influenced by net changes in provisions, as described below.

Maintenance costs for the motorway infrastructure and restoration work decreased by EUR 5.6 million, attributable to the combined effect of (i) lower restoration and upgrade works mainly related to the completion of works in 2023 on the viaduct over the Po River and the integrated barrier of Zerbolò as well as the installation of automatic toll booths in A7 and A51 and the plan to replace the light barriers, and (ii) the increase in works on pavements for the recovery of activities not carried out in 2023 and for more repairs made necessary as a result of bad weather damage. In addition to these effects, there is the net positive effect of the movement of funds of EUR 0.4 million determined by (i) the net movement of the **renewal provision** for EUR 5.9 million as a result of the restoration works carried out and scheduled (lower utilisations of the renewal provision consistent with the higher restoration works carried out the previous year on the Po River and the integrated barrier of Zerbolò), and (ii) the release of the **provision for delayed maintenance** in the amount of EUR 6.3 million authorised by MIT (provision allocated in previous years for less maintenance performed with respect to the corresponding forecasts of the current EFP, which have been fully recovered).

Operating costs showed an increase of EUR 1.4 million, mainly related to the increase in operating costs resulting from the rise in tolls (including collection charges and concession fees), higher expenses incurred for the ASECAP event held in May, and greater costs related to IT fees and insurance premiums.

Personnel costs rose by EUR 1.5 million mainly due to the increase in personnel (+25 FTE) in relation to the reorganisation process started in 2023. The effects of the National Collective Bargaining Agreement renewal in the First Half of 2024 are offset by the one-off amount paid in 2023.

5.5. ENERGY

Service performance

Viridis is active in the power generation sector in Italy, with a nominal installed capacity of 46.1 MW in solar and 2 MW in biogas, an increase over the previous year of about 11 MW due to the commissioning of 2 photovoltaic power plants as of December 2023, and the acquisition in June 2024 of B&ER Energia S.r.l., owner of a photovoltaic power plant of roughly 1 MW, as better described in Note 3.

Operational data concerning installed capacity and electricity production for the First Half of 2024 and the corresponding comparative period are provided below:

	INSTALLED POWER IN OPERATION (MW)			PRODUCTION (MWh)		
	30/06/2024	30/06/2023	Chg %	1H 2024	1H 2023	Chg %
Photovoltaic plants	46.1	34.8	+32.5 %	31,283	25,648	+22.0 %
Biogas plants	2.0	2.0	— %	7,874	7,905	-0.4 %
Total	48.1	36.8	+30.7 %	39,157	33,553	+16.7 %

In the First Half of 2024, electricity production amounted to 39,157 MWh, of which 31,283 MWh from photovoltaic plants and 7,874 MWh from biogas. Photovoltaic generation is up compared to the same period of 2023 (+5,635 MWh) due to the increased capacity, the effect of which is partly offset by less sunlight (-7.9% compared to the seasonal average of the last 25 years and -3.0% compared to H1 2023 on a like-for-like basis) and a power limitation imposed by the grid operator for one of the two new plants (limitation lifted as of March 2024). By contrast, energy production from biogas plants remained basically aligned with the same half of the previous year.

A breakdown is provided below of the average prices by zone and the Single National Price (PUN) for electricity for the First half of 2024 compared with the same period of 2023:

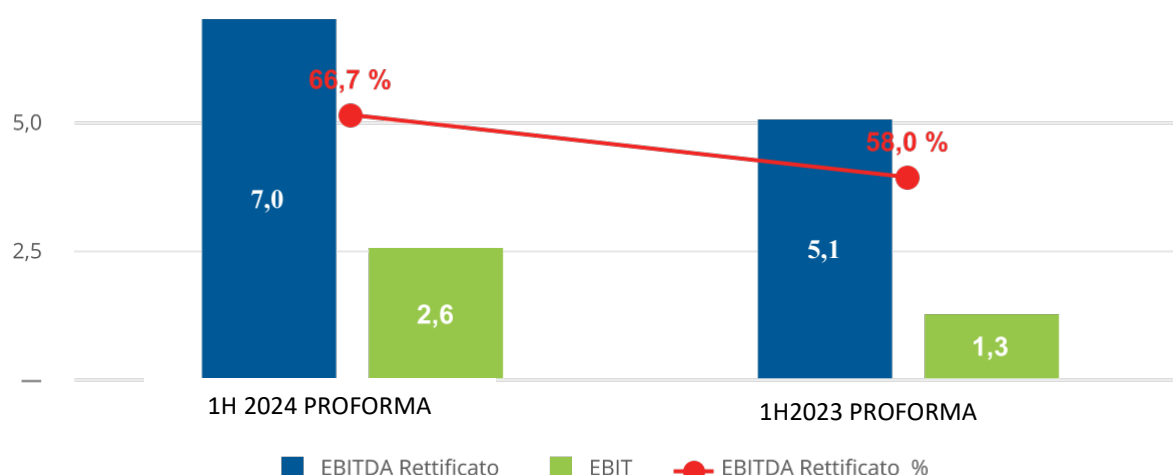
	1H 2024	1H 2023	Chg %
Italy PUN – single national electricity price	93.4	136.3	-31.5 %
North Zone electricity price	93.3	137.7	-32.2 %
Central North Zone electricity price	93.6	137.8	-32.1 %
South Zone electricity price	93.1	132.6	-29.8 %
Sardinia electricity price	89.8	131.8	-31.9 %

In the First Half of 2024, the PUN (Single National Price) decreased by 31.5% compared to the same period of 2023; prices by zone also followed a broadly similar trend. The drop in energy prices reflects the Italian energy market trend discussed in section 3.1 – Energy market trends.

However, the market price trend does not directly impact the results for the period due to the mitigating effect deriving from fixed-price energy sales contracts in place with the traders and the revenue base deriving from plants benefiting from the energy account.

Economic performance

Amounts in EUR millions	1H 2024 PRO-FORMA	1H 2023 PRO-FORMA	Chg	Chg %
Revenues from the sale of electricity	5.8	4.3	1.5	+34.9 %
Other revenues	4.7	4.5	0.2	+4.4 %
Total revenues	10.5	8.8	1.7	+19.3 %
Adj. EBITDA	7.0	5.1	1.9	+37.3 %
Adj. EBITDA %	66.7 %	58.0 %		
EBIT	2.6	1.3	1.3	N/A



Revenues in the First Half of 2024 amounted to EUR 10.5 million, up by EUR 1.7 million compared to the first half of 2023. Specifically, **revenues from the sale of electricity** amounted to EUR 5.8 million, up by EUR 1.5 million compared to the first half of 2023. This result, although mitigated by the lower sunlight, is due to the contribution from the higher operating capacity and the absence of the compensation paid to Gestore dei Servizi Energetici (GSE) resulting from the application of the regulation on windfall profits. In fact, it should be noted that the revenues for the first half of 2023 include the effects related to the regulatory measures to contain the increase in energy prices (the Support Decree number three) that set a cap on energy prices at around EUR 57/MWh and resulted in repayments of EUR 1.3 million, while there was no impact in the First Half of 2024 as that measure was no longer in effect. **Other revenues** amounted to EUR 4.7 million, up by EUR 0.2 million. The aggregate mainly refers to contributions received for incentive tariffs recognised by GSE in the amount of EUR 4.3 million, substantially stable compared to the first half of 2023, in line with the trend of incentivised production.

Adjusted EBITDA amounted to EUR 6.9 million, up by EUR 1.8 million compared to the first half of 2023 as a result of the revenue trend described previously, against an essentially fixed cost structure.

5.6 MAIN INVESTEE COMPANIES

TRENORD

Service performance

		1H 2024	1H 2023	Chg %
Passengers transported	million	103.2	93.1	+10.8 %

The railway service in the First Half of 2024 showed an improving trend, compared to the already positive result in the first half of 2023. In fact, the recovery in the number of travellers continued in the period, up 10.8% compared to the same period in 2023, reaching values close to 750 thousand daily travellers on weekdays, but still 6.4% lower than in the first half of 2019. Planned production increased and, with the timetable adjustment effective from 10 June 2024, stood at approximately 42.7 million train-km per year. A total of 2,240 trains ran on average on weekdays and over 1,700 on public holidays.

As far as operational performance is concerned, the 5-minute punctuality perceived by the customer (no cause excluded) stood at 81.0%, with values ranging from 80.6% to 83.9% in the months of January to April, and then declining to 78.7% in May and 78.6% in June. The drop in the last two months of the half-year period is mainly attributable to weather events (days of rain, including heavy rain, with flooding and

line interruptions due to landslides) and the impact of slowdowns due to works and planned infrastructure interruptions.

The Lombardy Regional Council also approved, with Resolution No. XII/2660 of 01 July 2024, the tariff adjustment for regional public transport services for the year 2024 equal to 0.175% and decided not to apply it for the year 2024, postponing its recognition to coincide with the adjustment planned for 2025.

Economic data summary

Amounts in EUR millions	1H 2024	1H 2023	Change	Change %
Ticketing revenues	201.0	188.7	12.3	+6.5 %
Service Contract revenues	242.3	218.8	23.5	+10.7 %
Other revenues and income	25.2	29.6	(4.4)	-14.9 %
TOTAL REVENUES AND OTHER INCOME	468.5	437.1	31.4	+7.2 %
Operating costs	(224.3)	(200.9)	(23.4)	+11.6 %
Personnel costs	(157.0)	(146.1)	(10.9)	+7.5 %
EBITDA	87.2	90.1	(2.9)	-3.2 %
Depreciation, amortisation and write-downs	(63.4)	(85.5)	22.1	-25.8 %
EBIT	23.8	4.6	19.2	N/A
Net financial income (loss)	(7.7)	(4.2)	(3.5)	+83.3 %
EARNINGS BEFORE TAX	16.1	0.4	15.7	N/A
Income taxes	(5.5)	(0.1)	(5.4)	N/A
NET COMPREHENSIVE INCOME (LOSS)	10.6	0.3	10.3	N/A

Revenues for the period amounted to EUR 468.5 million, up EUR 31.4 million compared to the first half of 2023. In detail, **ticketing revenues** amounted to EUR 201.0 million, an increase of EUR 12.3 million compared to the first half of 2023, mainly due to the tariff inflation adjustment in force as of September 2023 and the uptick in demand, especially regarding the airport segment. **Service Contract revenues** stood at EUR 242.3 million, up by EUR 23.5 million, benefiting from the renewal of the Service Contract as of December 2023. **Other revenues and income** amounted to EUR 25.2 million, a decrease of EUR 4.4 million compared to the first half of 2023, primarily as a result of the loss of income due to the "electricity bonus".

Personnel costs came to EUR 157.0 million, with an overall increase of EUR 10.9 million compared to the first half of 2023, mainly due to the increase in the number of staff employed (+73 FTE), largely for the reinforcement of operating processes (train drivers, train conductors and ticketing staff). **Operating costs** amounted to EUR 224.3 million, an increase of EUR 23.4 million compared with the first half of 2023, the main changes in which related to rolling stock and plant maintenance (EUR +6.7 million), rail-replacement services (EUR +6.4 million), train traction (EUR +4.6 million), and network access tolls (EUR +3.0 million).

The combined effect described above resulted in an **EBITDA** of EUR 87.2 million, down by EUR 2.9 million compared to the first half of 2023.

The **amortisation, depreciation and write-downs** amounted to EUR 63.4 million, a decrease of EUR 22.1 million compared with the first half of 2023, mainly due to lower amortisation on rights of use related to leased rolling stock due to the lengthening of the contractual period and the free-of-charge concession of rolling stock from FERROVIENORD.

EBIT amounted to EUR 23.8 million, a significant improvement of EUR 19.2 million compared to the first half of 2023.

The **net financial loss** came to EUR 7.7 million, a deterioration of EUR 3.5 million compared to the first half of 2023, mainly due to higher interest expenses accrued on loans taken out for leased assets in application of IFRS 16. The net financial loss also takes into account financial income of EUR 2.6 million related to the financial effect of the recognition of consideration on a straight-line basis, compared to the variable compensation accrued.

Income taxes amounted to EUR 5.5 million, compared to a positive EUR 0.1 million in the first half of 2023, due to the positive change in the result for the period and the net change in deferred tax assets for

which the investee company has positively assessed the reasonable certainty of recoverability in future years.

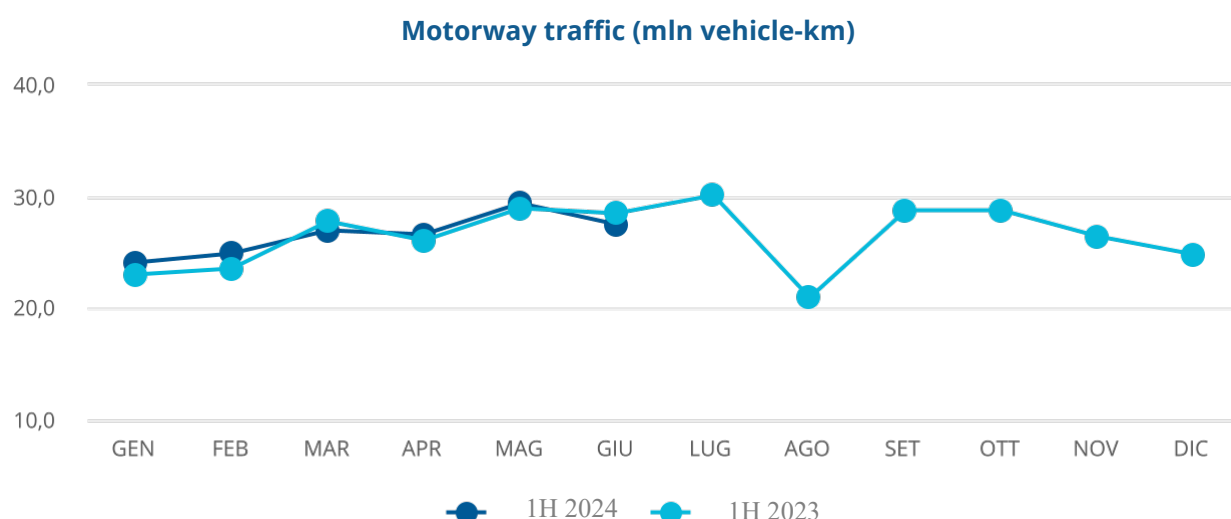
The first half of 2024 therefore closed with a **net profit** of EUR 10.6 million, a marked improvement compared to the basically break-even level recorded in the first half of 2023.

AUTOSTRADA PEDEMONTANA LOMBARDA (APL)

Traffic and tariff trends

Paying traffic		1H 2024	1H 2023	Chg %
Light vehicles	mln vehicle-km	128.8	127.2	+1.3 %
Heavy vehicles	mln vehicle-km	30.7	30.5	+0.7 %
Total	mln vehicle-km	159.5	157.7	+1.1 %

The traffic recorded in the First Half of 2024 continues to show a positive trend, with both light and heavy traffic improving compared to the same period in 2023. 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 the adjustment for financial year 2024, taking into account that the conditions of the Milleproroghe Decree also apply to APL, the MIT confirmed the adjustment of the average unit tariff in the amount of 2.30% as of 01 January 2024.

The percentage of tolls not paid within the 15-day deadline was 11.7%. Given the increase in traffic in the first half of 2023, this figure showed improvement compared to 12.3% in the first half of 2023. In this regard, it should be noted that the incisiveness of the debt collection actions conducted by the Investee also allowed the positive trend of collections to continue. In fact, on the basis of the debt collection activities carried out by June 2024, the percentage of unpaid tolls for the entire year 2023 decreased from 12.9% to approximately 7.6% and will decrease further when the debt collection process is completed. Notwithstanding the above, initiatives aimed at making debt collection actions more incisive and improving their performance continue in parallel.

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).

Amounts in EUR millions	1H 2024	1H 2023	Change	Change %
Toll revenues	22.7	22.0	0.7	+3.2 %
Other revenues and income	3.2	2.8	0.4	+14.3 %
TOTAL REVENUES AND OTHER INCOME	25.9	24.8	1.1	+4.4 %
Operating costs	(9.8)	(8.0)	(1.8)	+22.5 %
Personnel costs	(6.2)	(5.5)	(0.7)	+12.7 %
EBITDA	9.9	11.3	(1.4)	-12.4 %
Depreciation, amortisation and write-downs	(3.3)	(2.7)	(0.6)	+22.2 %
EBIT	6.6	8.6	(2.0)	-23.3 %
Net financial income (loss)	(13.6)	(13.7)	0.1	-0.7 %
EARNINGS BEFORE TAX	(7.0)	(5.1)	(1.9)	+37.3 %
Income taxes	(0.3)	(0.3)	—	— %
COMPREHENSIVE INCOME (LOSS)	(7.3)	(5.4)	(1.9)	+35.2 %

In the First Half of 2024, APL generated **revenues** of EUR 25.9 million, up by EUR 1.1 million compared to the first half of 2023, mainly due to traffic growth and the 2.3% tariff adjustment. There was also a rise in the revenue item "Increase for internal work" of EUR 0.5 million as an increase in personnel costs related to staff whose activities are directly functional to the performance of the work.

However, the rise in revenues is more than offset by the increase in costs of EUR 2.5 million, mainly attributable (i) to higher **personnel costs** of EUR 0.7 million (EUR 0.2 million net of the above-mentioned capitalisation of personnel costs) related to the increase in the average workforce during 2024 in order to strengthen the structure with a view to development and to cope with the imminent continuation of the works for the construction of Sections B2 and C; and (ii) to higher **operating costs** of EUR 1.8 million related to higher maintenance activities on the motorway network, higher costs for software licence fees for technological upgrades and higher allocations to the renewal provision to cover future maintenance costs.

EBITDA therefore amounted to EUR 9.9 million, down EUR 1.4 million compared to the first half of 2023.

EBIT stood at EUR 6.6 million, down by EUR 2.0 million, in line with the EBITDA trend, in respect of depreciation, amortisation and other provisions that increased overall by EUR 0.6 million compared to H1 2023, due to the effect of higher financial amortisation linked to the EBITDA present in the EFP.

Net financial loss came to a negative EUR 13.6 million, essentially stable as the increase in financial expenses was offset by a similar change in financial income following the use of cash. The item mainly refers for EUR 5.1 million to interest related to the MISE Shareholder Loan – whose payment is subject to the full repayment of bank debt – and for EUR 8.0 million to the effect of the application of the amortised cost to the commitment fees of the Senior Loan 1.

The investee closed the First Half of 2024 with a **net loss** of EUR 7.3 million, a deterioration over the result recorded in the same period of 2023 (loss of EUR 5.4 million) mainly due to the operational management trend.

6 FNM GROUP HUMAN RESOURCES

The average number of employees of the FNM Group at 30 June 2024 was 2,624 FTE, compared with 2,600 FTE in the first half of 2023, inclusive of the number of FTE relating to Viridis and its subsidiaries, which constituted the average headcount of the same period in the previous year.

In the First Half of 2024, with regard to the renewal of the National Collective Bargaining Agreement for the Railway/Tram Sector, which expired on 31 December 2023, the main Trade Unions submitted a proposal to the Sector Organisations containing significant high pay increases, which were much higher than in the last round of contract renewals. As a matter of prudence, therefore, provisions were made at Group level that were consistent with the renewal assumptions.

At Company level, an important agreement was signed on corporate welfare issues, updating the perimeter and the governance of the bilateral bodies present in the FNM Group, also in light of the relevant new regulatory guidelines. The new welfare structure makes provision, from 2025, for the presence of four bilateral bodies, with an unchanged perimeter as regards the FNM Pension Fund and the Company Recreational Club, and with the separation between activities strictly related to health integration, which will continue to be provided by the FNM Mutual Benefit Fund, and activities related to family, training and parenting issues, which will instead be covered by a fourth bilateral body to be set up.

As regards the company FNM Autoservizi, in March, an agreement was signed with the trade unions that involved a one-off payment to compensate for the results of the year 2023 and the redefinition of some welfare issues, in particular concerning supplementary welfare, meal vouchers and preventive medicine.

Group companies applying the National Collective Bargaining Agreement for Commerce were affected by its renewal in March. This renewal envisaged the payment of a one-off contribution to make up for the contractual holiday period, to be paid in two instalments in July 2024 and January 2025. In addition, contractual increases in the minimum wages were provided for the period from 01 April 2023 to 31 March 2027. These increases, including the advance already recognised in 2023, amount to a total of EUR 240 at collective bargaining reference level. The above amount will be recognised gradually in a total of six instalments over the above time-frame.

With regard to the National Collective Bargaining Agreement for Motorway and Tunnels Companies and Consortia, a Protocol of Intent was signed during the First Half of 2024 for the management of safety in work-site areas, which aims to ensure, in every works contract managed by the Concessionaire, a homogeneous application of practices regarding the setting up of work-sites and the execution of works in the presence of traffic. The Protocol outlines a careful prevention policy in order to pursue, by all possible means, the goal of eliminating accidents at work. Following the signing of the Protocol, the Parties shared the procedure concerning the management of cases of Stop Work Authority. Some observations were also made by the Company Delegation, the R.S.A. (Company-level union structure) and the Regional/Provincial Trade Union Representatives, concerning the revision of the agreement on the Performance Bonus, in order to resolve the problems and critical issues that arose during the settlement of the bonus paid in May 2024. Initial meetings have already taken place; the agreement will probably be finalised in the second half of this year.

In addition, during the First Half of 2024, the RSAs of the Trade Unions that are signatories to the industry National Collective Bargaining Agreement dealt with issues concerning (i) the agreement on the installation of 95 video cameras at operating sites to ensure the safety of workers and suppliers, as well as to protect the Company's assets and deter any criminal acts; (ii) the start of discussions on the criteria to be applied for the selection of seasonal staff in the coming seasons; (iii) the initiation of consultations to agree on the distribution of the "Blackline Safety" device to enhance the safety of operating personnel; (iv) the start of talks for the revision of the agreement on trade union approvals signed on 15 December 2022. Finally, it should be noted that, in the First Half of 2024, one union manager took advantage of the leave requested pursuant to Art. 31 of Law 300/70.

7. MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

In carrying out their activities, the Company and the Group are exposed to external risks and uncertainties, deriving from external factors connected to the general macroeconomic context and to the specific operating segment, in addition to risks stemming from strategic and internal management choices.

FNM S.p.A. has developed, as an integral part of its Internal Control and Risk Management System, a risk management model whose main aim is to adopt a systematic approach to identifying the Group's priority risks, assess their potential negative effects in advance and take appropriate action to mitigate them.

Operations in the First Half of 2024, with the exception of those reported regarding the acquisition of Viridis, did not change the risk scenarios set out in the Management Report attached to the Separate and Consolidated Financial Statements as at 31 December 2023, to which reference should be made for further details.

In particular, with regard to **climate change risk**, the assessment of the impact of the Company's and the Group's businesses on climate change is of high priority, as also reflected in the 2023 materiality list reported in the Non-Financial Statement as of 31 December 2023, confirmed following the shareholder engagement in 2022. The list of material topics 2024 is being updated and will be finalised in the second half of 2024. FNM attaches great importance to this issue and has put actions into place to guard against the risks and opportunities involved.

Aware of the importance of safeguarding the environment, the FNM Group strives to play a proactive role in the energy transition, which it believes is a fundamental objective to be pursued and an opportunity for future development. From this perspective, on 16 September 2021, the FNM's Board of Directors approved the 2021-2025 Strategic Plan, which establishes the Group as an integrated operator of sustainable mobility, guided by environmental, social and governance (ESG) sustainability principles. For the first time, the Plan integrates and quantifies ESG objectives in the definition of the Group's business strategy in order to develop new forms of multimodal, integrated and sustainable mobility, leveraging the synergistic management and development of the Group's complementary infrastructure portfolio, acting as a mobility partner for the communities served. In this sense, the development of new mobility services, implemented through the development of digital technologies and adapted to meet user requirements, is accompanied by the maintenance and improvement of conditions of safety and resilience to extreme natural events. An integral part of the Plan, which contributes to the achievement of 10 of the 17 UN 2030 Agenda Sustainable Development Goals (SDGs) on which it has an impact, is therefore the concrete support to local area development, through environmental and urban redevelopment projects along the railway route.

To enable the achievement of sustainability goals and active participation in the energy transition process, for the first time the Plan identifies key indicators with precise targets for 2025, including fleet development and decarbonisation. All this translates into an investment plan of around EUR 850 million in the period 2021-2025.

Below are the main objectives that the Group has set to demonstrate its commitment to fostering and promoting the energy transition process and which are associated mainly with fleet modernisation policies, with the introduction of alternative fuel vehicles (e.g. hydrogen trains, electric buses, etc.):

	2025	2023	2022
Scope 1 and Scope 2 CO₂ emissions / revenues	48 ton/CO₂eq/M€ (-35% vs 2020)	55.1 ton CO₂eq/M€ (-25.5% vs 2020)	69.6 ton/CO₂eq/M€ (-5.9% vs 2020)*
Use of electricity from renewable sources for corporate consumption and services throughout the infrastructure managed by the Group	100.0 %	69.0%	64.0%**

* The indicator was restated following a refinement in the methodology for calculating CO₂ emissions

** The figure has been updated following a more precise calculation of energy from renewable sources

Scope 1 and Scope 2 CO₂ emissions in relation to revenues and use of renewable energy for corporate consumption and services along the Group's infrastructure are verified annually.

The above indicators, in light of the changed characteristics of the Group at the date of preparation of the Plan and pending approval of the new Plan, may be subject to redefinition.

Following the consolidation of Viridis and its subsidiaries on 23 February 2024, these risks are augmented by those related to the management of photovoltaic plants as described in more detail below:

Operational risk

Time and cost risks for project implementation

Viridis is exposed to risks arising from possible delays in the procurement of plant components and project implementation, consistent with the need to maintain adequate technology standards to ensure market competitiveness. Supply bottlenecks can be related to geopolitical reasons, market accessibility, increasing global demand for the construction of renewable plants, rising raw material costs and inflation. These factors can also lead to increased procurement costs. The increase in investments and the delay in the start-up of plant operations, caused by the delay in the budgeted time-frame, could result in lost revenues.

Risks associated with the plant authorisation process

Viridis, when carrying out the technical study and administrative procedures to obtain the necessary authorisations for the construction of renewable energy parks, is exposed to the risk of not obtaining the authorisations or suffering delays due to lengthy bureaucratic processes and/or possible appeals brought by third parties against the authorisations.

Risks related to market competition

The renewable energy market is booming and characterised by relatively low barriers to entry. Viridis is exposed to the risk that new competitors may enter the market, making suitable areas for plant construction less available and limiting the ability to negotiate direct supply contracts, such as the Power Purchase Agreements (PPAs), and to sell products on the market at adequate prices to guarantee expected margins.

Risks associated with plant management

Viridis is exposed to the risk of being unable to guarantee the continuation of expected plant performance due to maintenance difficulties or extreme weather events that may impact productivity. Increased maintenance costs or difficulties in procuring maintenance services could lead to increased costs for the Group and a delay in maintenance work, with repercussions on the operating standards of the plants.

Availability of renewable resources

Viridis could incur financial damages from the volatility of power generation volumes, with particular reference to renewable generation and the availability of natural resources such as wind and sun. Weather conditions that are not in line with forecasts and less sunshine, less windiness could negatively affect plant productivity.

Market and commodity risks

Viridis is exposed to fluctuations in the commodities that can generate adverse changes in economic results (price risk). During the course of its business, Viridis is mostly exposed to fluctuations in electricity prices for all production plants for which energy is to be sold on the market.

Viridis is also exposed to the risk of a possible worsening of the Italian and global economic conditions and the resulting fluctuations in energy prices, with a consequent possible contraction in energy demand (volume risk). The excess of supply over demand or over access capacity to the distribution network may lead to fluctuations in the energy sale prices, with impacts on revenues and cash flow generation.

Regulatory risk

Risks related to legislation and regulations in the business sector

Viridis operates in an ever-changing and highly regulated sector, especially with regard to incentive activities. Viridis' activities are affected by regulations that affect plant development (obtaining construction permits and further administrative authorisations), plant commissioning, environmental protection (landscape and noise pollution regulations), and electricity sale prices.

Risks related to changes in incentive policies for renewable energy production

The profitability of renewable power production depends significantly on national and international incentive policies. Although incentive policies have been applied continuously in recent years, some of them have a fixed duration and may run out in the coming years. There is no guarantee that these policies will continue in the future and that Viridis' plants will be able to benefit from the incentives currently in place.

8. MOST RELEVANT LITIGATION AND OTHER INFORMATION

The most relevant litigations for FNM and Group companies are summarised below. It should be noted that, also based on the opinion of appointed consultants, additional charges are not expected to those already reflected in the Separate and Consolidated Financial Statements as at 31 December 2023.

In relation to the status of the ongoing litigation with the supplier Cogel S.p.A. in liquidation, which was noted in the Management Report to the Financial Statements as at 31 December 2022, it should be noted that actions to protect the subsidiary's interest continue, with the monitoring of the liquidation situation of the counterparty. The dispute was decided in the third instance by the Court of Cassation's ruling No. 17453/2021, but it has been partially resumed before the Court of Appeal of Milan.

It should also be noted that, as a result of a positive judicial decision, the guarantee relating to these contracts was collected for an amount of EUR 0.7 million.

The judgement was concluded in the first instance with the Court of Milan decision recognising the legitimacy of all three resolutions of the contracts agreed with Cogel (also ordering the contractor to pay the Affori contract penalty equal to EUR 887,239 and make the insurance payment in the Busto contract equal to EUR 63,194). At the same time, though, it rejected the FERROVIENORD's damage claims and ordered the railway company (in relation to the Affori contract) to repay to Cogel – by way of *restitutio ad integrum* – the value of the contract works already carried out, i.e. EUR 7,468,694.96. The decision was appealed by FERROVIENORD and on 01 February 2018 decision No. 534/2018 of the Court of Appeal was published: it confirmed Cogel's right to the value of the works, as already decided in the Court of first instance, but unlike the Court, the Court of Appeal quantified the sum due, resulting from the work progress report, as EUR 8,398,737.40 (and not EUR 7,468,694.96 as claimed by Cogel). The Court of Appeal amended the Court's judgement to the extent that it had not taken into account the fact that most of the value of the works executed at the time of the resolution had already been paid for by FERROVIENORD in the amount of EUR 7,087,783.68. The Court of Appeal therefore ordered FERROVIENORD to pay Cogel the residual value of the works, amounting to EUR 1,310,953.72 and not EUR 7,468,694.96 as ordered by the first Court. The Court of Appeal also confirmed the first instance judgement to the extent in which it ordered Cogel to pay the Affori penalty and the Busto Arsizio insurance. Finally, FERROVIENORD, jointly and severally with Cogel, must pay legal fees in favour of Generali Italia S.p.A., for the total amount of EUR 25,560.00 with any additional sums as required by law and flat-rate reimbursement.

The Court of Appeal's judgement was challenged before the Court of Cassation by Generali Italia S.p.A., which asked for FERROVIENORD jointly and severally with Cogel or exclusively to be ordered to repay the amount of EUR 680,406.91 plus interest and revaluation (equal to the amount already paid to FERROVIENORD as a guarantee). Subsequently, Cogel also challenged the same judgement requesting with respect to FERROVIENORD the recognition of default interest pursuant to Legislative Decree No. 231/2002 for an amount of EUR 963,368.99 (in addition to the legal interest already recognised in the second-instance decision in its favour). FERROVIENORD defended the proceedings and in turn challenged

the second-instance judgement to, among other things, the extent in which it rejected the claim for compensation for the damages quantified as EUR 3,332,154.54. On 17 June 2021, ruling No. 17453/2021 was issued in which the Court of Cassation: i) rejected the demand of Generali Italia S.p.A. seeking an order requiring Ferrovienord to pay EUR 680,406.91; ii) rejected the cross-appeal of Cogel seeking an order requiring FERROVIENORD to pay EUR 963,638.99; iii) upheld the second grounds of FERROVIENORD's cross-appeal (relating to the damages suffered due to the higher amount paid to the new contractor for the Saronno-Seregno works); iv) referred the case back to the Milan Court of Appeal for the continuation of the proceedings between Ferrovienord and Cogel for the damages referred to in the previous point and for legal costs; v) ordered Generali Italia S.p.A. to pay the legal fees in favour of FERROVIENORD, amounting to EUR 11,200.00 plus additional sums as required by law.

With regard to the quantification of the damages suffered by FERROVIENORD for the higher amount paid to the new contractor for the Saronno-Seregno works [see point iii) above], the case was resumed by Ferrovienord before the Milan Court of Appeal. At the first hearing held on 03 March 2022, the parties informed the Panel that negotiations were under way for an amicable settlement of the dispute. At the hearing on 28 September 2023, the parties filed their conclusions and the Court took the case under advisement for a decision, granting time for the filing of closing statements and rebuttal pleadings. On 10 January 2024, ruling No. 463/2024 was issued whereby the Court of Appeal of Milan ordered Cogel to pay FERROVIENORD the sum of EUR 3,332,154.54, plus revaluation and interest, by way of damages, as well as to pay the legal expenses quantified in EUR 44,000.00 plus accessory legal fees and EUR 2,529.00 for advance payment. The deadline for the appeal in Cassation will expire on 10 September 2024.

ISTAT List Appeal

On 05 December 2023, before the Court of Auditors, FERROVIENORD challenged the ISTAT List, published in the Official Journal No. 242 of 30.09.2020, in the part relating to its inclusion among Public Administrations.

The case was referred to the Court of Justice of the European Union for a preliminary and pre-judicial ruling on a possible conflict between internal Italian legislation (Art. 23-*quater* of Decree Law No. 137 of 28 October 2020, converted into law by Law No. 176 of 18 December 2020) and European legislation (Regulations No. 473/2013 and No. 549/2013, Directive 2011/85, ESA 2010). Pending the ruling of the European Court of Justice, the Court of Auditors, by order of 07 April 2021, accepted the precautionary petition filed by FERROVIENORD and suspended the effects of its inclusion in the ISTAT List for the year 2021.

In a judgement filed on 13 July 2023, the European Court of Justice ruled out the existence of a conflict between Italian law, which identifies the competence of the accounting judge to rule on the validity of the registration of an entity in the ISTAT List, and European law, provided that the principles of the latter are respected, considering the issue to be of exclusively national relevance.

The case was then resumed before the Court of Auditors, which set the hearing for 06 December 2023, at which the Avvocatura dello Stato (State Attorney) requested a postponement of the hearing in order to be able to examine the additional grounds of the other Lists with reference to the appeal notified by FERROVIENORD on 05 December 2023. With this further appeal, in fact, FERROVIENORD initiated new proceedings before the Court of Auditors (RG 817/SR/RIS) concerning the challenge of the ISTAT List published in the Official Journal No. 225 of 26 September 2023 in the part relating to the inclusion of FERROVIENORD among Public Administrations. At the hearing of 06 December 2023, the Court of Auditors, upholding the above-mentioned request of the State Attorney, adjourned the case to the hearing of 20 March 2024.

At the hearing of 20 March 2024, the Court of Auditors joined the judgement RG 817/SR/RIS with the judgement RG 719/SR/RIS already pending and, accepting the precautionary petition formulated by FERROVIENORD, suspended for all effects, including those on public finance balances, the inclusion of FERROVIENORD in the ISTAT List of Public Administrations for the year 2024. The Court of Auditors also suspended the aforementioned joined judgements pending the Court of Cassation's ruling on a judgement (No. 17/2023/RIS) issued by the same Court of Auditors in a case similar to the present judgement.

Litigation with the Customs Agency

With reference to the litigation with the Customs Agency, in relation to the appeal filed by the Como Customs Agency to overturn ruling No. 155/2016 of the Provincial Tax Commission of Como in favour of

FERROVIENORD, filed on 20 April 2016, after several adjournments, the hearing to discuss the dispute in question before the Regional Tax Commission was scheduled for 13 June 2019.

At the hearing of 13 June 2019, a further adjournment was granted to continue the adversarial procedure with the Office; the case was first adjourned to 12 December 2019 and, at that time, placed on a new docket.

During the proposed talks aimed at settling the matter out of Court, also in consideration of the recent Note Doc. No. 12243/RU of 06 March 2019, in which the Central Directorate for Customs Legislation and Procedures ruled that “the importer may be considered to have met its obligation of VAT relating to royalties on imported goods by self-billing (reverse charge)”, it was agreed to verify the full and actual payment, by FERROVIENORD, of VAT by reverse charge, thus, the complete fulfilment of the obligation to pay the tax.

For this purpose, the Company provided the Office with the documentation necessary for a reconciliation between the invoices issued by the supplier (the Swiss Company Stadler Bussnang AG) and the corresponding self-invoices issued by FERROVIENORD.

Given the positive outcome of this reconciliation, FERROVIENORD submitted to the Como Customs Office a petition for nullification by internal review of the notice of assessment and correction Doc. No. ASP RU 15537/14 and of the order to impose administrative penalties Doc. No. ASP. RU 15550/14, to involve the Regional Directorate of the Customs Agency and the Central Directorate in the matter.

Despite the various attempts to reach a settlement of the matter, to date it has not been possible to reach an out-of-Court solution, so the dispute pending before the Regional Tax Commission of Milan will continue, which was concluded with ruling No. 1815/7/2021 handed down on 15 April 2021 and filed on 13 May 2021.

With the above ruling the Lombardy Regional Tax Commission rejected the appeal lodged by the Office limited to the recovery of the tax, declaring, on the other hand, that the fine claimed by the Agency was legitimate, although it was recalculated to EUR 1,333,076.44 in application of Art. 13 of Legislative Decree No. 471/1997.

Lastly, the Customs Agency appealed this decision before the Court of Cassation, to which FERROVIENORD S.p.A. responded by lodging a counter-appeal on 04 October 2021, together with a cross-appeal in which it contested the aspects and points of the ruling against it.

In 2022, discussions were resumed with the State Attorney in charge of the case, who expressed a willingness to consider a proposal for an out-of-Court settlement of the dispute, to be submitted to the Agency for examination.

During financial year 2023, discussions continued with the State Attorney in charge of the case aimed at reaching an out-of-Court settlement of the dispute. At present, the Agency has shown no interest in the proposal received and consequently the Company intends to continue with the litigation already initiated.

The defence lawyer is urging the Court of Cassation to set the date of the hearing; in this regard, a formal application for early hearing will be filed.

9. SIGNIFICANT EVENTS DURING THE PERIOD

Acquisition of 80% of Viridis Energia finalised

23 February 2024 – the acquisition from Lagi Energia 2006 S.r.l. and HNF S.p.A. of 80% of the share capital of Viridis Energia S.p.A., an independent electricity producer, was finalised in execution of the sale and purchase agreement entered into and announced to the market on 19 February 2024. More information is provided in section 2.5 of this document. Since this is a “significant” acquisition transaction in accordance with the provisions of Annex 3B, Part I, point B of Consob Regulation No. 11971 of 14 May

1999 ("Issuers' Regulation"), additional details are provided in the information document relating to the transaction published on 05 March 2024, prepared pursuant to Art. 71, paragraph 1 of the Issuers' Regulation.

The Shareholders' Meeting approves the 2023 Financial Statements

22 April 2024: the Shareholders' Meeting approved the proposed Separate Financial Statements of FNM S.p.A., examined the Consolidated Financial Statements of the FNM Group as at 31 December 2023 and resolved to allocate the net profit for the year of EUR 14,237,463.53 as follows:

- EUR 711,873.18 to the legal reserve;
- EUR 3,525,590.35 to the extraordinary reserve;
- EUR 10,000,000.00 to distribution of the ordinary dividend to Shareholders, ensuring a remuneration of EUR 0.023 for each ordinary share outstanding.

The dividend will be payable as of 05 June 2024, with ex-dividend No. 15 on 03 June 2024 and record date on 04 June 2024.

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;
- appointed the Board of Directors for the three-year period 2024-2026, after having set the number of members of the new Board as seven;
- appointed the Board of Statutory Auditors for the three-year period 2024-2026;
- renewed the authorisation for the purchase and disposal of treasury shares, subject to revocation of the authorisation granted by the Meeting on 21 April 2023.

The newly-appointed Board of Directors took office on 22 April 2024 and, following the assessment of the independence requirements of the Directors, proceeded to set up the Board Committees on 24 April.

10. SIGNIFICANT EVENTS AFTER 30 JUNE 2024

Acquisition of 100% of Nordcom

15 July 2024: following the resolution of the FNM Board of Directors of 25 June, the purchase from the TIM Group of 2,100,000 ordinary shares of Nordcom S.p.A. was finalised, corresponding to 42% of the share capital. FNM thus became the sole shareholder of Nordcom, increasing its shareholding to 100%. The transaction enables FNM to strengthen and optimise the management of technological services, ensuring greater efficiency and innovation within the Group.

The transaction was finalised upon payment of EUR 8.3 million by way of consideration for the sale of the 42% shareholding, drawing on current available funds and without making use of external financing.

11. MANAGEMENT OUTLOOK

In view of the results achieved in the First Half of 2024, in line with expectations overall, the Group confirms its economic forecasts for 2024 and revises slightly downwards its investments and the adjusted Net Financial Position.

In the current year, the results of the Motorway segment are expected to be supported by the consolidation of traffic demand, which had reached pre-pandemic levels in 2023, and the tariff increase effective from 01 January 2024. In line with the stabilising trend seen in 2023, LPT passenger volumes will also continue to recover in 2024, but are expected to remain lower than in 2019.

The Group's results will benefit from the effect of the acquisition of Viridis, an operator in the field of power generation from renewable sources, consolidated with effect from 23 February 2024.

In light of these reflections, the forecasts for the FNM Group, including the results of Viridis, consolidated with effect from 23 February 2024, are as follows in 2024:

- revenue growth of 1-5% compared to 2023 (broadly in line on a like-for-like basis);
- adjusted EBITDA up 5-10% on 2023 (broadly in line on a like-for-like basis);
- adjusted EBITDA/revenue ratio up slightly on 2023.

Net financial debt at year-end ("Adjusted NFP"), which takes into account the effects of the Viridis acquisition, is expected to be in the lower end of the range between EUR 850 million and EUR 900 million, following the slight downward revision of investments, currently estimated at EUR 140-180 million. The adjusted NFP/EBITDA ratio is therefore expected to be in the range of 3.5x-4.0x.

For Trenord – measured according to the equity method – transport demand is also expected to recover further compared to 2023, with volumes gradually reaching 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, 01 August 2024

The Board of Directors

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, Consob Communication No. 0092543 of 03 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, other financial income and expenses, depreciation, amortisation and write-downs 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 extraordinary expenses and income, such as:

- (1) income and expenses deriving from restructuring, reorganisation and business combinations;
- (2) income and expenses not directly referred to the ordinary performance of the business, clearly identified;
- (3) any income and expenses deriving from significant extraordinary events and transactions as defined by Consob Communication DEM6064293 of 28/07/2006.

Extraordinary expenses from development projects amounting to EUR 0.9 million were excluded from H1 2024 adjusted EBITDA.

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.

Earnings before tax: it represents the net result for the period before income taxes and the result of the companies valued at equity.

Adjusted net result: it represents the net result for the period before the result of the companies valued 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 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 "Rolling Stock Programme 2017-2032", 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.

Consolidated Condensed

Interim Financial Statements as at 30 June 2024

- **Consolidated Statement of Financial Position**
- **Consolidated Income Statement**
- **Consolidated Statement of Comprehensive Income**
- **Statement of Changes in Consolidated Shareholders' Equity**
- **Consolidated Statement of Cash Flows**
- **Notes to the Consolidated Condensed Interim Financial Statements**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.06.2024

Amounts in EUR thousands	Notes	30/06/2024	31/12/2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and machinery	5	573,551	484,503
Intangible assets	6	339,337	307,704
Goodwill	8	44,366	—
Right of use	7	26,936	16,283
Equity investments measured with the equity method	9	165,055	162,289
Equity investments measured at fair value through profit or loss	9	13,810	11,450
Other financial assets measured at amortised cost	10	71,925	67,172
of which: Related Parties	10	70,776	66,172
Financial assets measured at fair value through profit or loss	11	4,861	4,454
Contract assets	13	12,304	77,904
Deferred tax assets		41,269	36,646
Tax receivables	17	134	153
Other Assets	16	3,618	2,955
of which: Related Parties	16	7	7
TOTAL NON-CURRENT ASSETS		1,297,166	1,171,513
CURRENT ASSETS			
Inventories	14	16,655	13,404
Trade Receivables	15	164,317	171,031
of which: Related Parties	15	77,165	86,771
Other Assets	16	129,060	136,619
of which: Related Parties	16	15,613	17,462
Current tax receivables	17	1,510	384
Other financial assets measured at amortised cost	10	1,252	2,743
of which: Related Parties	10	287	1,948
Financial assets measured at fair value through profit or loss	11	545	562
Contract assets	13	31,562	10,249
of which: Related Parties	13	31,562	10,249
Receivables for investments in services under concession	12	295,866	210,717
of which: Related Parties	12	293,869	208,720
Cash and cash equivalents	18	350,873	395,245
TOTAL CURRENT ASSETS		991,640	940,954
Assets held for sale		—	—
TOTAL ASSETS		2,288,806	2,112,467

Amounts in EUR thousands	Notes	30/06/2024	31/12/2023	
LIABILITIES				
Share capital		230,000	230,000	
Other reserves		12,032	12,052	
Reserve for indivisible profit		70,956	37,796	
Reserve for actuarial gains/(losses)		(4,983)	(5,647)	
Translation reserve		225	278	
Profit/(loss) for the period		30,290	80,855	
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		338,520	355,334	
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTEREST		33,809	20,826	
TOTAL SHAREHOLDERS' EQUITY		19	372,329	376,160
NON-CURRENT LIABILITIES				
Payables to banks	20	106,641	91,758	
Bond Loan	21	646,576	645,848	
Financial Payables	21	59,200	89	
Lease liabilities	21	19,851	12,968	
	of which: Related Parties	21	25	15
Payables for funded investments	22	25,587	16,413	
	of which: Related Parties	22	10,565	10,565
Other liabilities	24	34,641	36,657	
	of which: Related Parties	24	10,365	10,824
Provisions for risks and charges	25	64,562	69,827	
Post-employment benefits	26	18,116	18,941	
TOTAL NON-CURRENT LIABILITIES		975,174	892,501	
CURRENT LIABILITIES				
Payables to banks	20	147,476	56,785	
Bond Loan	21	3,385	961	
Financial Payables	21	29,083	30,071	
	of which: Related Parties	21	25,867	27,035
Lease liabilities	21	8,456	7,963	
	of which: Related Parties	21	43	79
Payables for funded investments	22	66,987	82,200	
	of which: Related Parties	22	66,987	75,327
Trade payable	27	517,790	513,693	
	of which: Related Parties	27	10,430	13,790
Current tax payables	28	17,034	4,504	
Tax payables	28	9,453	4,427	
Other liabilities	29	91,582	73,938	
	of which: Related Parties	29	35,052	21,414
Provisions for risks and charges	25	50,057	69,264	
TOTAL CURRENT LIABILITIES		941,303	843,806	
Liabilities related to assets held for sale		—	—	
TOT. LIABILITIES AND SHAREHOLDERS' EQUITY		2,288,806	2,112,467	

CONSOLIDATED INCOME STATEMENT – FIRST HALF OF 2024

Amounts in EUR thousands		Notes	1H 2024	1H 2023
Revenues from sales and services		30	276,026	276,741
	of which: Related Parties	30	84,727	98,350
Revenues from construction services – IFRIC 12		32	101,549	56,667
	of which: Related Parties	32	98,692	40,873
TOTAL REVENUES			377,575	333,408
Grants		31	9,215	5,892
	of which: Related Parties	31	3,958	3,763
Other income		33	15,412	16,140
	of which: Related Parties	33	4,152	4,225
TOTAL REVENUES AND OTHER INCOME			402,202	355,440
Raw materials, consumables and goods used		34	(15,566)	(15,475)
Service costs		35	(78,615)	(75,517)
	of which: Related Parties	35	(6,274)	(5,351)
	of which: non-recurring	35	(894)	—
Personnel costs		36	(88,116)	(82,387)
Depreciation, amortisation and write-downs		37	(64,574)	(51,478)
Write-down of financial assets and contract assets		38	(184)	(569)
Other operating costs		39	(18,044)	(27,632)
	of which: Related Parties	39	(34)	(283)
Costs of construction services – IFRIC 12		32	(96,608)	(53,843)
TOTAL COSTS			(361,707)	(306,901)
EBIT			40,495	48,539
Financial income		40	7,875	3,503
	of which: Related Parties	40	2,508	1,884
Financial expenses		41	(14,096)	(9,482)
	of which: Related Parties	41	(370)	(185)
NET FINANCIAL INCOME (LOSS)			(6,221)	(5,979)
Net profit/loss of companies measured with the equity method		42	5,510	(462)
EARNINGS BEFORE TAX			39,784	42,098
Income taxes		43	(9,717)	(8,754)
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS			30,067	33,344
NET PROFIT FROM DISCONTINUED OPERATIONS			0	0
PROFIT/(LOSS) FOR THE PERIOD			30,067	33,344
Profit/(loss) attributable to NON-CONTROLLING Interest			(223)	(136)
Profit/(loss) attributable to Parent Company Shareholders			30,290	33,480
Profit/(loss) attributable to NON-CONTROLLING Interest for discontinued operations			—	—
Profit/(loss) attributable to Parent Company Shareholders for discontinued operations			—	—
Earnings per share attributable to Group Shareholders				
Basic earnings per share (EUR units)		44	0.07	0.08
Diluted earnings per share (EUR units)		44	0.07	0.08
Earnings per share attributable to Group Shareholders for discontinued operations				
Basic earnings per share (EUR units)			—	—
Diluted earnings per share (EUR units)			—	—

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – FIRST HALF OF 2024

Amounts in EUR thousands	Notes	1H 2024	1H 2023
PROFIT/(LOSS) FOR THE PERIOD		30,067	33,344
Other components of companies consolidated on a line-by-line basis			
Post-employment benefit actuarial gain/(loss)	26	356	119
Tax effect	43	(100)	(32)
Total components that will not be reclassified in the operating result		256	87
Fair value measurement of derivatives	21	372	264
Tax effect	43	(89)	(64)
Total components that will be reclassified in the operating result		283	200
Total companies consolidated on a line-by-line basis		539	287
Other components of companies measured with the equity method			
Post-employment benefit actuarial gain/(loss) of companies measured with the equity method		447	487
Total components that will not be reclassified in the operating result	9	447	487
Fair value measurement of derivatives		(122)	(97)
Gains/(Losses) arising from the translation of financial statements of foreign companies		(53)	8
Total components that will be reclassified in the operating result	9	(175)	(89)
Total companies measured with the equity method		272	398
Total Other Comprehensive Income	46	811	685
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		30,878	34,029
Comprehensive profit/(loss) attributable to Non-Controlling Interest		(143)	(134)
Comprehensive profit/(loss) attributable to Parent Company Shareholders		31,021	34,163

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>Amounts in EUR thousands</i>	Share capital	Other reserves	Indivisible Profit/Loss	Reserve for actuarial gains/losses	Translation reserve	Profit/Loss for the year	Shareholders' Equity attributable to the Group	Shareholders' Equity attributable to Non-Controlling Interest	Total Shareholders' Equity
Balance as at 01.01.2023	230,000	13,335	(22,721)	(5,357)	200	68,476	283,933	22,980	306,913
Total Comprehensive Income	—	103	—	572	8	33,480	34,163	(134)	34,029
Allocation of 2022 profit	—	—	68,476	—	—	(68,476)	—	—	—
Distribution of dividends	—	—	(10,003)	—	—	—	(10,003)	—	(10,003)
Put option variation	—	—	2,430	—	—	—	2,430	—	2,430
Change in the scope of consolidation	—	—	(386)	—	—	—	(386)	(3,235)	(3,621)
Balance as at 30.06.2023	230,000	13,438	37,796	(4,785)	208	33,480	310,137	19,611	329,748
Balance as at 31.12.2023	230,000	12,052	37,796	(5,647)	278	80,855	355,334	20,826	376,160
Total Comprehensive	—	120	—	664	(53)	30,290	31,021	(143)	30,878
Allocation of 2023 profit	—	—	80,855	—	—	(80,855)	—	—	—
Distribution of dividends	—	—	(10,000)	—	—	—	(10,000)	—	(10,000)
Put option variation	—	—	(37,835)	—	—	—	(37,835)	—	(37,835)
Change in the scope of consolidation	—	(140)	140	—	—	—	—	13,126	13,126
Balance as at 30.06.2024	230,000	12,032	70,956	(4,983)	225	30,290	338,520	33,809	372,329
Notes	19	19	19	46	46	19	19	19	19

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in EUR thousands	Notes	30/06/2024	30/06/2023
Cash flow from operating activities		Total	Total
Profit/Loss for the period		30,067	33,344
Income taxes	43	9,717	8,754
Net profit/loss of companies measured with the equity method	42	(5,510)	462
Amortisation for the period of intangible assets	6	38,968	29,780
Depreciation of property, plant and machinery for the period	5	21,143	18,391
Amortisation of rights of use for the period	7	4,281	3,307
Impairment of intangible assets and property, plant and machinery	37	182	0
Provisions for risks and charges	25	5,810	17,076
Releases of provisions for risks and charges	25	(6,433)	(948)
Provision for bad debts	15	184	569
Net Gains/(Losses) from disposal of non-current non-financial assets	33	(170)	1
Releases of provision for bad debts	15	(55)	(63)
Capital grants for the period	31	(1,976)	(1,986)
Financial income	40	(7,875)	(3,503)
Financial expenses	41	14,096	9,482
Cash flow from income activities		102,429	114,666
Net change in the provision for post-employment benefits	26	(1,063)	(1,651)
Net change in the provision for bad debts		—	(192)
Net change in provision for risks and charges	25	(8,915)	(16,759)
(Increase)/Decrease in trade receivables	15	7,258	(24,554)
Increase in inventories	14	(1,948)	(1,199)
(Increase)/Decrease in other receivables	16	(5,120)	1,319
Increase/(Decrease) in trade payables	27	(7,312)	6,785
Increase in other liabilities	29	1,662	5,515
Payment of taxes		(19)	(15,893)
Total cash flow from operating activities		86,972	68,037
Cash flow from/(for) investing activities			
Investments in intangible assets with own funds	6	(994)	(1,200)
Investments in property, plant and equipment with own funds	5	(29,664)	(26,961)
Decrease in trade payables for investments with own funds		(1,887)	(16,113)
Collection of grants on investments with own funds		5,070	2,987
Gross investments in assets freely revertible for motorway infrastructure	6	(9,484)	(21,776)
Payment of capitalised financial expenses on motorway infrastructure	13	—	(142)
Collection of motorway infrastructure investment fee	13	2,424	8,873
Gross funded rolling stock investment "Rolling Stock 2017-2032"	12	(137,820)	(98,956)
Collection of investment fee for "Rolling Stock 2017-2032"	12	155,994	106,239
Gross funded railway infrastructure investment ¹	12	(141,192)	(67,091)
Collection of railway infrastructure investment fee ¹	12	40,089	82,047
Disposal value of property, plant and machinery		83	230
Other Equity Investments	9	(2,044)	—
Dividends distributed by investees measured with the equity method	9	3,016	3,661
Other changes in financial receivables		(200)	184
Interest income collected		4,985	1,125
Time Deposit collections	11	—	6,767
Loan disbursement to investee companies	10	(1,000)	(2,000)
Loan repayment by investee companies	10	—	6,938
VIRIDIS acquisition net of cash held		(53,506)	—
Acquisition of other equity investments net of cash held		(1,676)	—
Collection from the disposal of assets held for sale		185	—

Total cash flow from investing activities		(167,621)	(9,688)
Cash flow from/(for) financing activities			
Repayment of lease payables	21	(4,521)	(3,872)
New loans	21	86,980	5,000
Loan repayment	21	(28,265)	(25,163)
Interest paid		(6,942)	(4,650)
Third-party contributions to the share capital of subsidiaries	19	542	0
Decrease in other financial liabilities	21	(1,517)	(10,828)
Dividends paid out to FNM Shareholders	19	(10,000)	(10,003)
Total cash flow from/(for) financing activities		36,277	(49,516)
Liquidity generated (+) / absorbed (-)		(44,372)	8,833
Cash and cash equivalents at start of period	18	395,245	236,928
IFRS 9 effects on cash and cash equivalents	21		364
Cash and cash equivalents at end of period	18	350,873	246,125
Liquidity generated (+) / absorbed (-)		(44,372)	8,833

1 The values also include rolling stock other than "Rolling Stock 2017-2032".

FNM S.p.A.

Registered Office in Piazzale Cadorna, 14 – 20123 Milan
Share Capital EUR 230,000,000.00 fully paid up

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT 30.06.2024

NOTE 1 GENERAL INFORMATION

GROUP OPERATIONS

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.

Companies belonging to the FNM Group (hereinafter the “Group”) mainly carry out activities in the management of railway infrastructure and in the sector of road passenger transport (including sustainable mobility), the management of Ro.S.Co activities and central activities carried out by FNM (hereafter, also the “Parent Company” or “FNM”), the management of motorway infrastructure, as well as the management of photovoltaic plants; in particular, section 5 of the Management Report, “Operating performance of business segments”, analyses the activities carried out by the Group. Reference is made to Note 4 “Segment reporting” for a more detailed analysis of the effect of segment disclosure on consolidation with the equity method of investments in joint ventures and associates operating in particular in the rail passenger transport sector, energy sector (consisting of the operation of the Mendrisio-Cagno power line), rail cargo transport sector and Information & Communication Technology and motorway transport.

The Parent Company FNM S.p.A., domiciled in P.le Cadorna, 14 – MILAN (Italy), is listed on the Standard Class 1 market, Milan (ISIN IT0000060886).

FORM AND CONTENT OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

These Consolidated Condensed Interim Financial Statements as at 30 June 2024 were prepared in accordance with Art. 154-ter of the Consolidated Law on Finance (TUF) as amended by Legislative Decree No. 195 of 06 November 2007, implementing Directive 2004/109/EC (also defined as “Transparency Directive”) and for the purpose of providing information about the operating results, financial position and cash flows of the Company and of the Group.

They were prepared in compliance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union and they were drafted in accordance with IAS 34 – “Interim Financial Statements”, applying the same accounting standards adopted in the drafting of the Consolidated Financial Statements as at 31 December 2023, supplemented by the standards applicable from 01 January 2024 onwards, as indicated in Note 2. The terms “IFRS” also refers to the International Accounting Standards (“IAS”) still in force, as well as to all interpretation documents issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC, formerly “IFRIC”) previously called Standing Interpretations Committee (“SIC”). For this purpose, the Financial Statement data of the consolidated investee companies were appropriately reclassified and adjusted.

These Consolidated Condensed Interim Financial Statements contain detailed rather than summary tables, to provide a better, clearer view of the operating, capital, and financial performance during the half-year.

Also provided are the accompanying Notes in accordance with the disclosure required by IAS 34 with the additions deemed useful for a clearer understanding of the Consolidated Condensed Interim Financial Statements.

The Consolidated Condensed Interim Financial Statements as at 30 June 2024 should be read together with the Consolidated Financial Statements prepared by FNM as at 31 December 2023.

In the Consolidated Condensed Interim Financial Statements, the income and cash flow (indirect method) data for the half-year are compared with those of the same half-year of the previous year. The Net Financial Position and the items of the Consolidated Statement of Financial Position as at 30 June 2024 are compared with the corresponding definitive data as at 31 December 2023.

With reference to IAS 1, the Directors confirm that in view of the Group's outlook, capitalisation and financial position, the Group continues to operate as a going concern and the Consolidated Condensed Interim Financial Statements were prepared using the accounting standards of an operating group.

The Directors verified that the currently available funds and credit lines, as well as those that will be generated from operations and loans, will enable the Group to meet its requirements for the next 12 months arising from investing activities, the management of working capital and repayment of loans on their contractually agreed expiries.

NOTA 2 FINANCIAL STATEMENTS, ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

In preparing these Consolidated Condensed Interim Financial Statements as at 30 June 2024, the accounting standards and measurement criteria used were the same as those employed to prepare the Consolidated Financial Statements as at 31 December 2023, to which reference is made for a detailed analysis.

It should be noted that the preparation of the Consolidated Condensed Interim Financial Statements requires Directors to use estimates and assumptions that have an effect on the values of revenues, costs, assets and liabilities and on the disclosure of potential assets and liabilities at the date of the Consolidated Condensed Interim Financial Statements. If in the future such estimates and assumptions, which are based on the best assessment on the part of the Directors, should differ from actual circumstances, they would be modified appropriately in the period in which circumstances change.

Moreover, some measuring processes, in particular the most complex ones such as the determination of any impairment losses on non-current assets, are generally carried out comprehensively only when preparing the Annual Financial Statements, when all information that may be necessary is available, barring cases in which there are impairment indicators requiring an immediate assessment of any impairment. The assessments carried out for the purposes of these Consolidated Condensed Interim Financial Statements did not reveal any indicators of impairment.

In the reference half-year, there were no transfers between the various levels of the fair value hierarchy used to measure the fair value of financial instruments, nor were any changes made in the classifications of the financial assets with respect to those as at 31 December 2023 (Note 47).

IFRS accounting standards, amendments and interpretations adopted from 01 January 2024

The following IFRS accounting standards, amendments and interpretations were adopted for the first time by the Group, starting from 01 January 2024:

- On 23 January 2020, the IASB published an amendment entitled "*Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*", and on 31 October 2022, it published an amendment entitled "*Amendments to IAS 1 – Presentation of Financial Statements: Non-Current Liabilities with Covenants*". The purpose of these amendments is to clarify how to classify payables and other short-term or long-term liabilities. In addition, the amendments also improve the disclosures that an entity must make when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments did not therefore have any effects on the Consolidated Financial Statements of the Group.
- On 22 September 2022, the IASB published an amendment entitled "*Amendments to IFRS 16 – Leases: Lease Liability in a Sale and Leaseback*". The document requires the seller-lessee to value the lease liability arising from a sale & leaseback transaction so as not to recognise income or a loss relating to

the right of use retained. The adoption of these amendments did not therefore have any effects on the Consolidated Financial Statements of the Group.

- On 25 May 2023, the IASB published an amendment entitled *"Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures: Supplier Finance Arrangements"*. The document requires an entity to provide additional information on the reverse factoring arrangements that enable users of Financial Statements to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of this amendment did not therefore have any effects on the Consolidated Financial Statements of the Group.

IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union as at 30 June 2024

At the reference date of the present Consolidated Condensed Interim Financial Statements, competent bodies of the European Union had not completed the approval process necessary to adopt the amendments and standards described below.

- On 30 May 2024, the IASB published the document *"Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7"*. The document clarifies some problematic aspects that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary with the achievement of ESG objectives (i.e. green bonds). Specifically, the changes aimed to:
 - clarify the classification of financial assets with variable returns and linked to environmental, social and governance (ESG) objectives and the criteria to be used for the assessment of the SPPI test;
 - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions.

With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.

The amendments will apply to Financial Statements for financial years beginning on or after 01 January 2026. The Directors do not expect the adoption of this amendment to have a significant effect on the Consolidated Financial Statements of the Group.

- On 9 May 2024, the IASB published a new standard *IFRS 19 – Subsidiaries without Public Accountability: Disclosures*. The new standard introduces some simplifications with respect to the disclosures required by other IAS-IFRS standards. This standard can be applied by an entity that meets the following main criteria:
 - it is a subsidiary company;
 - it has not issued equity or debt instruments listed on a market and is not in the process of issuing them;
 - it has its own parent company that prepares Consolidated Financial Statements in accordance with IFRS.

The new standard will apply as from 01 January 2027, but early adoption is permitted. The Directors do not expect the adoption of this amendment to have a significant effect on the Consolidated Financial Statements of the Group.

- On 09 April 2024, the IASB published a new standard *IFRS 18 – Presentation and Disclosure in Financial Statements*, which will replace IAS 1 – *Presentation of Financial Statements*. The new standard aims to improve the presentation of the main Financial Statements and introduces important changes with regard to the Income Statement. In particular, the new standard requires entities to:
 - classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the Income Statement;
 - present two new sub-totals, operating result and earnings before interest and taxes (i.e. EBIT).

- The new standard also:
- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces a number of changes to the format of the Statement of Cash Flows, including the requirement to use the operating result as the starting point for the presentation of the Cash Flow Statement prepared using the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will apply as from 01 January 2027, but early adoption is permitted. The Directors are currently evaluating the possible effects of the introduction of this new standard on the Group's Consolidated Financial Statements.

- On 15 August 2023, the IASB published an amendment entitled *"Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"*. The document requires an entity to apply a consistent methodology for verifying whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the Notes to the Financial Statements. The amendment will apply as from 01 January 2025, but early adoption is permitted. The Directors do not expect the adoption of this amendment to have a significant effect on the Consolidated Financial Statements of the Group.

NOTA 3 SCOPE OF CONSOLIDATION

The scope of consolidation includes the Financial Statements of FNM S.p.A. and its subsidiaries as at 30 June 2024.

As mentioned in section 2 of the Management Report, the Group's scope has changed compared to 31 December 2023 because on 23 February 2024, the acquisition of 80% of the share capital of Viridis Energia S.p.A. and its wholly-owned subsidiaries (hereinafter collectively referred to as "Viridis") was finalised. The remaining portion of the share capital is 13.33% held by Lagi Energia 2006 S.r.l. and 6.67% by HNF S.p.A. Thanks to this acquisition, the FNM Group also operates in the renewable energy production sector.

The net assets acquired, in the amount of EUR 62,918 thousand, were recognised at the book values, specifically adjusted to IAS/IFRS, which were reported in Viridis' Consolidated Financial Statements at the date of the transaction. The difference of EUR 43,629 thousand with the price paid to acquire 80% of Viridis, amounting to EUR 93,963 thousand (including the estimated future earn-out of EUR 13,997 thousand) has been temporarily recognised as goodwill because the purchase price allocation has not yet been completed and will be finalised in conjunction with the preparation of the Annual Consolidated Financial Statements, as allowed by IFRS 3.

The currently available information is provided below following the definition of the recognition of the above business combination with the identification and measurement of the assets and liabilities acquired:

<i>Amounts in EUR thousands</i>	Viridis (IAS) 23/02/2024
Non-current assets	95,942
Current assets	13,400
Cash and cash equivalents	26,069
Payables to banks	45,819
Financial debts and lease liabilities	16,544
Other current and non-current liabilities	10,586
Shareholders' equity attributable to the Group	50,334
Shareholders' Equity attributable to Non-Controlling Interest	12,584
Purchase Price of the shareholding	80,026
Estimated earn-out price	13,937
Total Shareholding Purchase Price	93,963
Goodwill	43,629

After the acquisition, Viridis made the following acquisitions:

- on 5 June 2024, 100% of the share capital of Tau Solar S.r.l., purchase price paid of EUR 442 thousand, which did not qualify as a business combination¹⁰ and therefore resulted in the recognition of an intangible asset in the amount of EUR 434 thousand;
- on 6 June 2024, 100% of the share capital of B&ER Energia S.r.l., purchase price paid of EUR 1,430 thousand, which resulted in the recognition of goodwill in the amount of EUR 737 thousand.

Subsidiaries are considered to be those over which the Group has the power to exercise control, i.e. it simultaneously has the following three factors: (a) has power; (b) is exposed to, or has the rights to, variable returns arising from its involvement with said entity; (c) has the capacity to use power to influence the amount of such variable returns.

The Financial Statements of consolidated companies are prepared by the Boards of Directors, adjusted accordingly to align them with IAS/IFRS and Group policies.

The Financial Statements of subsidiaries were consolidated on a line-by-line basis.

With this method, the total amount of assets, liabilities, costs and revenues is recorded (regardless of the scale of the equity investment held), and the portion of Shareholders' Equity and profit for the year are attributed to Non-Controlling Interest in specific items of the Consolidated Financial Statements.

Intergroup transactions and profit not realised between Group companies are eliminated.

Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment loss of the asset.

As regards procedures for the valuation of joint ventures, FNM S.p.A., in preparing Consolidated Financial Disclosure, measures the joint venture investees Trenord S.r.l. (and the investee company TILO S.A.), NordCom S.p.A., NORD ENERGIA S.p.A. in liquidation, Omnibus Partecipazioni S.r.l. (and its investee company ASF Autolinee S.r.l.) and Mbility S.r.l. with the "equity method".

The associated companies DB Cargo Italia S.r.l., Autostrada Pedemontana Lombarda S.p.A. (hereinafter "APL"), Tangenziali Esterne di Milano S.p.A. (hereinafter "TEM"), BusForFun.com S.r.l. and SportIT S.r.l. were also measured by applying the "equity method".

Equity investments in companies in which the Group exercises joint control with another investor or there are contractual or shareholder agreements for equal management of the activity are considered joint ventures. Jointly controlled companies operate in different sectors from the operating segments of the Group and their activities are developed with a specialist partner, with whom financial, managerial and strategic decisions are shared, also backed by Shareholder Agreements and the Articles of Association in

¹⁰ The acquisition of 100% of the company Tau Solar S.r.l. does not fall within the scope of IFRS 3 as it is a non-operational company;

which equal joint control of the investees is established, even when FNM holds the majority of voting rights, as in the case of the investees NordCom S.p.A. and NORD ENERGIA S.p.A.

The economic results of joint ventures or associates are therefore recognised in the Consolidated Income Statement under the item "Net profit/loss of companies measured with the equity method" (Note 42).

Reference is made to Annex 1 for information on the list of companies included in the scope of consolidation (including the companies measured with the equity method), their registered office, percentages held, type of control and consolidation method adopted.

NOTA 4 SEGMENT REPORTING

With reference to the Group's business segments, the following four sectors can be identified:

- lease of rolling stock and management of the centralised services (Ro.S.Co & Services): the Parent Company FNM is active in (i) the hire of rolling stock with an owned fleet of 71 trains and 31 locomotives, to investees operating in the local public transport (LPT) and freight transport sectors, (ii) the provision of administration services to its own investees and (iii) management of the Group's property portfolio. This segment also comprises the business sectors of the investees (joint ventures and associates), valued at "equity", contributing to net profit for the year under item "Net profit/loss of companies measured with the equity method", the most significant of which relates to the "Rail passenger transport" activities as part of Local Public Transport (LTP) carried out by the joint venture Trenord S.r.l. in the Regione Lombardia. As part of this activity, the Group realised revenues from the Service Contract stipulated with the Regione Lombardia for provision of the transport service, and revenues from the sale of tickets;
- railway infrastructure: this includes management, maintenance, design and construction of new facilities carried out on the railway infrastructure obtained under concession from the Regione Lombardia, expiring on 31 October 2060. The consideration for carrying out this activity is defined in the "Service Contract", while the "Programme Agreement" regulates the investments directed at modernising and enhancing the network – both stipulated with the Regione Lombardia. The Service Contract was renewed on 21 December 2022, for the years 2023-2028. The Programme Agreement signed in 2016 expires on 31 December 2027. From 2019, the segment also includes the terminal management activity;
- road passenger mobility: it refers to the Local Public Transport service performed with owned bus fleets in three Provinces in Lombardy (Varese, Como and Brescia), in Veneto and in the city of Verona, in addition to the electric car sharing services in Lombardy. As part of these activities, the Group realised revenues from the sale of tickets, payments for sub-contracts, regional grants for activities carried out in the Provinces of Varese and Brescia and payments for the Service Contract in the city and Province of Verona, and in the Province of Como, and from agreements with municipal administrations and private enterprises with regard to the car-sharing business;
- motorways: it refers to the activity carried out by the subsidiary MISE, which is the concessionaire for the design, construction and management of the A7 Serravalle-Milan Motorway and Milan Tangenziali Nord, Est, Ovest (northern, eastern and western ring roads – for a total of 179 km in length) pursuant to the concession agreement signed on 07 November 2007 (as amended by the Additional Agreement of 15 June 2016) between MISE, as concessionaire, and ANAS S.p.A. (subsequently replaced by the Ministry of Infrastructure and Transport), as the Awarding Body. MISE is also active in the design, as well as technical and administrative support for infrastructure investments on the motorway network through Milano Serravalle Engineering, of which it holds 100% of the share capital. Among its investee companies, the subsidiary also includes a 36.7% equity investment in its associate Autostrada Pedemontana Lombarda, the concessionaire for the design, construction and management of the motorway between Dalmine, Como, Varese, Gaggiolo Pass and related works. APL is measured with the equity method;
- energy: refers to the activity carried out by the subsidiary Viridis in the renewable energy sector, mainly in photovoltaics, but also wind and biogas, operating in Italy and capable of supporting and managing all of the main stages of the industrial value chain. Indeed, the activity of Viridis consists of: (i) the development of new plants (greenfield), including the search and survey of suitable sites, authorisation, construction and sale of energy on the free market or through Power Purchase Agreements (PPAs); (ii) the acquisition of operating plants (brownfield), including opportunity search activities, due diligence, project finance and possible plant revamping/repowering; (iii) maintenance and management (Operations & Maintenance – O&M), including commissioning, monitoring, reporting and supervision of health, safety and environmental aspects.

The following tables show the Income Statement and financial data of the Group in relation to the four business sectors described above.

First Half 2024	Ro.S.Co & Services	Railway infrastructure	Road passenger mobility	Motorways	Energy	Eliminations	Total from continuing operations
Revenues from third	29,511	57,917	55,089	150,071	8,065	—	300,653
Intersegment sales	9,078	3,038	568	1,513	—	(14,197)	—
Revenues from construction services – IFRIC 12	—	98,689	—	2,860	—	—	101,549
Segment revenues	38,589	159,644	55,657	154,444	8,065	(14,197)	402,202
Costs to third parties	(37,991)	(58,586)	(55,813)	(107,713)	(4,996)	—	(265,099)
Intersegment purchases	(638)	(8,115)	(1,419)	(3,664)	(361)	14,197	—
Costs of construction services – IFRIC 12	—	(93,748)	—	(2,860)	—	—	(96,608)
Segment costs	(38,629)	(160,449)	(57,232)	(114,237)	(5,357)	14,197	(361,707)
EBIT	(40)	(805)	(1,575)	40,207	2,708	—	40,495
Net financial income (loss)	(9,317)	3,320	52	1,476	(1,752)	—	(6,221)
Net profit/loss of companies measured with the equity method	7,330	—	—	(1,820)	—	—	5,510
Earnings before tax	(2,027)	2,515	(1,523)	39,863	956	—	39,784
Taxes	—	—	—	—	—	—	(9,717)
Profit/Loss for the period from continuing operations	—	—	—	—	—	—	30,067
Profit/Loss from discontinued operations	—	—	—	—	—	—	—
Net profit/loss for the period	—	—	—	—	—	—	30,067

30/06/2024	Ro.S.Co & Services	Railway infrastructure	Road passenger mobility	Motorways	Energy	Other	Total
Segment assets	659,572	633,961	119,567	533,541	134,197	—	2,080,838
Equity investments measured with the equity method	97,123	—	266	67,666	—	—	165,055
Income tax assets	—	—	—	—	—	42,913	42,913
Total unallocated Group assets	—	—	—	—	—	42,913	42,913
Total assets	756,695	633,961	119,833	601,207	134,197	42,913	2,288,806
Segment liabilities	877,395	643,842	64,282	241,106	72,818	—	1,899,443
Income tax liabilities	—	—	—	—	—	17,034	17,034
Other unallocated liabilities	—	—	—	—	—	372,329	372,329
Total unallocated Group liabilities	—	—	—	—	—	389,363	389,363
Total liabilities	877,395	643,842	64,282	241,106	72,818	389,363	2,288,806

First half 2023	Ro.S.Co & Services	Railway infrastructure	Road passenger mobility	Motorways	Eliminations	Total from continuing operations
Revenues from third parties	33,781	69,654	51,862	143,476	—	298,773
Intersegment sales	8,405	3,680	335	1,151	(13,571)	—
Revenues from construction services – IFRIC 12	—	40,873	—	15,794	—	56,667
Segment revenues	42,186	114,207	52,197	160,421	(13,571)	355,440
Costs to third parties	(34,771)	(63,856)	(52,514)	(101,917)	—	(253,058)
Intersegment purchases	(554)	(8,456)	(1,129)	(3,432)	13,571	—
Costs of construction services – IFRIC 12	—	(38,049)	—	(15,794)	—	(53,843)
Segment costs	(35,325)	(110,361)	(53,643)	(121,143)	13,571	(306,901)
EBIT	6,861	3,846	(1,446)	39,278	—	48,539
Net financial income (loss)	(2,502)	166	(10)	(3,633)	0	(5,979)
Net profit/loss of companies measured with the equity method	1,062	—	—	(1,524)	—	(462)
Earnings before tax	5,421	4,012	(1,456)	34,121		42,098
Taxes						(8,754)
Profit/Loss for the period from continuing operations						33,344
Profit/Loss from discontinued operations						—
Net profit/loss for the period						33,344

31/12/2023	Ro.S.Co & Services	Railway infrastructure	Road passenger mobility	Motorways	Other	Total
Segment assets	563,095	526,873	111,828	602,214		1,804,010
Equity investments measured with the equity method	84,456	—	266	75,968		160,690
Assets held for sale	725	—	21,241	—		21,966
Income tax assets	—	—	—	—	32,887	32,887
Total unallocated Group assets	—	—	—	—	32,887	32,887
Total assets	648,276	526,873	133,335	678,182	32,887	2,019,553
Segment liabilities	771,023	514,926	60,406	349,878		1,696,233
Liabilities held for sale	—	—	7,025	—		7,025
Income tax liabilities	—	—	—	—	9,382	9,382
Other unallocated liabilities	—	—	—	—	306,913	306,913
Total unallocated Group liabilities	—	—	—	—	316,295	316,295
Total liabilities	771,023	514,926	67,431	349,878	316,295	2,019,553

Revenues from the Regione Lombardia and Trenord accounted for 34% and 11%, respectively, and thus exceeded 10% of the Group's consolidated revenues.

In particular, revenues from the Regione Lombardia, amounting to EUR 133,311 thousand, are broken down by sector as follows:

- Railway infrastructure for EUR 129,348 thousand;
- Ro.S.Co. & Services for EUR 73 thousand;
- Road passenger mobility for EUR 3,890 thousand.

Revenues from Trenord, amounting to EUR 41,748 thousand, are broken down by sector as follows:

- Railway infrastructure for EUR 16,226 thousand;
- Ro.S.Co. & Services for EUR 25,321 thousand;
- Road passenger mobility for EUR 201 thousand.

The analysis by nature of revenues and costs, income and expenses, concerning sectors whose contribution to the consolidated profit/loss is recognised under item "Net profit/loss of companies measured with the equity method", is presented in Note 42, to which reference is made.

Please see section 5 "Operating performance of business segments" of the Management Report for the detailed analysis of the revenues and cost trends of the Group's segments.

Transactions between sectors take place at arm's length.

STATEMENT OF FINANCIAL POSITION

NOTA 5 PROPERTY, PLANT AND MACHINERY

As at 01 January 2024, property, plant and machinery, net of relative accumulated depreciation and provisions for loans, comprised the following:

Description	01.01.2024		
	Historical cost	Accumulated Depreciation	Book value
Land and buildings	48,387	(19,205)	29,182
Plant and machinery	193,878	(139,549)	54,329
Industrial and commercial equipment	14,961	(11,943)	3,018
Other assets	713,140	(365,590)	347,550
Assets in the course of construction and advances	50,424	—	50,424
Total Property, plant and machinery	1,020,790	(536,287)	484,503

Changes for the First Half of 2024 are shown below:

Description	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in the course of construction and advances	Total
Net value as at	29,182	54,329	3,018	347,550	50,424	484,503
Investments funded with own funds	1,752	1,512	487	5,916	24,231	33,898
Transfers gross value	7,069	1,674	—	654	(9,404)	(7)
Divestments: Gross Disposals	(1)	(1,871)	(140)	(5,124)	(1)	(7,137)
Divestments: Use of Accumulated Depreciation	—	1,835	9	881	—	2,725
Amortisation Rates	(450)	(6,119)	(285)	(14,289)	—	(21,143)
Write-down of property, plant and equipment	—	—	—	—	(182)	(182)
Change in the scope of consolidation: historical cost	5,938	75,418	241	4,520	15,249	101,366
Change in the scope of consolidation: provision	(186)	(18,941)	(116)	(1,229)	—	(20,472)
Net value as at 30.06.2024	43,304	107,837	3,214	338,879	80,317	573,551

As at 30 June 2024, property, plant and machinery, net of relative accumulated depreciation and provisions for loans, comprised the following:

Description	30.06.2024		
	Historical cost	Accumulated Depreciation	Book value
Land and buildings	63,145	(19,841)	43,304
Plant and machinery	270,611	(162,774)	107,837
Industrial and commercial equipment	15,549	(12,335)	3,214
Other assets	719,106	(380,227)	338,879
Assets in the course of construction and advances	80,317		80,317
Total Property, plant and machinery	1,148,728	(575,177)	573,551

Land and buildings

Capital expenditures for the period in this item are attributable to the acquisition of land needed for the installation of photovoltaic systems, for EUR 1,509 thousand; completion works in the period for the construction of the car park adjacent to the Milan Affori station managed by Ferrovienord, for EUR 217 thousand; and the re-roofing of a building in Saronno, for EUR 26 thousand.

Aside from what was commented on previously, following the completion of construction of the above-mentioned car park and subsequent opening to the public, in June 2024, investments incurred in the previous year, amounting to EUR 7,069 thousand, were transferred from "Assets in the course of construction and advances" to the category under review.

The item "Change in the scope of consolidation" is entirely attributable to the acquisition of the subsidiary Viridis Energia S.p.A. and its subsidiaries (Note 3).

The item also decreased as a result of the recognition of the accrued depreciation rates for the period.

Plant and machinery

The main increases in the item "Plant and machinery" (EUR 1,512 thousand) concern:

- extraordinary maintenance of bus engines and spare parts for EUR 367 thousand;
- the purchase of 4 CT15 hopper cars for the maintenance of the railway infrastructure for EUR 355 thousand;
- the purchase of 7 used Mercedes Benz Evobus – Citaro model buses, for EUR 219 thousand; following registration, advances of EUR 333 thousand paid in previous years were transferred from the item "Assets in the course of construction and advances";
- the purchase of 3 CP40 flat wagons for the maintenance of the railway infrastructure for EUR 213 thousand;
- the purchase of the system to manage accesses to the car park adjacent to the Milan Affori station, for EUR 22 thousand; following the opening, advances paid in previous years, in the amount of EUR 601 thousand, were transferred from the item "Assets in the course of construction and advances";
- the purchase of plant and machinery for the winter maintenance of the railway infrastructure for EUR 239 thousand.

Following registration, advances paid in previous years were also transferred from "Assets in the course of construction and advances", relating to:

- 2 diesel MAN articulated buses, for EUR 724 thousand.

The disposals of the period refer mostly to buses for EUR 1,839 thousand, which can no longer be used and are fully depreciated.

The change in the scope of consolidation is attributable to photovoltaic plants, for a net value of EUR 48,906 thousand, and biogas plants, for EUR 7,558 thousand.

Other changes refer to depreciation rates for the year.

Industrial and commercial equipment

The item "Industrial and commercial equipment" increased mainly due to the purchase of equipment used for railway infrastructure maintenance, for EUR 435 thousand.

Other assets

Other assets mainly refer to rolling stock (for EUR 329,858 thousand), vehicles, furnishings and leased assets (operating leases).

The investment for the period, equal to EUR 5,916 thousand, mainly concerns:

- for EUR 1,325 thousand, the purchase of 16 new vans for road use;
- for EUR 1,280 thousand, cyclical maintenance on 1 TAF rolling stock;
- revamping and refurbishment activities on 1 TAF train leased to Trenord, for EUR 1,096 thousand; following the completion of activities, investments incurred in the previous year, amounting to EUR 453 thousand, were transferred from "Assets in the course of construction and advances" to the category in question;
- for EUR 749 thousand, furniture, furnishings and office machines for Group companies;
- for EUR 521 thousand, 15 cars for road use;
- for EUR 502 thousand, the modernisation of 2 DE520 locomotives leased to DB Cargo Italia; following the completion of activities, investments incurred in the previous year, amounting to EUR 197 thousand, were transferred from "Assets in the course of construction and advances" to the category in question;
- for EUR 389 thousand, 3 semi-trailer tractors.

Disposals are attributable to the application of penalties to the supplier of the TILO rolling stock due to delays in delivery, for a net value of EUR 4,234 thousand.

Disposals also include the scrapping of 3 motor vehicles and office furniture, which have been fully depreciated.

Assets in the course of construction and advances

The investments under item "Assets in the course of construction and advances", amounting to EUR 24,231 thousand, are mainly attributable to the advance payments made for the following investments:

- costs incurred for Phase 0 of the Sacconago Terminal expansion and property development project (Euro 7,696 thousand);
- costs incurred for the construction of new photovoltaic plants (EUR 7,880 thousand);
- the purchase of 6 hydrogen-powered electric trains (EUR 5,461 thousand);
- advances paid for design activities for the Company headquarters located in the Bovisa area of Milan (EUR 930 thousand);
- the purchase of a new piece of railway maintenance equipment (EUR 763 thousand);
- the purchase of a Reach Stacker F500 crane, needed for handling goods at the Sacconago Terminal (Euro 457 thousand);
- the purchase of a further 6 vans for road use (EUR 219 thousand);
- modernisation works on workshop and warehouse premises (EUR 166 thousand);
- costs relating to the new electronic ticketing system (EUR 126 thousand).

Transfers concern the items referred to above.

Overall, Assets in the course of construction and advances as at 30 June 2024 mainly refer to advances paid:

- for the purchase of 6 hydrogen-powered electric trains (EUR 26,701 thousand);
- costs incurred for the construction of new photovoltaic plants (EUR 22,236 thousand);
- executive design and implementation costs of Phase 0 incurred for the expansion and adaptation of the Sacconago Terminal as well as preliminary deeds signed and legal expenses incurred for the acquisition of new areas (EUR 8,757 thousand);
- for TAF rolling stock revamping and refurbishment activities (EUR 6,594 thousand);

- for design activities for the Company headquarters located in the Bovisa area of Milan (EUR 5,932 thousand);
- for the construction of new railway maintenance equipment (EUR 4,553 thousand);
- costs relating to the new electronic ticketing system (EUR 2,256 thousand);
- costs for extraordinary maintenance at the various depots (EUR 603 thousand).

If Property, plant and machinery had been recognised net of relative capital grants, under the items “Other non-current liabilities” (Note 24) and “Other current liabilities” (Note 29) respectively, the effect on the Consolidated Interim Financial Statements at 30 June 2024 would have been the following:

30.06.2024	Book value	Grant	Net value less the grant
Land and buildings	43,304	(4,833)	38,471
Plant and machinery	107,837	(27,682)	80,155
Industrial and commercial equipment	3,214		3,214
Other assets	338,879	(211)	338,668
Assets in the course of construction and advances	80,317		80,317
Total property, plant and machinery	573,551	(32,726)	540,825

Management did not identify any factors indicating the need for impairment testing, to verify the recoverability of the carrying amount of property, plant and equipment, as these are assets mainly intended for use in local public transport services provided by Trenord S.r.l. through leasing contracts in force (rolling stock) or directly used by the Group as part of local public transport services by road (buses).

In the First Half of 2024, there were no restrictions on the title and ownership of property, plant and machinery pledged as security for liabilities.

Costs of construction services

The adoption of IFRIC 12 meant that investments made in railway and motorway infrastructure and rolling stock, as part of the Concessions, are not shown among Property, plant and machinery, but, as required by IFRIC 12 and IFRS 15, in costs for the year. For comments on this item, please refer to Note 32.

It should be noted that the item “Property, plant and machinery” includes property investment in the amount of EUR 2,200 thousand, which, in accordance with IAS 40, due to its limited significance with respect to the total item, is not shown on a separate line under assets.

NOTA 6 INTANGIBLE ASSETS

As at 01 January 2024, intangible assets comprised the following:

Description	01.01.2024		
	Historical cost	Accumulated Amortisation	Net value
Assets in the course of construction and advances	3,209	—	3,209
Other	40,906	(34,031)	6,875
Assets freely revertible – Railway infrastructure	46,140	(46,034)	106
Assets freely revertible – Motorway infrastructure	432,301	(134,787)	297,514
Total intangible assets	522,556	(214,852)	307,704

Changes for the First Half of 2024 are shown below:

Description	Assets in the course of construction and advances	Other	Assets freely revertible – Railway infrastructure	Assets freely revertible – Motorway infrastructure	Total
Net value as at 01.01.2024	3,209	6,875	106	297,514	307,704
Acquisitions	728	700	—	1,471	2,899
Transfers	(1,739)	1,746	—	—	7
Transfers from Contract assets	—	—	—	67,878	67,878
Amortisation Rates	—	(1,247)	(2)	(37,719)	(38,968)
Divestments	—	—	—	(340)	(340)
Change in the scope of consolidation	—	157	—	—	157
Net value as at 30.06.2024	2,198	8,231	104	328,804	339,337

As at 30 June 2024, intangible assets therefore comprised the following:

Description	30.06.2024		
	Historical cost	Accumulated Amortisation	Book value
Assets in the course of construction and advances	2,198	—	2,198
Other	43,509	(35,278)	8,231
Assets freely revertible – Railway infrastructure	46,140	(46,036)	104
Assets freely revertible – Motorway infrastructure	501,310	(172,506)	328,804
Total intangible assets	593,157	(253,820)	339,337

Assets in the course of construction and advances

The increases in the item “Assets in the course of construction and advances”, amounting to EUR 728 thousand, mainly refer to the recognition of intangible assets arising from the acquisition of a Viridis subsidiary for EUR 434 thousand (Note 3); to the upgrade of SAP and BPC modules, for EUR 154 thousand; to the development of software for the management of manoeuvre authorisations and control of emergency wagons for motorway infrastructure, for EUR 52 thousand; to the development of the dedicated car sharing platform, for EUR 40 thousand; and finally, to the development of the platform for the management of works accounting, for EUR 32 thousand.

In addition, during the first half of the year, as the project activities were completed and the implemented modules were made available, the costs incurred in the year 2023 relating to the upgrade of SAP

management software, managed by FNM and used by Group companies, were transferred from the category under review to the item "Other", for EUR 1,643 thousand.

Other

The increases in the half-year (EUR 700 thousand) are mainly attributable to the commissioning of additional SAP modules that FNM uses as part of the administrative service, for EUR 136 thousand, to the updating of websites, for EUR 74 thousand, and to development activities for the FNMPAY platform, for EUR 30 thousand.

Transfers concern items referred to in "Assets in the course of construction and advances".

Assets freely revertible – Railway infrastructure

The adoption of IFRIC 12 requires assets freely revertible (comprising railway lines to hand over at the end of the concession for which the transport service is provided) to be classified as "Intangible assets".

Amortisation rate, equal to EUR 2 thousand, is calculated based on the duration of the Concession, renewed in 2016 up to 31 October 2060.

Assets freely revertible – Motorway infrastructure

The motorway infrastructure of the subsidiary MISE, as an asset freely revertible, is also classified under "Intangible assets".

The portion of the motorway infrastructure for which the Group is not yet entitled to recognition of the investment when determining the tariff to be applied to end users is classified under "Contract assets".

In application of IFRIC 12, this item also includes investments to be made, based on the new proposed Additional Agreement, for which the form of remuneration is currently suspended and consequently considered investments for which no additional economic benefits are expected. These values will be amortised on a straight-line basis until the end of the Concession currently scheduled for 31 October 2028.

The increases of the period refer, for EUR 842 thousand, to the completion of the redevelopment works of the S.P. 46 Rho-Monza and for EUR 355 thousand to the completion of the dynamic monitoring of buildings.

The most significant changes in the motorway infrastructure "in operation" refer to the commissioning of investments in place as at 31 December 2023 related to the tariff increase from 01 January 2024 (Note 13).

The most significant transfers from "Contract assets" to "Intangible assets" for the motorway infrastructure "in operation", amounting to EUR 67,878 thousand, mainly refer to:

- the road lot at the Segrate Intermodal Centre, whose works were completed in 2021 but to date has not yet been opened to traffic (EUR 58,227 thousand, net of grants received of EUR 3,630 thousand);
- the dynamic monitoring works of the buildings, net of the contribution received, whose completion date was 31 December 2023 (EUR 4,035 thousand, net of the contribution of EUR 901 thousand received);
- the initiative relating to the construction of hydrogen distribution plants (EUR 3,508 thousand);
- the design of the A52 safety and lighting works, whose project was approved in 2023 (EUR 2,108 thousand).

The amortisation rate, equal to EUR 37,719 thousand, is calculated based on the duration of the Infrastructure Concession, expiring on 31 October 2028.

There are no intangible assets with restricted title or which are pledged as security for liabilities.

There are no internally constructed intangible assets.

In the First Half of 2024, no internal or external indicators were identified that determined the need for impairment testing in order to verify the recoverability of the carrying amount of intangible assets.

NOTA 7 RIGHT OF USE

As at 01 January 2024, the item "Right of use", recognised upon adoption of IFRS 16, was broken down as follows:

Description	01.01.2024		
	Historical cost	Accumulated Amortisation	Net value
Right of use – software	252	(169)	83
Right of use – buildings	26,410	(15,761)	10,649
Right of use – plant and machinery	7,377	(6,809)	568
Right of use – other assets	12,886	(7,903)	4,983
Total right of use	46,925	(30,642)	16,283

Changes for the First Half of 2024 are shown below:

Description	Right of use – software	Right of use – buildings	Right of use – plant and machinery	Right of use – other assets	Total
Net value as at 01.01.2024	83	10,649	568	4,983	16,283
Acquisitions	0	1,297	1,702	1,218	4,217
Closing of contracts Historical Cost	(86)	(713)	0	(2,098)	(2,897)
Closing of contracts Fund	86	711	43	300	1,140
Change in the scope of consolidation Historical Cost	0	518	13,702	38	14,258
Change in the scope of consolidation Accumulated Amortisation	0	0	(1,784)	0	(1,784)
Amortisation Rates	(44)	(2,019)	(826)	(1,392)	(4,281)
Net value as at 30.06.2024	39	10,443	13,405	3,049	26,936

Therefore, at 30 June 2024, the item "Right of use" comprised the following:

Description	30.06.2024		
	Historical cost	Accumulated Amortisation	Net value
Right of use – software	166	(127)	39
Right of use – buildings	27,512	(17,069)	10,443
Right of use – plant and machinery	22,781	(9,376)	13,405
Right of use – other assets	12,044	(8,995)	3,049
Total right of use	62,503	(35,567)	26,936

The item "Right of use – buildings" is mainly attributable to the premises leased by the subsidiaries MISE and ATV to carry out their operations.

The increase for the period is attributable to contractual renewals, for which at the date on which the right of use was recognised, there was no reasonable certainty of exercising them, on the operating headquarters of the company ATV, for EUR 865 thousand.

The item “Right of use – plant and machinery” increased during the period due to the acquisition, following the consolidation of Viridis Energia and its subsidiaries (Note 3), of rights to use photovoltaic plants and related surface rights, which amounted to EUR 11,918 thousand at the date of acquisition, and increased during the period mainly by EUR 1,599 thousand due to the signing of a new contract related to the photovoltaic plant of the company B&ER Energia (Note 3) acquired during the period.

The item “Right of use – other assets” includes the lease of 4 Bombardier E494 TRAXX DC locomotives, leased to DB Cargo, as well as Company cars.

The increase in the period is attributable to new contracts signed for cars used by the Group as operating vehicles or for fringe benefits.

The divestment for the period is mainly attributable to the change in the contractual maturity of the 4 Bombardier E494 TRAXX DC locomotives, which were brought forward from their scheduled maturity of 31 December 2025, for 3 locomotives to 30 September 2024 and for 1 to 31 December 2024.

In the First Half of 2024, no internal or external indicators were identified that determined the need for impairment testing in order to verify the recoverability of the carrying amount of rights of use.

NOTA 8 GOODWILL

Goodwill recorded underwent the following changes during the six months under review:

Description	Net value 01.01.2024	Increases	Changes in 2024 Reclassification	(Impairment)	Net Value 30.06.2024
Viridis Energia S.p.A.	—	43,629	—	—	43,629
B&ER ENERGIA S.r.l.	—	737	—	—	737
Total Goodwill	—	44,366	—	—	44,366

The change in the item refers to the value of goodwill provisionally recognised for the acquisition of Viridis Energia S.p.A. and its subsidiaries, which took place on 23 February 2024 (Note 3).

With regard to the goodwill recorded, resulting from the difference between the price paid and the fair value of the equity investment, the purchase price allocation has not yet been completed and will be finalised when preparing the Annual Consolidated Financial Statements, as allowed by IFRS 3.

The item “B&R Energia S.r.l.” is entirely attributable to the goodwill recognised at the time of the acquisition of the equity investment, discussed in Note 3.

NOTA 9 EQUITY INVESTMENTS

The changes in the First Half of 2024 are broken down as follows:

Description	01.01.2024 Book Value	Increases Decreases	Changes		Other changes in the Statement of Comprehen	30.06.2024 Book Value
			Operating result	Translation reserve		
Equity investments in joint ventures:						
Trenord S.r.l.	45,243	—	5,316	(53)	447	50,953
NordCom S.p.A.	9,065	—	220	—	—	9,285
Nord Energia S.p.A. in liquidation	10,729	(2,066)	1,007	—	—	9,670
Omnibus Partecipazioni S.r.l.	8,575	(950)	697	—	—	8,322
Mbility S.r.l.	1,000	—	(56)	—	—	944
Total equity investments in joint ventures	74,612	(3,016)	7,184	(53)	447	78,230
Equity investments in associates:						
Autostrada Pedemontana Lombarda S.p.A.	36,028	—	(844)	—	—	35,184
Tangenziali Esterne Milano S.p.A.	33,581	—	(977)	—	(122)	32,482
DB Cargo Italia S.r.l.	15,916	—	270	—	—	16,186
SportIT S.r.l.	1,886	—	(123)	—	—	1,763
Busforfun.com S.r.l.	—	—	—	—	—	—
Autotrasporti Pasqualini S.r.l.	181	—	—	—	—	181
Servizi Trasporti Interregionali S.p.A.	85	—	—	—	—	85
Total equity investments in associates	87,677	—	(1,674)	—	(122)	85,881
Total equity investments measured with the equity method	162,289	(3,016)	5,510	(53)	325	164,111
Other equity investments:						
Azienda Trasporti Veneto Orientale S.p.A.	5,272	1,804	—	—	—	7,076
S.A.Bro.M. S.p.A.	3,198	—	—	—	—	3,198
Tangenziale Esterna S.p.A.	1,797	311	—	—	—	2,108
CIV S.p.A.	673	—	—	—	—	673
CDP INFRATECH	309	240	—	—	—	549
Fondazione ATV	99	—	—	—	—	99
Aeroporto Valerio Catullo di Verona Villafranca	50	—	—	—	—	50
Fap S.p.A.	39	—	—	—	—	39
Consorzio Energia Futura	—	5	—	—	—	5
Consorzio ELIO	4	—	—	—	—	4
Trasporti Brescia Nord	3	—	—	—	—	3
Cons.Autostr.Italiane Energia	2	—	—	—	—	2
Consorzio Tangenziale Engineering STECAV	2	—	—	—	—	2
Total equity investments in other companies	11,450	2,360	—	—	—	13,810
Total equity investments	173,739	(656)	5,510	(53)	325	177,921

Changes in the half-year relative to “Other changes in the Statement of Comprehensive Income” refer to the effect of measurement using the “equity method” on the change in actuarial gains and losses recognised, in the Financial Statements of investees, directly in the Statement of Comprehensive Income, in accordance with IAS 19 and IFRS 9 (Note 46).

Comments are provided below on the principal assessments made on the recoverability of the amounts and the main changes during the half-year, other than recognition of the contribution to the Consolidated Condensed Interim Financial Statements determined by the realisation of the net profit/loss for the half-year and the “Other changes in the Statement of Comprehensive Income”:

Trenord S.r.l.

The item “Translation reserve”, positive for EUR 8 thousand, is due to the translation into EUR of the Financial Statements of the investee TILO SA, which prepares its Financial Statements using the Swiss franc as the money of account.

The translation was carried out adopting an average exchange rate for the period (equal to 0.96155) for Income Statement items, and the spot exchange rate at 30 June 2024 (0.9634) for assets and liabilities.

Management has not identified any indicators that would determine the need to carry out the impairment test for the verification of the recoverability of the carrying value of the investment held in Trenord S.r.l., both in consideration of the positive trend observed during the 2024 financial year and in relation to the signing of the Service Contract for regional railway transport during the 2023 financial year. For more details on the performance of the investee company, please refer to section 5.5 of the Management Report.

NORD ENERGIA S.p.A. in liquidation

The decrease in the equity investment, equal to EUR 2,066 thousand, is determined by the distribution of the dividend, carried out in 2024, as approved by the Shareholders’ Meeting of the investee, based on the result of 2023.

Omnibus Partecipazioni S.r.l.

The Group holds 50% of Omnibus Partecipazioni, which in turn holds approximately 49% of ASF Autolinee. The decrease in the equity investment, equal to EUR 950 thousand, is determined by the distribution of the dividend, carried out in 2024, as approved by the Shareholders’ Meeting of the investee, based on the result of 2023.

Tangenziale Esterne S.p.A.

The item refers to the revaluation of the equity investment, recorded at fair value, carried out following the outcome of the transactions that took place during the half-year (Note 40).

Azienda Trasporti Veneto Orientale S.p.A. (ATVO)

On 27 June 2024, La Linea 80 S.c. a r.l. purchased 4,000 ordinary shares (equal to 4.46% of the share capital) of ATVO from ATAP S.p.A. Following this purchase, the shareholding in ATVO increased from 15.22% to 19.67%.

NOTA 10 OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS MEASURED AT AMORTISED COST

This item is broken down as follows:

Description	Non-Current	30.06.2024 Current	Total
Bonds	1,000	—	1,000
Collection of tolls in transit	—	830	830
Time Deposits	149	—	149
Other	—	135	135
Other financial assets measured at amortised cost	1,149	965	2,114
APL interest-bearing loan	61,111	—	61,111
Sabrom interest-bearing loan	2,700	169	2,869
TE interest-bearing loan	921	—	921
Busforfun interest-bearing loan	5,183	—	5,183
SportIT interest-bearing loan	861	113	974
Financial receivables for interest from related parties	0	51	51
(LESS) IFRS 9 Impairment Provision	0	(46)	(46)
Other financial assets measured at amortised cost with related parties (Note 45)	70,776	287	71,063
Total	71,925	1,252	73,177

Description	Non-Current	31.12.2023 Current	Total
Bonds	1,000	—	1,000
Collection of tolls in transit	—	561	561
Other	—	234	234
Other financial assets measured at amortised cost	1,000	795	1,795
APL interest-bearing loan	59,118	—	59,118
Sabrom interest-bearing loan	2,835	—	2,835
TE interest-bearing loan	894	—	894
Busforfun interest-bearing loan	2,400	1,849	4,249
SportIT interest-bearing loan	925	98	1,023
Financial receivables for interest from related parties	—	47	47
(LESS) IFRS 9 Impairment Provision	—	(46)	(46)
Other financial assets measured at amortised cost with related parties	66,172	1,948	68,120
Total	67,172	2,743	69,915

The item "Bonds" refers to the subscription of the Unicredit EMTN programme (ISIN XS2305029196 2021/2026) by the subsidiary ATV on 19 March 2021. The bonds mature on 19 July 2026 and carry interest at a rate of 0.60%.

The item "Collection of tolls in transit" is attributable to the receivable from electronic card operators for the collection of motorway tolls.

The item "Other" is entirely attributable to FNMPAY's receivable from the principal acquirer in relation to transacted sums waiting to be transferred to the escrow account of the investee.

The item "APL interest-bearing loan" refers to the two interest-bearing loans granted to the associated company Autostrada Pedemontana Lombarda S.p.A. for a total nominal amount of EUR 150 million; a first loan of EUR 100 million granted in 2014 and a second loan of EUR 50 million granted in February 2016.

Following the signing of the addendum to the loan agreement by Autostrada Pedemontana Lombarda S.p.A., with the same Lenders of the Bridge 2 Loan, the repayment terms of which were rescheduled, on 02 December 2017 MISE signed a "subordination agreement" with the associate, by which it undertook, in its capacity as Controlling Shareholder, with respect to the Associate, not to ask for repayment – for any reason whatsoever of interest or subordinated debt – until the complete extinction of the Bridge 2 Loan and not to withdraw from the existing Shareholder Loan agreements in favour of the associate. This subordination provision is still in place, also in light of the fact that the project financing was taken out.

This loan, measured at amortised cost in accordance with IFRS 9, was recorded on the initial consolidation of MISE in continuity of values with respect to MISE's Separate Financial Statements in accordance with the provisions of IFRS 1, i.e. at its present value determined on the basis of a discount rate, equal to 6.89%, which reflects the characteristics of the loan and which differs from the contractual interest rate (equal to the 3-month Euribor plus a spread of 357 bps stating from 01 January 2021).

In the financial year 2023, following the approval of a new Business Plan for the Associate, the expected date of repayment of the Shareholder Loan was brought forward to 31 December 2050, compared to the previous forecast. Therefore, the carrying value of the financial asset was recalculated on the basis of the provisions of IFRS 9, recognising a financial income resulting from the remeasurement in the amount of EUR 4,494 thousand. The change during the First Half of 2024 of EUR 1,993 thousand related to accrued interest.

The interest-bearing loan to S.A.Bro.M. S.p.A. refers to two interest-bearing loans: a first for EUR 2,336 thousand maturing on 31 October 2019 with an extension option in favour of S.A.Bro.M. S.p.A. for a maximum of four annual renewals, currently renewed until 31 December 2025; a second for EUR 156 thousand, expiring on 31 December 2021, with the option of extension in favour of S.A.Bro.M. S.p.A. for a maximum of four annual renewals, currently renewed until 31 December 2024. The total amount of EUR 2,869 thousand also includes the interest accrued at 30 June 2024, calculated at an interest rate of 2.75%, as provided for in the agreement.

The interest-bearing loan to Tangenziale Esterna S.p.A. refers to the interest-bearing loan, as provided for in the contribution agreement to the project loan – Equity Contribution and Subordination Agreement – renewed by MISE on 02 August 2018, under the same economic conditions as the previous one, following the signing of the new loan agreement of the investee. The total amount of EUR 921 thousand also includes the interest accrued from the date on which the quotas were called up to 30 June 2024, calculated at an interest rate of 12.06%, as provided for in the agreement.

On 30 January 2024, the FNM Board of Directors, having acknowledged the 2023-2026 Business Plan approved by the Busforfun Board of Directors on 29 January 2024, resolved to extinguish in advance the two loans previously granted to Busforfun, amounting to EUR 4,000 thousand, and to approve a new loan of EUR 6,000 thousand, with a residual disburseable amount of EUR 2,000 thousand in consideration of the disbursements already made with the two extinguished loans amounting to EUR 4,000 thousand.

The potentially convertible loan, maturing on 31 December 2033, carries an interest rate of 6-month Euribor 360 (floor 0) measured as of 31 January 2024 equal to 3.835% plus a margin equal to 1.5%, a 4-year pre-amortisation with the first repayment instalment on 31 December 2028 and subsequent maturities on 31.12 each year. The interest expenses accrued on the two extinguished loans must be settled by 31 December 2026.

A total of EUR 1,000 thousand was disbursed during the First Half of 2024. The item "Busforfun.com loan" includes interest accrued and not yet collected in the amount of EUR 183 thousand.

On 11 May 2023, the FNM Board of Directors approved a loan to the associate SportIT to support its development plan.

The loan, totalling EUR 3,000 thousand, matures 10 years after the stipulation date. The credit facility bears interest at a floating rate of 1-month Euribor + 75 bps per annum. The agreement signed provides for 4 tranches and a repayment in quarterly instalments, with the first instalment falling due one year after the date of disbursement of each tranche.

The loan was signed on 26 May 2023 and disbursed for EUR 1,000 thousand on 12 June 2023.

The item "SportIT interest-bearing loan" includes interest accrued and not yet collected in the amount of EUR 22 thousand.

NOTA 11 CURRENT AND NON-CURRENT FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Description	Non-Current	30.06.2024 Current	Total
Post-employment benefit provision policies	4,527	545	5,072
Derivative instruments	334	—	334
Financial assets measured at fair value through profit or loss	4,861	545	5,406

Description	Non-Current	31.12.2023 Current	Total
Post-employment benefit provision policies	4,454	562	5,016
Financial assets measured at fair value through profit or loss	4,454	562	5,016

The item "Post-employment benefit provision policies" concerns the policies taken out by the subsidiary MISE for the "Post-employment benefits". The carrying amount represents the total receivable as at 30 June 2024 from the insurance companies Allianz (formerly Ras) and Assicurazioni Generali (formerly Ina Assitalia).

Derivative assets are underwritten by the subsidiary Viridis.

The investments were classified among financial assets at fair value through profit or loss because the cash flows were not represented only by payments of principal and interest on the amount of the principal to be repaid.

NOTA 12 RECEIVABLES FOR INVESTMENTS IN SERVICES UNDER CONCESSION

In accordance with IFRIC 12, this item includes the portion of accrued revenues recognised, corresponding to investments made by the subsidiary FERROVIENORD S.p.A., measured according to the completion percentage, not yet collected at the end of the reporting period.

As at 30 June 2024 and 31 December 2023, the item is broken down as follows:

Description	30.06.2024	31.12.2023
Receivables for costs incurred in the period and not collected – Funded investments	131,293	49,081
Receivables for costs incurred in the period and not collected – Rolling Stock “Programme 2017-2032”	164,573	161,636
Receivables for investments in services under concession	295,866	210,717

The item “Receivables for costs incurred in the period and not collected – Rolling Stock Programme 2017-2032” is entirely attributable to costs relating to orders under the “Programme for the purchase of Rolling Stock for the regional railway service for the years 2017-2032”.

The item “Receivables for costs incurred in the period and not collected – Funded investments” relates to orders for the maintenance of Railway infrastructure under Concession, as well as the procurement of rolling stock, not included in the “Purchase Programme 2017-2032”.

The next table shows the change in this item, in the period under review:

Description	Funded investments	Rolling Stock Programme 2017-2032	Total
Receivables for investments in services under concession –	49,081	161,636	210,717
Receivables collected during the period	(24,507)	(155,994)	(180,501)
Use of advances by Awarding Body	(23,922)	—	(23,922)
Reclassification of Contract assets	(21,313)	—	(21,313)
Receivables for costs incurred in the period and not collected	149,592	158,853	308,445
Receivable for general expenses	2,362	78	2,440
Receivables for investments in services under concession –	131,293	164,573	295,866

The item “Use of advances” refers to utilisations made during the period, following SALs (progress reports), of cash received in previous years.

The item “Reclassification of Contract assets” is attributable to costs not yet reported to the Regione Lombardia for which the relevant milestone has not been reached and therefore where there is no unconditional right to collect. The reclassification was made following the change made by the update of the Programme Agreement (Resolution RL 1098 of 09 October 2023) concerning the method of reimbursement of costs incurred, from SAL reporting to milestone reporting.

NOTA 13 CURRENT AND NON-CURRENT CONTRACT ASSETS

The item “Non-current contract assets”, amounting to EUR 12,304 thousand, includes the balance of the investments made until 30 June 2024 by the subsidiary MISE within the scope of the existing concession agreement with ANAS S.p.A. These amounts will be reclassified to “Intangible assets – Motorway infrastructure” when the Group is entitled to recognise the investment when determining the tariff to be applied to end users.

Changes in the First Half of 2024 are presented below:

Description	01.01.2024	Increases	Changes in 2024 Reclassification	Decreases	30.06.2024
Historical cost	80,077	2,278	(70,240)	—	12,115
Financial expenses	2,358	—	(2,169)	—	189
Awarding Body fees	(4,531)	—	4,531	—	—
Total Contract assets	77,904	2,278	(67,878)	—	12,304

The increase in the half-year for investments made was EUR 2,278 thousand.

The most significant changes relate to:

- the construction of hydrogen distribution plants in the amount of EUR 1,033 thousand;
- the design of the A52-A4-SS36 interconnection upgrading works for EUR 489 thousand;
- the redevelopment design of the “Green Door” area in the Cantalupa district of Milan for EUR 385 thousand;
- the design of security and lighting works for A51 and A52 motorways for EUR 109 thousand.

Financial expenses refer to interest expense accrued on loans for motorway infrastructure works.

The reclassifications relate entirely to the transfer to the motorway infrastructure “in operation” of investments related to obtainment of the tariff increase from 01 January 2024 (Note 6).

The item “Current contract assets” relates entirely to the funded investments made in railway infrastructure. Following the change made by the update of the Programme Agreement (Resolution RL 1098 of 09 October 2023) regarding the methodology of reimbursement for costs incurred, from SAL reporting to milestone reporting, costs not yet reported to the Regione Lombardia for which the relevant milestone was not reached and therefore where there was no unconditional right to collect, were reclassified to this item.

NOTA 14 INVENTORIES

The next table shows how this item is broken down:

Description	30.06.2024	31.12.2023
Permanent way material	8,078	7,350
Bus spare parts	3,340	3,165
Motorway infrastructure maintenance material	2,772	2,199
Spare parts for contact lines, apparatuses, control units and telephones	2,575	2,359
Maintenance spare parts – photovoltaic plants	1,210	0
Diesel and lubricants	479	527
Other auxiliary materials	903	604
(LESS) Provision for bad debts – inventories	(2,702)	(2,800)
Total	16,655	13,404

This item increased by EUR 3,251 thousand, mainly due to the contribution of Viridis, amounting to EUR 1,526 thousand, as well as to the increase in materials used to carry out maintenance work on railway infrastructure (EUR 728 thousand).

As a result of the scrapping carried out during the period, the provision for stock obsolescence for obsolete material was utilised in the amount of EUR 98 thousand.

NOTA 15 TRADE RECEIVABLES

Description	Current	
	30.06.2024	31.12.2023
Receivables from customers – gross	91,548	88,435
(LESS) Provision for bad debts	(4,396)	(4,175)
Trade receivables from third parties	87,152	84,260
Receivables from related parties – gross	77,344	86,950
(LESS) IFRS 9 Impairment Provision	(179)	(179)
Trade receivables from related parties (Note 45)	77,165	86,771
Total	164,317	171,031

Trade receivables from third parties

The change in trade receivables, amounting to EUR 2,892 thousand, is mainly attributable to:

- the contribution to the consolidation of Viridis, amounting to EUR 2,151 thousand, deriving from receivables for the sale of electricity;
- receivables from the Province of Verona for the Service Contract in place for the city and Province of Verona, up by EUR 2,410 thousand;
- receivables from oil companies for royalties, down by EUR 926 thousand; this receivable as of 31 December 2023 also included the balance of the settlement for the “SP 46 Rho-Monza redevelopment” works;
- lower receivables for intermodal traffic services, down by EUR 636 thousand.

Trade receivables from related parties

The decrease in trade receivables from related parties, amounting to EUR 9,606 thousand compared to 31 December 2023, was mainly due to lower receivables, in the amount of EUR 13,592 thousand, related to fees invoiced to Trenord for the rental of rolling stock. This decrease was partially offset by lower receivables for design services, Service Contract and railway infrastructure maintenance to be recharged to the Regione Lombardia, amounting to EUR 3,895 thousand.

The fair value of receivables, obtained by adjusting their nominal value through the provision for bad debts (allocated to estimate the risk of the non-collectability of receivables existing at the end of each reporting period), approximates the carrying amount of the receivables at 30 June 2024 and 31 December 2023.

With reference to IFRS 9, it is pointed out that the risk of default on the receivables was estimated, as in previous years, taking into account the generic risk of non-collectability of the receivables not due at the reference date, which can be derived from historical experience.

NOTA 16 OTHER CURRENT AND NON-CURRENT ASSETS

This item is broken down as follows:

Description	30.06.2024		
	Non-Current	Current	Total
Receivables for advances to suppliers on work in progress (SAL) on Funded	—	39,447	39,447
Receivables for advances to suppliers on work in progress (SAL) on Other Rolling Stock	—	19,221	19,221
Receivables for advances to suppliers on work in progress (SAL) on Financed Trains	—	14,304	14,304
Tax receivables	—	11,757	11,757
Receivables for grants	—	8,113	8,113
Receivables for advances to suppliers on work in progress (SAL) on Motorway	—	4,799	4,799
Receivables from GSE	—	2,593	2,593
Receivables for Government grants	—	791	791
Receivables from INPS – sickness costs	—	68	68
Sundry assets	3,611	12,577	16,188
(LESS) Provision for bad debts	—	(223)	(223)
Other assets from third parties	3,611	113,447	117,058
Receivables from related parties	7	15,650	15,657
(LESS) IFRS 9 Impairment Provision	—	(37)	(37)
Other assets from related parties (Note 45)	7	15,613	15,620
Total	3,618	129,060	132,678

Description	31.12.2023		
	Non-Current	Current	Total
Receivables for advances to suppliers on work in progress (SAL) on Financed	—	41,195	41,195
Receivables for advances to suppliers on work in progress (SAL) on Funded	—	42,216	42,216
Receivables for advances to suppliers on work in progress (SAL) on Other Rolling Stock	—	6,531	6,531
Receivables for grants	—	12,218	12,218
Tax receivables	—	6,185	6,185
Receivables for advances to suppliers on work in progress (SAL) on Motorway	—	3,752	3,752
Receivables from INPS – sickness costs	—	230	230
Receivables for Government grants	—	893	893
Sundry assets	2,948	6,160	9,108
(LESS) Provision for bad debts	—	(223)	(223)
Other assets from third parties	2,948	119,157	122,105
Receivables from related parties	7	17,499	17,506
(LESS) IFRS 9 Impairment Provision	—	(37)	(37)
Other assets from related parties (Note 45)	7	17,462	17,469
Total	2,955	136,619	139,574

Other assets – third parties

“Receivables for advances to suppliers on work in progress (SAL) on Funded Investments”, amounting to EUR 39,447 thousand, are entirely due to the advance portion on the progress (SAL) of the orders relating to the maintenance of the Railway infrastructure under Concession.

The item “Receivables for advances to suppliers on work in progress (SAL) on Other Rolling Stock” is attributable to advance payments on the progress (SAL) of the orders for the procurement of rolling stock not included in the “Purchase Programme 2017-2032”. This item increased by EUR 12,690 thousand due to the recognition of the second contractual advance on work orders in the amount of EUR 18,275 million, partially offset by utilisations in the period as a result of the progress of the orders. The percentage of progress on work orders accrued in relation to the percentage of completion in the half-year was EUR 55,845 thousand.

“Receivables for advances to suppliers on work in progress (SAL) on Financed Trains”, amounting to EUR 14,304 thousand, are entirely due to the advance portion on the progress (SAL) of the orders relating to the “Programme for the purchase of rolling stock for the regional railway service for the years 2017-2032”, and fell in relation to uses in the period as a result of the progress of work orders. The percentage of progress on work orders accrued in relation to the percentage of completion during the half-year was EUR 158,853 thousand (compared to the total value of EUR 1,637 million).

Receivables for grants from public entities other than the State and the Regione Lombardia, which decreased by EUR 4,105 thousand, relate to receivables due from:

- the Awarding Body of the Service Contract to the subsidiary ATV for the additional services performed, for EUR 175 thousand (unchanged with respect to 31 December 2023);
- the Awarding Body of the Service Contract to the subsidiary ATV for contributions to be collected to cover the loss of traffic revenues resulting from the COVID-19 pandemic by the subsidiary ATV, in the amount of EUR 600 thousand (unchanged with respect to 31 December 2023);
- the Province and Municipality of Verona for contributions to be received on purchases of new buses, also carried out by ATV, in the amount of EUR 5,618 thousand (EUR 9,723 thousand at 31 December 2023);
- the Awarding Body of the Service Contract to the subsidiary ATV for the contributions allocated by Legislative Decrees 115, 144 and 179/2022 to cover the increase in fuel costs as a result of the Russia-Ukraine conflict, benefiting local public transport companies, valid for the second and third four-month periods of 2022, in the amount of EUR 1,700 thousand (unchanged with respect to 31 December 2023).

Current tax receivables refer primarily to VAT receivables arising from the monthly settlement for EUR 4,429 thousand (EUR 4,630 thousand at 31 December 2023), VAT receivables for which a refund has already been requested for EUR 4,767 thousand (EUR 513 thousand at 31 December 2023), receivables claimed from the Revenue Agency for the withholdings on interest income for EUR 1,209 thousand (not present as at 31 December 2023), receivables claimed from the Revenue Agency for reimbursement of excise duty on fuels for automotive use for EUR 826 thousand (EUR 770 thousand at 31 December 2023), receivables claimed from the Revenue Agency for the tax credits recognised in 2022 deriving from the “facade bonus” for EUR 185 thousand (EUR 238 thousand as at 31 December 2023).

The VAT receivable for which a refund has already been requested refers to receivables recognised:

- by the subsidiary Viridis, in the amount of EUR 4,337 thousand, for refund claims on 2023 VAT credits;
- by the subsidiary MISE, for EUR 513 thousand, for VAT refund applications for the years 2003, 2004, 2005 and 2006 following notification by the Supreme Court of Cassation of the orders sentencing the Revenue Agency to make payments on those applications.

The item “Receivables for advances to suppliers on work in progress (SAL) on Motorway infrastructure” mainly refers to contractual advances granted to contractors pursuant to Law No. 11/2015 converting Decree Law No. 210 of 30/12/2015, Art. 7. The change in the half-year period refers to contractual advances not attributable to the aforementioned regulations, and refers for EUR 407 thousand to the contract for the management of “Welfare”.

Receivables for Government grants refer to the receivable from the State for the portion of grants related to the “raw material increase”, established by the Aid Decree, recognised by MIT but not yet collected for the third quarter of 2023.

Sundry assets

The item “Sundry assets” includes EUR 1,983 thousand (EUR 2,070 thousand as at 31 December 2023) in advances to suppliers, EUR 4,568 thousand (EUR 2,263 thousand as at 31 December 2023) in prepayments mainly for insurance premiums, and EUR 2,164 thousand in prepayments for additional monthly salary payments already made to employees (not present as at 31 December 2023).

Specifically, prepayments include:

- deferrals for Warranty & Indemnity (W&I) insurance policies taken out to cover the Representations & Warranties contained in the sale and purchase agreement signed with the Regione Lombardia for the acquisition of MISE, amounting to EUR 166 thousand (EUR 511 thousand at 31 December 2023);
- “Green maintenance agreements”, or the contribution paid to the Municipalities of Corana (PV) and Silvano Pietra (PV) for the maintenance of areas intended for environmental mitigation. Costs are allocated pro-rata to each reporting period until 31 October 2028;
- “Multihole duct agreement”, referring to the agreement renewed during the year with Telecom Italia S.p.A. for the use of optical fibres, expiring on 31 October 2028, charged to the Income Statement on an accrual basis.

Other assets – related parties

Receivables from related parties refer mainly to amounts for services provided to joint venture investees, down by EUR 1,182 thousand, as well as tax receivables, in particular items related to Group VAT for EUR 67 thousand (EUR 168 thousand as at 31 December 2023).

The item also includes receivables from the Regione Lombardia for EUR 924 thousand (EUR 1,490 thousand as at 31 December 2023) for grants to be collected for investments in buses for road LPT services.

The fair value of receivables approximates the carrying amount at 30 June 2024 and 31 December 2023.

NOTA 17 CURRENT AND NON-CURRENT TAX RECEIVABLES

Description	30.06.2024		
	Non-Current	Current	Total
IRES (CORPORATE INCOME TAX)	134	1,137	1,271
IRAP (REGIONAL BUSINESS TAX)	—	373	373
Tax receivables	134	1,510	1,644

Description	31.12.2023		
	Non-Current	Current	Total
IRES (CORPORATE INCOME TAX)	153	37	190
IRAP (REGIONAL BUSINESS TAX)	—	347	347
Tax receivables	153	384	537

This item includes receivables from the Revenue Agency for IRES and IRAP, which increased with respect to 31 December 2023 due to the consolidation of Viridis, which contributed EUR 1,100 thousand in IRES and EUR 22 thousand in IRAP to the consolidation.

NOTA 18 CASH AND CASH EQUIVALENTS

The next table shows how this item is broken down.

Description	30.06.2024	31.12.2023
Bank and postal deposits	350,467	394,271
(LESS) IFRS 9 Impairment	(617)	(617)
Cash on hand	1,023	1,591
Total	350,873	395,245

The breakdown of bank and postal deposits is shown below:

Bank and postal deposits	30.06.2024	31.12.2023	Changes
Bank and postal deposits in cash pooling	194,737	270,392	(75,655)
ATV (and its subsidiary La Linea 80)	8,927	13,630	(4,703)
MISE (and its subsidiary Milano Serravalle Engineering)	17,911	17,259	652
Viridis (and its subsidiaries)	15,688	—	15,688
FERROVIENORD (accounts dedicated to RL investments)	113,204	92,990	20,214
Total	350,467	394,271	(43,804)

The FNM Group manages cash and cash equivalents through cash pooling. On a daily basis the balances of bank current accounts of individual companies are transferred to the current accounts of the Parent Company, which concurrently credits/debits the giro account of individual subsidiaries. At 30 June 2024, the Group companies that did not participate in cash pooling were ATV, its subsidiary La Linea 80, Viridis and its subsidiaries.

On 18 June 2024, the Viridis Board of Directors resolved to adhere to the contract for centralised Group treasury management. The first transfer of Viridis' balances to the Parent Company's current accounts took place on 24 July 2024.

MISE and its subsidiary Milano Serravalle Engineering adhere to the Group's centralised Treasury management agreement for the cash pooling portion and limited to the two bank current accounts held at Unicredit and BPER, not concerned by funds dedicated to the payment of the investments envisaged in the concession.

On that basis, in view of cash on bank deposits of EUR 350,467 thousand, of current payables to banks of EUR 147,476 thousand and non-current payables to banks of EUR 106,641 thousand (Note 20), the Group has payables in giro accounts – inclusive of interest – of EUR 28,270 thousand (EUR 30,024 thousand at 31 December 2023), as represented below:

Payables in giro account	30.06.2024	31.12.2023	Change
Nord Energia	16,017	19,378	(3,361)
NordCom	8,770	7,155	1,615
Corporate bodies	3,483	3,491	(8)
Total (Note 21)	28,270	30,024	(1,754)

On these giro accounts, interest income and expenses are paid at market rates (Note 21).

The item "FERROVIENORD (accounts dedicated to RL investments)" includes the balance of the dedicated account "Programme for the purchase of Rolling Stock for the regional railway service 2017-2032". The balance of this current account at 30 June 2024 amounted to EUR 113,204 thousand (EUR 92,990 thousand at 31 December 2023).

The item "Viridis (and its subsidiaries)" includes current accounts tied to service the leasing contract in the amount of EUR 228 thousand.

The change in the item is analysed in more detail by nature of component in the Statement of Cash Flows.

In relation to the adoption of IFRS 9, based on the expected losses model, the Group considers the expected losses along the life of the financial asset at each reference date of the Financial Statements; in previous years, an impairment adjustment of EUR 617 thousand was carried out.

NOTA 19 SHAREHOLDERS' EQUITY

Description	Shareholders' Equity attributable to Majority Shareholders						Profit/Loss for the year	Total Shareholders' Equity attributable to the Group	Shareholders' Equity attributable to Non-Controlling Interest	Total Shareholders' Equity
	Share capital	Other reserves	Reserve for fair value changes in derivatives	Indivisible Profits/Losses	Reserve for actuarial gains/losses	Translation reserve				
Balance as at 01.01.2023	230,000	6,873	6,462	(22,721)	(5,357)	200	68,476	283,933	22,980	306,913
Total Comprehensive Income			103		572	8	33,480	34,163	(134)	34,029
Allocation of 2022 profit				68,476			(68,476)	—		—
Distribution of dividends				(10,003)				(10,003)	—	(10,003)
Put option variation				2,430				2,430		2,430
Change in the scope of consolidation			—	(386)	—			(386)	(3,235)	(3,621)
Balance as at 30.06.2023	230,000	6,873	6,565	37,796	(4,785)	208	33,480	310,137	19,611	329,748
Balance as at 31.12.2023	230,000	6,873	5,179	37,796	(5,647)	278	80,855	355,334	20,826	376,160
Total Comprehensive Income			120	—	664	(53)	30,290	31,021	(143)	30,878
Allocation of 2023 profit				80,855			(80,855)	—		—
Distribution of dividends				(10,000)			—	(10,000)		(10,000)
Put option variation				(37,835)			—	(37,835)		(37,835)
Change in the scope of consolidation			(140)	140	—			—	13,126	13,126
Balance as at 30.06.2024	230,000	6,873	5,159	70,956	(4,983)	225	30,290	338,520	33,809	372,329

At 30 June 2024 and 31 December 2023, fully paid-up share capital amounted to EUR 230,000 thousand, comprising 434,902,568 ordinary shares, with no par value.

On 22 April 2024, the Shareholders' Meeting approved the Separate Financial Statements of the Parent Company for the year 2023 and resolved to allocate profit for the year of the Parent Company as follows:

- EUR 712 thousand to legal reserve;
- EUR 3,526 thousand to the extraordinary reserve;
- EUR 10,000 thousand as distribution of the ordinary dividend to Shareholders.

The item "Change in the scope of consolidation" for the half-year 2024 is attributable to:

1. the acquisition of 80% of the share capital of Viridis Energia S.p.A., for EUR 12,584 thousand (Note 3);

2. the capital increase of the subsidiary La Linea 80, amounting to EUR 1,804 thousand, which was also proportionally made by third parties holding 30% of the subsidiary's share capital.

Changes in Shareholders' Equity attributable to Non-Controlling Interest are presented below:

	Viridis	ATV	La Linea 80	Total
Share held by non-controlling shareholders	20 %	50 %	35 %	
Balance as at 01.01.2024	—	19,246	1,580	20,826
Change in the scope of consolidation	12,584	—	542	13,126
Profit/Loss for the period	111	(332)	(2)	(223)
Reserve for Actuarial Gains/(Losses)	41	39	—	80
Balance as at 30.06.2024	12,736	18,953	2,120	33,809

The following is a reconciliation between the profit/loss and Shareholders' Equity of FNM S.p.A.'s Separate Financial Statements and the Group's Consolidated Financial Statements:

<i>Amounts in EUR thousands</i>	Shareholders' Equity 01.01.2024	2024 Profit/Loss	Other result components transited directly to Shareholders' Equity	Other changes	Shareholders' Equity 30.06.2024
Financial Statements of the Parent	417,345	23,528	5	(10,000)	430,878
Derecognition of equity investments	(655,425)	—	—	—	(655,425)
Shareholders' Equity contributed by the consolidated companies	593,414	6,762	726	—	600,902
Put option recognition	—	—	—	(37,835)	(37,835)
FNM Group Shareholders' Equity	355,334	30,290	731	(47,835)	338,520

The reasons underlying the difference between market capitalisation (equal to EUR 195.3 million at 30 June 2024) and Group Shareholders' Equity (equal to EUR 338.5 million at 30 June 2024) are to be found in a combination of factors that can be summarised as follows:

1. the Group is listed in the Standard segment of the MTA of Borsa Italiana, a segment that penalises the stock in terms of daily trading volumes;
2. the free float on the market is limited as its shareholder structure is represented by 72.3% permanent shareholders: the Regione Lombardia holds 57.6% of the capital and Ferrovie dello Stato owns the remaining 14.74%. The free float is therefore less than 30% and market transactions relate to minority shareholdings, which reflect information asymmetries with respect to controlling shareholders;
3. minority shareholders could apply a significant discount to the value of unconsolidated equity investments recorded in the Group's Financial Statements, as they do not distribute dividends and, therefore, represent surplus assets which do not offer remuneration to minority shareholders.

In light of these in-depth analyses conducted, the Directors believe that the existing difference between market capitalisation and Group Shareholders' Equity cannot be considered an indicator of impairment as market capitalisation is not considered representative of the Group's recoverable amount.

NOTA 20 CURRENT AND NON-CURRENT PAYABLES TO BANKS

Payables to banks at 30 June 2024 and 31 December 2023 are broken down as follows:

Description	30.06.2024		
	Non-Current	Current	Total
Intesa 2024	—	85,341	85,341
Intesa-BancoBPM-BNL-Ubibanca-Unicredit 2019	37,413	24,927	62,340
EIB Funding	15,122	8,427	23,549
Banca Nazionale del Lavoro/Monte Paschi di Siena 2010	6,243	12,485	18,728
Intesa-Banco BPM 2010	3,748	7,498	11,246
Intesa 2023 – Hydrogen Loan	2,367	1,579	3,946
Banca BPER (EIB intermediation) 2012	994	1,972	2,966
Intesa SanPaolo loan account – Photovoltaic	19,628	1,004	20,632
BPER BANCA loan account – Photovoltaic	15,695	2,433	18,128
BPM loan account – Photovoltaic	3,406	1,090	4,496
BPER BANCA loan account – VAT FACILITY – Photovoltaic	—	314	314
Monte dei Paschi loan account – Photovoltaic	854	329	1,183
Intesa SanPaolo loan account – VAT FACILITY – Photovoltaic	1,171	—	1,171
Other payables to banks for loans	—	77	77
Payables to banks	106,641	147,476	254,117

Description	31.12.2023		
	Non-Current	Current	Total
Intesa-BancoBPM-BNL-Ubibanca-Unicredit 2019	49,855	24,878	74,733
Banca Nazionale del Lavoro/Monte Paschi di Siena 2010	12,480	12,466	24,946
EIB Funding	16,793	8,388	25,181
Intesa-Banco BPM 2010	7,493	7,490	14,983
Banca BPER (EIB intermediation) 2012	1,983	1,961	3,944
Intesa 2023 – Hydrogen Loan	3,154	1,573	4,727
Other payables to banks for loans	—	29	29
Payables to banks	91,758	56,785	148,543

The item “Intesa 2024” is entirely attributable to the short-term loan, signed on 19 February 2024 with Intesa Sanpaolo S.p.A., for EUR 85,000 thousand, for the payment of the purchase price of Viridis.

The Loan Agreement shall expire on 19 February 2025, with the option for FNM to extend the maturity date of the credit facility until 19 August 2025 and provides for the following covenants:

- (i) the ratio of Group Net Debt to Shareholders' Equity, calculated at the level of the Consolidated Financial Statements and Consolidated Interim Report, equal to or less than: a) as at 30 June 2024, $x \leq 3.00$ and b) as from 31 December 2024, $x \leq 2.50$;
- (ii) the ratio of Group Net Debt to EBITDA, calculated at the level of the Consolidated Financial Statements and the Consolidated Interim Report, is equal to or less than 5.85x; and
- (iii) the ratio of EBITDA to Net Financial Expenses, calculated at the level of the Consolidated Financial Statements and the Consolidated Interim Report, is equal to or greater than 5.77x.

As at the closing date of 30 June 2024, based on available data, these covenants have been met.

The Loan Agreement also provides for some mandatory repayment clauses upon the occurrence of certain events (downgrading of the rating to sub-investment grade, change of control, etc.).

The items “Intesa-BancoBPM-BNL-Ubibanca-Unicredit 2019”, “Banca Nazionale del Lavoro/Monte Paschi di Siena 2010”, “Intesa-Banco BPM 2010” and “Banca BPER (EIB intermediation) 2012” represent the bank debt of the subsidiary MISE recognised at amortised cost. All instalments due in the half-year were duly repaid, totalling EUR 24,290 thousand.

The following table summarises the interest rates and covenants set forth in each agreement of the subsidiary MISE mentioned above:

Loan	Nominal Amount	Expiration	Interest rate	Covenants
INTESA (formerly UBI) – BANCO BPM	90,000	31/12/2025	6-month Euribor (no floor) + margin 2%	NFP/EBITDA < 5 NFP/SE < 2
MPS – BNL	150,000	31/12/2025	6-month Euribor (no floor) + margin 2.25%	NFP/EBITDA < 5 NFP/SE < 2
BPER (formerly CARIGE)	20,000	31/12/2025	Fixed rate 3.617%	N/A
INTESA – BANCO BPM – UNICREDIT – BNL – INTESA (formerly UBI)	150,000	31/12/2026	6-month Euribor (no floor) + margin 1.80%	NFP/EBITDA < 4 NFP/SE < 2
INTESA – Hydrogen Project	4,700	31/12/2026	6-month Euribor (no floor) + margin 2.35%	N/A

As at the closing date of 30 June 2024, based on available data, these covenants have been met.

The item “EIB Funding” is entirely attributable to the disbursement of the loan taken out by the Parent Company from the European Investment Bank on 21 December 2017, for a total maximum amount of EUR 50 million. The purpose of the loan is to guarantee the financial coverage of the investment totalling EUR 95.1 million, pertaining to the purchase of nine 6-body electric trains to be used for the development and enhancement of the cross-border services connected with the opening of the Monte Ceneri base tunnel.

The loan was fully disbursed in the course of 2020. In particular, on 20 March 2020, the first tranche of EUR 10 million was disbursed, and on 12 October 2020, the second tranche of EUR 40 million. The first tranche of the loan has a fixed rate of 0.377%, with six-year maturity and repayment plan in constant annual instalments with the first due date on 01 February 2021. The second tranche of the loan has a fixed rate of 0.446%, with six-year maturity and repayment plan in constant annual instalments with the first due date on 12 October 2021.

The instalment due in the half-year, amounting to EUR 1,670 thousand, was duly repaid.

The loan provides for financial covenants calculated on the Consolidated Financial Statements of the Group (Annual and Interim):

- NFP/SE \leq 3.0 at the calculation date of 30 June 2024, \leq 2.5 for subsequent calculation dates;
- NFP/EBITDA \leq 5.85;
- EBITDA/Financial expenses \geq 5.77.

As at the closing date of 30 June 2024, based on available data, these covenants have been met.

“Photovoltaic” loans represent the bank debt of Viridis Energia group companies recorded at amortised cost. All instalments due in the half-year were duly repaid, totalling EUR 2,305 thousand.

The following table summarises the interest rates and covenants set forth in each loan agreement of the subsidiaries of the Viridis Energia group:

Loan	Line	Residual Nominal Amount	Expiration	Interest rate	Covenants
BPM Loan account – Photovoltaic VBIO1 S.r.l.	Base	3,100	30/06/2027	6-month Euribor (no floor) + margin 2.15%	Distribution covenant: DSCR: 1.20 x LLCR: 1.20 x D/E: 80/20
	Working Capital	200	31/12/2026	6-month Euribor (no floor) + margin 1.85%	Covenant by default: DSCR: 1.05 x LLCR: 1.10 x D/E: 80/20
	DSR	400	30/06/2027	6-month Euribor (no floor) + margin 2.15%	
BPM Loan account – Photovoltaic VBIO2 S.r.l.	Base	2,650	30/06/2027	6-month Euribor (no floor) + margin 2.15%	Distribution covenant: DSCR: 1.20 x LLCR: 1.20 x D/E: 80/20
	Working Capital	200	31/12/2026	6-month Euribor (no floor) + margin 1.85%	Covenant by default: DSCR: 1.05 x LLCR: 1.10 x D/E: 80/20
	DSR	400	30/06/2027	6-month Euribor (no floor) + margin 2.15%	
Monte dei Paschi loan account – Photovoltaic VRD23.4 S.r.l.		2,990	31/12/2028	6-month Euribor (no floor) + margin 2.60%	
BPER BANCA loan account – Photovoltaic VRD25.5 S.r.l.	Base	17,230	31/12/2031	6-month Euribor (no floor) + margin 1.90%	Distribution covenant: DSCR: 1.15 x D/E: 85/15
	Construction	1,220	31/12/2031	6-month Euribor (no floor) + margin 1.90%	Covenant by default: Historical DSCR: 1.05 x Prospective DSCR: 1.10 x D/E: 85/15
	DSR	1,500	31/12/2031	6-month Euribor (no floor) + margin 2.15%	
BPER BANCA loan account – Photovoltaic VRE1 S.r.l.	Base	6,200	30/06/2038	6-month Euribor (no floor) + margin 2.30%	Distribution covenant: DSCR: 1.15 x D/E: 85/15
	VAT	850	31/12/2025	6-month Euribor (no floor) + margin 1.50%	Covenant by default: Historical DSCR: 1.05 x Prospective DSCR: 1.10 x D/E: 85/15
	DSR	320	30/06/2038	6-month Euribor (no floor) + margin 2.40%	
Intesa SanPaolo loan account – Photovoltaic VRD27.1 S.r.l.		1,490	20/04/2032	3-month Euribor (no floor) + margin 2.55%	Covenant by default: DSCR: 1.30 x
Intesa SanPaolo loan account – Photovoltaic VRD27.2 S.r.l.		7,150	27/02/2031	1-month Euribor (no floor) + margin 2.20%	Covenant by default: DSCR: 1.05 x D/E: 80/20
Intesa SanPaolo loan account – Photovoltaic VRD27.3 S.r.l.		2,300	29/11/2030	3-month Euribor (no floor) + margin 2.60%	Covenant by default: DSCR: 1.10 x D/E: 70/30
Intesa SanPaolo loan account – Photovoltaic VRD28.2 S.r.l.	Base	5,000	31/03/2039	3-month Euribor (no floor) + margin 1.90%	Distribution covenant; DSCR: 1.15 x
	VAT	890	30/03/2027	3-month Euribor (no floor) + margin 1.80%	Covenant by default: DSCR: 1.05 x
Intesa SanPaolo loan account – Photovoltaic VRD28.3 S.r.l.	Base	4,280	31/03/2039	3-month Euribor (no floor) + margin 1.90%	Distribution covenant; DSCR: 1.15 x
	VAT	790	30/03/2027	3-month Euribor (no floor) + margin 1.80%	Covenant by default: DSCR: 1.05 x
Intesa SanPaolo loan account – Photovoltaic VRD28.5 S.r.l.	Base	5,900	31/12/2040	6-month Euribor (no floor) + margin 1.90%	Distribution covenant; DSCR: 1.15 x
	VAT	820	29/01/2028	6-month Euribor (no floor) + margin 1.80%	Covenant by default: DSCR: 1.05 x
Intesa SanPaolo loan account – Photovoltaic VRD29.3 S.r.l.	Base	3,300	30/06/2031	6-month Euribor (no floor) + margin 1.29%	Distribution covenant; DSCR: 1.15 x
	VAT	760	20/02/2028	6-month Euribor (no floor) + margin 1.80%	Covenant by default: DSCR: 1.05 x

At the closing date of 30 June 2024, the covenants (historical DSCR and D/E for the two loans entered into by the subsidiary VRE.1 and VRD25.5) were respected.

As regards the new loans taken out after 30 June 2024, on 25 July 2024, FNM took out a Revolving Credit Facility ("RCF") from Banca Intesa Sanpaolo S.p.A. for up to EUR 40,000,000. The loan is unsecured, has a term of 24 months with revolving utilisation of 3 or 6 months and bears interest at a variable rate equal to Euribor plus a margin of 0.90% per annum.

Please also note that the Group has liquidity headroom of roughly EUR 140 million in uncommitted lines, thereby offering sufficient financial flexibility.

NOTA 21 BOND, CURRENT AND NON-CURRENT FINANCIAL PAYABLES AND LEASE LIABILITIES

Description	30.06.2024		Total
	Non-	Current	
Payables to bondholders	646,576	3,385	649,961
Bond	646,576	3,385	649,961

Description	31.12.2023		Total
	Non-	Current	
Payables to bondholders	645,848	961	646,809
Bond	645,848	961	646,809

On 13 October 2021, the Parent Company completed the placement of a non-convertible senior unsecured bond for EUR 650 million, with a duration of 5 years. The bond represents the inaugural issue under the Euro Medium Term Non-Convertible Note Programme (the "EMTN Programme") of up to EUR 1 billion, the establishment of which was approved by the FNM Board of Directors on 16 September 2021.

The bond is listed on the regulated market of the Irish Stock Exchange – Euronext Dublin. The issue was settled on 20 October 2021.

The securities were placed at an issue price of 99.824% with a fixed rate, with an annual coupon of 0.75% and an annual yield of 0.786%, corresponding to a spread of 88 basis points with respect to the mid-swap reference rate. The securities representing the bond have been assigned a Baa3 rating by Moody's and a BBB rating by Fitch, in line with those of the issuer. There are no financial covenants on the bond.

The proceeds of the bond were used for the early repayment of the debt assumed in connection with the acquisition of MISE and, for the remaining part, to maintain adequate levels of liquidity to meet operating and investment needs.

The contract also provides for some mandatory repayment clauses, as well as in the case of cross default, upon the occurrence of: (i) change of control or, (ii) loss of the Concession by FERROVIENORD or MISE at the same time as the downgrade of the rating to sub-investment grade).

The fair value of the Bond was approximately EUR 610 million at 30 June 2024.

Other financial liabilities are described below:

Description	Non-	30.06.2024 Current	Total
Financial Debt – Viridis put option	39,056	—	39,056
Financial Debt – Viridis earn-out	13,937		13,937
Liabilities for leaseback	6,018	595	6,613
Giro account	—	2,478	2,478
Derivative instruments payable	189	143	332
Financial payables	59,200	3,216	62,416
Giro account	—	25,792	25,792
Other financial payables to related parties	—	75	75
Financial payables to related parties (Note 45)	—	25,867	25,867
Total	59,200	29,083	88,283

Description	Non-	31.12.2023 Current	Total
Giro account	—	2,989	2,989
Derivative instruments payable	89	47	136
Financial payables	89	3,036	3,125
Giro account	—	27,035	27,035
Financial payables to related parties (Note 45)	—	27,035	27,035
Total	89	30,071	30,160

With reference to the item “Financial Debt – Viridis put option”, it should be noted that, according to the provisions set forth in the Sale and Purchase Agreement, on the date of execution, FNM and the Sellers signed the option agreement aimed at regulating the terms under which (i) Lagi Energia and HNF will be granted the right of option to sell to FNM the shares of Viridis owned by Lagi Energia and HNF (“Put Option”), and (ii) FNM will be granted the option right to purchase, from Lagi Energia and HNF, the same shares of Viridis. The options will be exercisable during the twelve-month period following the fifth anniversary of the Execution Date (or following the sixth anniversary, if requested by the Sellers). The Option Agreement may be exercised on the basis of the fair market value of the Viridis Group on the date the option is exercised.

In accordance with paragraph 23 of IAS 32, the Put Option was recognised as a financial liability at the discounted value of the estimated fair market value as at 30 June 2030. This value in particular was estimated using the discounted cash flow method, based on the same assumptions and cash flows as in the Business Plan that formed the basis for the Fairness Opinion issued by Kpmg Advisory S.p.A. The discount rate used to discount this debt is equal to the 3-month Euribor on the reference date, increased by a spread of 200 bps.

Considering that the underlying of the Put Option is the non-controlling interest in the investee, the related financial liability was recognised with a balancing entry in Shareholders’ Equity attributable to the Group, opting for the IFRS 10 approach. This approach provides for an analysis of whether the risks and benefits, for the minority shareholders, arising from the issuance and possible exercise of the Put Option remain. Specifically, considering that the exercise price of the Put Option agreed upon by the parties is equal to the fair value of the underlying shares, it is deemed confirmed that the risks and benefits remain with the minority shareholders; therefore, the financial liability related to the Put Option was recognised

with a balancing entry as a reduction of the Parent Company's Shareholders' Equity, in application of the "present-access method". The value of the liability was updated to 30 June 2024.

The item "Financial Debt – Viridis earn-out" refers to FNM's debt arising in the context of the sale and purchase agreement for an additional conditional consideration component calculated for each plant that enters into production and is connected to the grid within six years from the date of execution. The consideration paid of EUR 80,026 thousand includes an earn-out advance amounting to EUR 16,800 thousand to be used as compensation for the first plants that will enter into production up to this amount. In addition to the foregoing, the conditional consideration component in excess of the down payment already paid was preliminarily estimated at EUR 13,937 thousand, based on the plant commissioning plan, as set forth in the Business Plan that formed the basis of the Fairness Opinion issued by Kpmg Advisory S.p.A., concerning the purchase price. The discount rate used to discount this debt is equal to the 3-month Euribor on the reference date, increased by a spread of 200 bps. The earn-out will be paid by FNM to the Sellers on a quarterly basis, in relation to projects for which the conditions for the accrual of the relevant earn-out have been fulfilled, it being understood that it will only be payable once it has accrued for an amount sufficient to compensate the earn-out.

The item "Giro account" with third parties refers to the cash pooling with the various Corporate Bodies: FNM Mutual Benefit Fund for EUR 2,388 thousand (EUR 2,900 thousand as of 31 December 2023) and the FNM Company Recreational Club for EUR 90 thousand (EUR 89 thousand as of 31 December 2023).

The item "Derivative instruments payable" represents the derivatives in place at 30 June 2024, relating to Interest Rate Swap hedging contracts entered into by the subsidiary MISE during 2011 with Banco BPM, Banca Intesa (formerly UBI Banca), Banca Nazionale del Lavoro and Monte dei Paschi di Siena in order to prevent the risk of changes in interest rates, whose fair value, as regards the non-current portion, was a negative EUR 12 thousand. The total notional value amounted to EUR 120,000 thousand. The qualitative analysis has shown an exact correspondence between the supporting elements of the loan and those of the IRS and furthermore, no particular problems are identified regarding the creditworthiness of the counterparty of the hedging instrument and therefore they were accounted for under hedge accounting.

The measurement of derivative financial instruments was obtained with the assistance of an expert, as well as on the basis of communications from credit institutions, applying discounted cash flow analysis (DCF) techniques, which are based on the calculation of the present value of expected cash flows. This method is internationally recognised as the best financial practice for the valuation of cash flows that have a time lag with respect to the valuation date.

The item "Giro accounts" with related parties refers to the balance payable of the cash pooling between FNM, the joint venture investees and the other related parties; specifically, with NORD ENERGIA, for EUR 16,017 thousand (EUR 19,378 thousand at 31 December 2023); with NordCom, for EUR 8,770 thousand (EUR 7,155 thousand at 31 December 2023); and with the FNM Pension Fund for EUR 1,005 (EUR 503 thousand at 31 December 2023).

Lease liabilities all relate to the application of IFRS 16 and are broken down as follows:

Description	30.06.2024		
	Non-	Current	Total
Lease liabilities	19,826	8,413	28,239
Lease liabilities	19,826	8,413	28,239
Lease liabilities	25	43	68
Lease liabilities to related parties (Note 45)	25	43	68
Total	19,851	8,456	28,307

Description	Non-	31.12.2023 Current	Total
Lease liabilities	12,953	7,884	20,837
Lease liabilities	12,953	7,884	20,837
Lease liabilities	15	79	94
Lease liabilities to related parties (Note 45)	15	79	94
Total	12,968	7,963	20,931

The value of fees recorded in the Income Statement for low value and short term agreements amounts to EUR 1,234 thousand.

The Group is not exposed to significant future increases in the variable lease payment as the lease agreements do not establish significant variable components.

Details of minimum future payments of finance leases by due date and reconciliation with the relative present value, equal to the payable recognised in the Financial Statements, are provided below:

Minimum future lease payments	30.06.2024	31.12.2023
Less than 1 year	9,139	8,637
2 - 5 years	18,921	13,653
Over 5 years	2,245	162
Total	30,305	22,452
Future interest expenses	(1,998)	(1,521)
Present value of payables related to finance leases	28,307	20,931

The present value of liabilities relative to finance leases by due date is as follows:

Present value of payables related to finance leases	30.06.2024	31.12.2023
Less than 1 year	8,456	7,963
2 - 5 years	17,800	12,835
Over 5 years	2,051	133
Total	28,307	20,931

The maturity of the non-current portion of financial liabilities, including the bond, is shown below:

Description	30.06.2024	31.12.2023
Between 1 and 2 years	9,051	7,963
Between 2 and 5 years	710,231	650,842
Over 5 years	6,345	100
Total	725,627	658,905

Effective interest rates at the end of the reporting periods are shown below:

Description	30.06.2024	31.12.2023
Payables to Bondholders	0.982 %	0.982 %
Payables for leases IFRS 16	5.00% - 5.23%	0.982% - 5.23%
Giro account	0.313 %	1.391 %

The rates for lease liabilities were determined on the basis of the marginal financing rates of the Group companies.

For the sake of full disclosure, it should be noted that during the period, “non-cash transaction” investments were made that did not require the use of cash or cash equivalents, mainly relating to the acquisition of assets by means of lease transactions in the amount of EUR 4,189 thousand. During the previous year, the value of non-cash transactions relating to the acquisition of assets by means of lease transactions amounted to EUR 2,808 thousand.

NOTA 22 CURRENT AND NON-CURRENT PAYABLES FOR FUNDED INVESTMENTS

The details of the current payables for funded investments are shown below:

Payables for funded investments	30.06.2024	31.12.2023
Payables to the Ministry of Transport	—	6,873
Payables for funded investments	—	6,873
Payables to Regione Lombardia- Programme Agreement	58,981	72,161
Payables to Regione Lombardia- Cyclical maintenance	7,500	—
Payables to Regione Lombardia- Purchase of rolling stock	506	3,166
Payables for funded investments to related parties (Note 45)	66,987	75,327
Total Payables for funded investments	66,987	82,200

The item mainly refers to the surplus of collections obtained from the Regione Lombardia or other Lenders for investments made by the Group, within the scope of the Programme Agreement for the modernisation of the railway infrastructure or within the scope of investments on the motorway infrastructure, for the portion already allocated to investments and not yet paid to suppliers.

Since these amounts are contract liabilities, they are reported in accordance with IFRS 15.

The decrease compared to 31 December 2023 is mainly related to the utilisation of advances collected in 2023, in relation to the progress of the Programme Agreement orders, mainly for the Malpensa T2 - Sempione order.

The item “Payables to Regione Lombardia – Cyclical maintenance” relates to advances received from 01 January 2024 on future investments in cyclical maintenance. In fact, in addition to the funds already collected by FERROVIENORD to finance scheduled cyclical maintenance work, and set aside in the cyclical maintenance provision (Note 25), as a result of the renewal of the Railway Infrastructure Management Service Contract, the amounts of EUR 15 million per year in 2024 and 2025, EUR 47 million per year from 2026 to 2032 and EUR 20 million in 2033, respectively, were allocated under Regional Law No. 34/2022, which are disbursed in twelfths, at the same time as the monthly instalments of the consideration.

The item “Payables to the Ministry of Transport” decreased as a result of the reclassification from current to non-current payables, following updated assumptions on the utilisation of the amounts collected.

The details of the non-current payables for funded investments are shown below:

Payables for funded investments	30.06.2024	31.12.2023
Payables to the Ministry of Transport – Railway infrastructure	5,848	5,848
Payables to the Ministry of Transport – Motorway infrastructure	9,174	
Payables for funded investments	15,022	5,848
Payables to Regione Lombardia	10,565	10,565
Payables for funded investments to related parties (Note 45)	10,565	10,565
Total Payables for funded investments	25,587	16,413

The items “Payables to the Ministry of Transport – Railway infrastructure” and “Payables to Lombardy Region” mainly refer to the portion of collections of fees relating to advances on investments made and refunded by the Ministry of Transport and the Regione Lombardia.

The item “Payables to the Ministry of Transport – Motorway Infrastructure” increased as a result of the above reclassification, as well as the collection of new advances in the amount of EUR 2,424 thousand.

The Group recognises this amount as suspended under liabilities, pending the receipt of notice from the counterparties of use of the advance received.

NOTA 23 NET FINANCIAL POSITION

Below is the breakdown of the net financial debt according to CONSOB Information Notice No. 5/21 of 29 April 2021, which replaces CONSOB Communication No. 6064293 of July 2006, and related notes that refer data in the table to data in the Statement of Financial Position:

Description	30.06.2024	of which related	31.12.2023	of which related	Notes
A. Cash and cash equivalents	350,873	—	395,245	—	18
B. Cash equivalents	—	—	—	—	
C. Other current financial assets	—	—	—	—	
D. Liquidity (A+B+C)	350,873	—	395,245	—	
E. Current financial payables	(180,675)	(92,854)	(112,253)	(102,362)	20 - 21 - 22
F. Current portion of non-current financial payables	(74,712)	(43)	(65,727)	(79)	20 - 21 - 22
G. Current financial debt (E+F)	(255,387)	(92,897)	(177,980)	(102,441)	
H. Net current financial debt (G - D)	95,486	(92,897)	217,265	(102,441)	
I. Non-current financial payables	(211,279)	(10,590)	(121,228)	(10,580)	20 - 21 - 22
J. Debt instruments	(646,576)	—	(645,848)	—	21
K. Trade and other non-current payables	—	—	—	—	
L. Non-current financial debt (I+J+K)	(857,855)	(10,590)	(767,076)	(10,580)	
M. Total Financial debt (H+L)	(762,369)	(103,487)	(549,811)	(113,021)	

Since the Net Financial Position is not a measure whose determination is regulated by the Group's accounting standards, the criteria for determining it applied by the Group may not be homogeneous with those adopted by other groups, and is therefore not comparable.

Current financial payables include current payables to banks of EUR 147,476 thousand (EUR 56,785 thousand at 31 December 2023) (Note 20) and to other lenders and, therefore, more specifically, the payables arising from advances paid by the Regione Lombardia or other Lenders for funded investments relating to the modernisation of railway and motorway infrastructure, amounting to EUR 66,987 thousand (EUR 82,200 thousand at 31 December 2023) (Note 22), the balance of the cash pooling giro accounts with joint ventures and Corporate Bodies for a total of EUR 28,412 thousand (EUR 30,071 thousand at 31 December 2023), the lease liabilities of EUR 8,456 thousand (EUR 7,963 thousand at 31 December 2023), as well as the portion of interest expenses accrued on the bond to be paid within 12 months of the date of these Financial Statements (Note 21).

Non-current financial payables mainly include the payable for the bond issued on 20 October 2021, amounting to EUR 646,576 thousand (Note 21), non-current payables to banks of EUR 106,641 thousand (Note 20), lease and leaseback liabilities of EUR 19,851 thousand (Note 21) and EUR 6,018 thousand (Note 21) respectively.

In order to better represent the Group's NFP, an adjusted NFP has been calculated, which excludes the cash and cash equivalents credited to the accounts of the subsidiary FERROVIENORD and allocated to the "Programme for the purchase of rolling stock for the regional railway service for the years 2017-2032", as shown below:

Description	30.06.2024	of which related	31.12.2023	of which related	Notes
A. Cash and cash equivalents	237,669		302,255		18
B. Cash equivalents	—		—		
C. Other current financial assets	—		—		
D. Liquidity (A+B+C)	237,669	—	302,255	—	
E. Current financial payables	(180,675)	(92,854)	(112,253)	(102,362)	20 - 21 - 22
F. Current portion of non-current financial payables	(74,712)	(43)	(65,727)	(79)	20 - 21 - 22
G. Current financial debt (E+F)	(255,387)	(92,897)	(177,980)	(102,441)	
H. Net current financial debt (G - D)	(17,718)	(92,897)	124,275	(102,441)	
I. Non-current financial payables	(211,279)	(10,590)	(121,228)	(10,580)	20 - 21 - 22
J. Debt instruments	(646,576)	—	(645,848)	—	21
K. Trade and other non-current payables	—	—	—	—	
L. Non-current financial debt (I+J+K)	(857,855)	(10,590)	(767,076)	(10,580)	
M. Total Financial debt (H+L) adjusted	(875,573)	(103,487)	(642,801)	(113,021)	
Impacts of the Programme for the purchase of rolling stock for the regional railway service for the years 2017-2032					
of which – D. Liquidity	113,204		92,990		18
N. Total Financial debt for the Programme for the purchase of rolling stock for the regional railway service for the years 2017-2032	113,204	—	92,990	—	
Net financial debt (M+N)	(762,369)	(103,487)	(549,811)	(113,021)	

In order to determine the adjusted NFP, the bank balances resulting from the crediting of grants from the Regione Lombardia for the regional train purchase programme for the years 2017-2032 and still not used at the reporting date were excluded (Note 18).

In fact, as already mentioned in the Management Report, in order to improve the representation of balance sheet trends, as from the first quarter of 2022, the “IFRIC 12 Impacts”, calculated to determine the adjusted Net Financial Position, include only the funded investment items relating to the “Programme for the purchase of Rolling Stock for the regional railway service for the years 2017-2032 and integration of supplies of the Programme for the purchase of Rolling Stock as per Regional Government Decree No. X/4177 of 16/10/2015” (hereinafter, the “Rolling Stock Programme 2017-2032”).

In addition to financial debt, as concerns indirect financial debt, reference should be made to Note 25 for the provisions recognised in the Financial Statements, and the final commitments at 30 June 2024 that oblige the Group to acquire or construct an asset in the next 12 months are shown below:

Description	Amount
Motorway infrastructure investments	60,866
Investments in rolling stock with funds	95,742
Investments in renewable energy plants	29,216
Investments in buses	4,957
Other investments	17,265
Total	208,046

In addition to the above table, it should be noted that the Group is committed over the next 12 months to making investments in financial infrastructure in the amount of EUR 387,277 thousand and in rolling stock on behalf of the Regione Lombardia in the amount of EUR 218,573 thousand. It should also be noted that these investments are fully financed by the Regione Lombardia.

NOTA 24 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are broken down as follows:

Description	30.06.2024	31.12.2023
Capital grants	18,603	19,778
Other liabilities	5,673	6,055
Non-current liabilities	24,276	25,833
Capital grants from the Regione Lombardia	10,341	10,824
Other liabilities	24	—
Non-current liabilities to related parties (Note 45)	10,365	10,824
Total	34,641	36,657

The item “Capital grants” concerns the non-current portion of public grants received by the subsidiary ATV from the Veneto Region and by the subsidiary FNMA from the Ministry of Environment, for the purchase of new urban and extra-urban buses (EUR 17,336 thousand and EUR 106 thousand respectively), loans received in 2001 pursuant to Law No. 270/97 from the Ministry of Public Works to redevelop the Cadorna Station in Milan equal to EUR 962 thousand and the public grants received for the purchase of TILO trains for EUR 207 thousand.

Contributions received during period for capital grants, classified in the Statement of Cash Flows under item “Collection of grants on investments with own funds”, amounted to EUR 5,070 thousand.

The item “Other liabilities” mainly includes the non-current portion, amounting to EUR 3,312 thousand (EUR 3,806 thousand at 31 December 2023), relating to:

- “Junction maintenance agreements”, referring to three agreements signed respectively with the Municipality of Corsico, the Municipality of Milan and Fiordaliso S.p.A., expiring on 31 October

2028, to cover the costs that will be incurred for the maintenance of the works covered by the agreements;

- crossing fees relating to contracts entered into up to the end of the concession and charged pro-rata to the Income Statement;
- fibre optic fees, mainly referring to the agreement renewed with Telecom Italia S.p.A., expiring on 31 October 2028, recorded on an accruals basis in the Income Statement.

The item “Other liabilities” includes the deferred income relative to future maintenance costs for own rolling stock, with advances received from the lessees in the year 2017, amounting to EUR 1,088 thousand.

“Capital grants from the Regione Lombardia” mainly refer to grants from the Regione Lombardia for the renovation of the property in Milan, Piazza Cadorna, for EUR 3,568 thousand, and for the purchase of buses for EUR 6,691 thousand. The decrease in the period is due to the recognition of the grant in the Consolidated Income Statement, according to procedures indicated in the accounting standard.

NOTA 25 CURRENT AND NON-CURRENT PROVISIONS FOR RISKS AND CHARGES

This item is broken down as follows:

Description	Cyclical maintenance	Motorway Infrastructure Renewal Provisions	Provision for Commitments relating to non-compensated assets freely revertible	Personnel	Ancillary charges for the Affordability Redevelopment Programme (PII)	Other risks	Total
Balance as at	66,708	44,435	9,141	484	1,313	17,010	139,091
Increases		3,295	—	1,159	—	1,356	5,810
Uses	(15,884)	(7,905)	(13)	(234)	—	(763)	(24,799)
Other changes	97	399	135	—	—	—	631
Releases	—	—	—	—	—	(6,433)	(6,433)
Changes in the scope of consolidation	—	—	—	—	—	319	319
Balance as at	50,921	40,224	9,263	1,409	1,313	11,489	114,619

Provisions for risks and charges have the following dates:

Description	30.06.2024	31.12.2023
Current	50,057	69,264
Non-current	64,562	69,827
Total	114,619	139,091

Cyclical maintenance

With reference to rolling stock, owned by the Regione Lombardia, the subsidiary FERROVIENORD is the operator of the work order for the purchase of rolling stock, and is also responsible for maintenance of equipment in order to guarantee the effective operation of the service, with particular reference to cyclical maintenance.

As regards this maintenance, which is scheduled based on years of use and kilometres travelled, the Group therefore made allocations to the cyclical maintenance provision up to 31 December 2023 amounting to EUR 66,708 thousand.

Following the updating of the Service Contract on 28 December 2023, in force for the period 01 January 2023 - 31 December 2027, between FERROVIENORD and the Regione Lombardia, from 01 January 2024, the cyclical maintenance of the rolling stock is financed directly by the Regione Lombardia, which pays FERROVIENORD the amount provided for each year on the basis of the multi-year planning of maintenance costs defined by Trenord.

Therefore, from 2024 FERROVIENORD will use the available funds set aside with the cyclical maintenance provision until 31 December 2023, which will then be progressively used "per fleet" until it is used up. Specifically, in the First Half of 2024, EUR 15,884 thousand of the provision was utilised. The provision was also discounted to present value on the basis of future use forecasts; the amount of the discounting, included in the item "Other changes", was EUR 97 thousand.

Motorway infrastructure renewal provision

The value of the renewal provision, equal to EUR 40,224 thousand (provision for restoration or replacement of freely revertible assets), refers to the coverage of costs for future restoration of the

motorway infrastructure and has the purpose of maintaining and/or restoring the original production capacity of the “assets freely revertible to the Awarding Body”, both to keep the production capacity unchanged and to transfer them, on expiry of the Concession, to the Awarding Body in good working order, in view of the contractual obligations set out in the Consolidated Agreement signed by MISE with ANAS S.p.A. (subsequently replaced by the Ministry of Infrastructure and Sustainable Mobility).

Provision for Commitments relating to non-compensated assets freely revertible

The item includes the provision equal to the present value of planned investments, for which no tariff increases are expected. The amount of EUR 9,263 thousand was estimated on the basis of information from the Economic and Financial Plan available at the date on which these Consolidated Financial Statements were drafted. The provision for risks and charges is used to offset the cash outlays that the Group will incur to finance these investments.

Personnel

With reference to the renewal of the National Collective Bargaining Agreement for the Railway/Tram Sector, expired on 31 December 2023, the Group, based on an assessment of ongoing negotiations and the economic terms of contract renewals, recognised EUR 1,159 thousand in a dedicated provision for the First Half of 2024.

In March 2024, a second-level agreement was signed by the subsidiary FNMA, which provided for the payment of a one-off contribution to compensate for the results achieved in the year 2023. Said report also regulated the redefinition of certain welfare issues, in particular concerning supplementary welfare, meal vouchers and preventive medicine.

As a result of this agreement, the provision was utilised for the amounts relating to the one-off contribution for EUR 234 thousand.

Ancillary charges for the Affori Redevelopment Programme (PII)

As regards the sale of areas next to the Affori Station in Milan, the FNM Group undertook to carry out activities related to the Redevelopment Programme (clean-up of land, development of urban infrastructure works, movement of the electric power unit); the original estimate of these futures costs payable by the Group was equal to EUR 2,640 thousand. During 2016, following the completion of clean-up works for EUR 819 thousand, the provision was used for the previously allocated amount of EUR 700 thousand. In 2021, a portion of the provision in the amount of EUR 797 thousand was released as a result of the restatement of assets. In 2022, allocations were made to adjust the provision for EUR 170 thousand. In the First Half of 2024, the estimates of the previous year were confirmed; the residual provision, therefore, amounted to EUR 1,313 thousand.

Other risks

The provision for Other risks at 30 June 2024 included:

- EUR 939 thousand, as an estimate of the risk arising from expropriation disputes;
- EUR 142 thousand as the risk estimate from the dispute with the Customs Agency described in the Management Report, section 8 “Most relevant litigation and other information”;
- EUR 247 thousand, for insurance claims and deductibles;
- EUR 10,161 thousand, of which EUR 1,356 thousand allocated in the period, as the risk estimate of losing litigation ongoing with third parties; EUR 921 thousand of the provision was used in the period, and EUR 118 thousand was released due to litigation that had been settled.

The release for the period also refers for EUR 6,315 thousand to the provision set aside in previous years arising from the differential between maintenance expenses performed with respect to the corresponding forecasts in the current MISE Economic and Financial Plan. This release followed the full recovery of delayed maintenance as indicated in the note received from the Ministry on 10 May 2024.

NOTA 26 POST-EMPLOYMENT BENEFITS

Description	30.06.2024	31.12.2023
Present value of the post-employment benefit liability, calculated on the basis of demographic	18,116	18,941
Total	18,116	18,941

The amount of the cost recognised in the Income Statement relative to this item is broken down as follows:

Description	30.06.2024	31.12.2023
Service costs	5	11
Interest (Note 41)	280	638
Total	285	649

Actuarial gains and losses arising from changes in assumptions and changes in final and hypothesized data, starting from the year ended 31 December 2011, are recognised in the Statement of Comprehensive Income in a specific reserve of Shareholders' Equity called "Reserve for actuarial gains/losses" (Note 46).

The change in the liability relative to post-employment benefits is shown below:

Description	30.06.2024	31.12.2023
Debt at the start of the year	18,941	20,410
Service costs	5	11
Actuarial loss/(gain)	(356)	601
Interest cost	280	638
Uses	(1,107)	(2,739)
Transfers	—	20
Changes in the scope of consolidation	353	—
Debt at the end of the year	18,116	18,941

The following main actuarial assumptions were used:

Description	30.06.2024	31.12.2023
Discount rate	3.40	3.10
Annual rate of compensation increase	1.00	1.00
Annual rate of inflation	2.50	2.50
Annual rate of post-employment benefit increase	3.38	3.38

Assumptions concerning mortality are based on the probability of death of the Italian population identified by ISTAT in 2000, by gender. This probability is reduced by 25% to take into account the average of active workers' characteristics and the decrease in mortality registered in recent years.

The annual discounting rate, used to determine the present value of the obligation, was inferred from the Iboxx Eurozone Corporate AAA index, according to ESMA provisions.

Below is provided the sensitivity analysis carried out on the average annual discount rate entered in the calculation model, considering the scenario described above as the base scenario and increasing or

reducing the average annual discount rate by half a percentage point. The results obtained are summarised in the following table:

Annual discount rate	0.5 %	(0.5) %
Post-employment benefits	17,015	18,101

NOTA 27 TRADE PAYABLES

Trade payables are broken down as follows:

Description	30.06.2024	31.12.2023
Payables for invoices received	214,769	199,222
Payables for invoices to be received	292,591	300,681
Trade payables	507,360	499,903
Trade payables to related parties	10,430	13,790
Trade payables to related parties (Note 45)	10,430	13,790
Total	517,790	513,693

Trade payables rose by EUR 7,457 thousand due to the combined effect of the following:

- Viridis contribution to the consolidation for EUR 5,561 thousand;
- trade payables for funded investments to renew airport rolling stock and modernise railway infrastructure increased by EUR 20,683 thousand;
- trade payables for motorway infrastructure investments decreased by EUR 6,773 thousand;
- trade payables for funded rolling stock renewal orders decreased by EUR 5,780 thousand;
- trade payables for investments with own funds, including investments in cyclical maintenance, decreased by EUR 1,887 thousand;
- trade payables for the operation and maintenance of the motorway infrastructure decreased by EUR 5,047 thousand.

In particular, concerning the renewal of funded rolling stock, the balance included payables for invoices received for EUR 126,325 thousand (EUR 112,905 thousand at 31 December 2023) and payables for invoices to be received for EUR 162,133 thousand (EUR 181,332 thousand at 31 December 2023). As concerns the railway and rolling stock infrastructure modernisation work orders, other than the “Programme 2017-2032”, the balance includes payables for invoices received for EUR 46,588 thousand (EUR 41,038 thousand at 31 December 2023) and payables for invoices to be received for EUR 75,587 thousand (EUR 54,454 thousand at 31 December 2023).

Trade payables include the payable to Cogel S.p.A. (equal to EUR 1,697 thousand), in relation to which there is a pending dispute, from whose outcome no additional liabilities from those already allocated are expected.

NOTA 28 PAYABLES FOR TAXES AND DUTIES

Payables are broken down as follows:

Description	30.06.2024	31.12.2023
IRES (CORPORATE INCOME TAX)	14,545	3,539
IRAP (REGIONAL BUSINESS TAX)	2,489	965
Payables for taxes and duties	17,034	4,504
IRPEF (PERSONAL INCOME TAX) and withholdings	4,960	4,376
VAT	4,486	51
Other	7	—
Tax payables	9,453	4,427

The payable includes the IRES and IRAP charge for the period (Note 43). It should be noted that IRAP and IRES advances were paid by the investees and the Parent Company on 01 July 2024.

The VAT item is attributable mainly to the VAT payable of the subsidiary MISE (EUR 4,104 thousand) and the subsidiary ATV (EUR 272 thousand).

NOTA 29 OTHER CURRENT LIABILITIES

Other current liabilities are broken down as follows:

Description	30.06.2024	31.12.2023
Payables to personnel	20,559	18,376
Payables to social security institutions	11,541	9,888
Deferred income	5,407	6,302
Concession fee payable	2,995	5,950
Capital grants	2,839	2,861
Advances from customers	266	285
Agencies	183	129
Payables to the Ministry of Infrastructures and Transport	—	—
Other liabilities	12,740	8,733
Current liabilities	56,530	52,524
Payables to Joint Ventures/Associates	24,169	8,532
Capital grants from the Regione Lombardia	1,024	1,021
Payable to the Pension Fund	824	965
Other Liabilities – Group VAT transfer	15	21
Payables to Regione Lombardia	9,020	10,875
Current liabilities to related parties (Note 45)	35,052	21,414
Total	91,582	73,938

The item “Payables to personnel” increased by EUR 1,874 thousand compared to 31 December 2023, as it includes the monthly wages and bonuses to be paid during the second half of 2024. For a similar reason, the item “Payables to social security institutions” increased.

The item “Deferred income” includes the current portion of deferrals related to:

- “Junction maintenance agreements”, referring to three agreements signed respectively with the Municipality of Corsico, the Municipality of Milan and Fiordaliso S.p.A., expiring on 31 October 2028, to cover the costs that will be incurred for the maintenance of the works covered by the agreements;
- crossing fees relating to contracts entered into up to the end of the concession and charged pro-rata to the Income Statement;
- fibre optic fees, mainly referring to the agreement renewed with Telecom Italia S.p.A., expiring on 31 October 2028, recorded on an accruals basis in the Income Statement.

Deferred income also includes the annual and monthly subscriptions (urban and extra-urban) purchased by customers, also valid for the following year.

The item “Capital grants” relates mainly to the grants on buses received from the Veneto Region.

The item “Payables to Joint Ventures/Associates” relates to payables for services rendered to the Group. The debt increased due to the cyclical maintenance carried out by Trenord on the rolling stock funded by the Regione Lombardia, which has not yet been paid (Note 25).

The item “Capital grants from the Regione Lombardia” mainly refers to grants from the Lombardy Region for the renovation of the property in Milan, Piazza Cadorna, for EUR 264 thousand and for the purchase of buses for EUR 758 thousand.

CONSOLIDATED INCOME STATEMENT

NOTA 30 REVENUES FROM SALES AND SERVICES

The next table shows the breakdown of this item:

Description	1H 2024	1H 2023
Income from motorway tolls	138,472	132,818
Revenues from Service Contract for automotive sector	20,590	20,265
Products of automotive traffic	19,226	17,482
Income from Service Area concessions	4,785	4,853
Renewable energy sales revenue	4,421	—
Motorway maintenance services invoiced	1,221	984
Terminal Handling Revenues	1,014	619
Car sharing revenues	988	1,054
Services invoiced	355	119
Property income	227	197
Revenues from sales and services	191,299	178,391
Railway infrastructure management Service Contract	32,356	31,592
Lease of rolling stock	23,175	37,156
Revenues from network access	13,430	12,859
Rail-replacement service	5,626	4,630
Services invoiced	5,522	5,230
Design services and railway infrastructure project management	4,359	6,639
Property income	259	244
Revenues from sales and services to related parties (Note 45)	84,727	98,350
Total	276,026	276,741

Revenues from sales and services – third parties

Revenues from sales and services to third parties increased by EUR 12,908 thousand due to the following changes:

Income from motorway tolls

Toll revenues, shown gross of the supplementary concession fee and net of the discounts applied to users, showed an increase of 4.3% as a result of the 2.3% tariff adjustment as of 01 January 2024 and the traffic trend (+2.2% compared to 30 June 2023). In particular, the change in traffic volumes for the first two months of the half-year was due to the adjustment of the conventional mileage at the points of application of the toll on Tangenziale Nord (northern ring road) of Milan (adjustment as of 01 March 2023), as well as the effect of the leap year.

Revenues from Service Contract for automotive sector

Revenues showed a net increase of EUR 325 thousand (+1.6%) in connection with the distances travelled of the urban service in the city of Verona.

Products of automotive traffic

Revenues from public road transport services rose by EUR 1,744 thousand. Please recall that in the comparative period this item still included the contribution of La Linea and its subsidiary Martini Bus, deconsolidated as of 16 January 2023, amounting to EUR 290 thousand.

The higher revenues are the effect of the tariff manoeuvres granted in July 2023 for travel tickets and the tariff increase of approximately 15% on season tickets granted as of 01 January 2024. The higher sales are also consistent with increasing trend in demand.

Income from Service Area concessions

Income from service area concessions decreased by EUR 68 thousand. This effect is attributable to the slightly downward trend in sales as a result of the reduction of some premises due to the modernisation of some service areas.

Renewable energy sales revenue

The proceeds from the acquisition of Viridis on 23 February 2024 (Note 3) resulted from electricity production of 39,157 MWh, of which 31,283 MWh from photovoltaic plants and 7,874 MWh from biogas.

Terminal Handling Revenues

Terminal handling revenues increased due to MTO services (EUR +502 thousand), which were activated as of October 2023.

Car sharing revenues

Revenues from the sharing mobility service decreased by EUR 66 thousand, mainly in connection with the decrease in the B2C service.

Revenues from sales and services – related parties

Revenues from sales to related parties decreased by EUR 13,623 thousand over the previous period; the most significant changes are reported below.

Railway infrastructure management Service Contract

The consideration for the Service Contract for the management of the railway infrastructure with the Regione Lombardia increased by EUR 764 thousand due to the increase in production, the adjustment for inflation, the increase in the number of trains in the managed fleet, as well as higher revenues related to historical assets.

Lease of rolling stock

Revenues from the lease of rolling stock fell by EUR 13,981 thousand primarily following the changes commented on below:

- revenues from the rental of train rolling stock funded by the Regione Lombardia, amounting to EUR 9,883 thousand in the first half of 2023, were netted out, as from 01 January 2024, following the amendments to the FERROVIENORD Service Contract 2023-2028, the trains are entrusted to Trenord on free loan for use;
- the signing of new agreements for the TSR, CSA, CORADIA and TILO trains leased by FNM to Trenord, provided for a reduction in the annual fee of EUR 4,034 thousand.

Revenues from network access

The amount refers to the contract with Trenord for access to the railway network managed by FERROVIENORD. The increase in revenues from network access in the period resulted from the increase in km production of the Milan Branch and the adjustment of toll rates with planned inflation for 2024.

Rail-replacement service

The item refers to the fee invoiced to Consorzio Elio for buses provided for rail-replacement service; income from rail-replacement service increased by EUR 996 thousand compared to the first half of 2023, due to increased extraordinary transit.

Services invoiced

The item includes revenues for the performance of services rendered to investees by the Parent Company.

Design services and railway infrastructure project management

This item decreased from EUR 6,639 thousand to EUR 4,359 thousand, and includes charge-backs to the Regione Lombardia for design and project management services relating to railway infrastructure maintenance. The decrease in the period relates to design activities for work on the railway network, in particular for the design of the Malpensa T2-Sempione order, which was recognised in the comparative half-year period.

For a more detailed analysis of revenues by business segment, please refer to section 5 "Operating performance of business segments" of the Management Report.

NOTA 31 GRANTS

The next table shows the breakdown of this item:

Description	1H 2024	1H 2023
Grants by Gestore dei Servizi Energetici (GSE)	3,451	—
Grants for current expenses	313	243
Contributions to cover raw material price increases	—	641
Grants for the renewal of the National Collective Bargaining Agreement – other Regions	42	13
Other grants	1,451	1,232
Grants	5,257	2,129
Grants for current expenses – Regione Lombardia	2,452	2,420
Grants for the renewal of the National Collective Bargaining Agreement – Regione Lombardia	589	589
Compensatory measures for loss of traffic revenues	392	—
Other grants – Regione Lombardia	525	754
Grants to related parties (Note 45)	3,958	3,763
Total	9,215	5,892

Grants by Gestore dei Servizi Energetici (GSE)

This item includes grants for the production of electricity from grid-connected photovoltaic plants for the period following the consolidation of Viridis.

Contributions to cover raw material price increases

In the previous year, contributions from the methane tax credit in the amount of EUR 626 thousand, which were not provided for in the period under review, were recognised under this item.

Other grants

This item mainly refers to grants received for the purchase of buses from the Veneto Region for EUR 1,415 thousand (EUR 1,200 thousand in 2023) and from the Ministry of the Environment for EUR 12 thousand (unchanged from the previous period).

Grants for current expenses – Regione Lombardia

This item refers to grants from the Regione Lombardia for current expenses concerning car transport, including benefits from the Local Public Transport Agreement.

Grants for the renewal of the National Collective Bargaining Agreement – Regione Lombardia

This item includes grants to cover greater costs from renewals of the National Collective Bargaining Agreement for the Railway/Tram Sector for the two-year periods 2002-2003, 2004-2005 and 2006-2007, accrued in the First Half of 2024.

Other grants – Regione Lombardia

This item mainly refers to grants received for the purchase of buses (EUR 391 thousand), the redevelopment of the Cadorna Station in Milan (EUR 73 thousand), as well as to the grant as per Regional Law No. 12/88, for the construction of car parks at various stations along the Bovisa-Saronno section (EUR 61 thousand).

NOTA 32 REVENUES FROM CONSTRUCTION SERVICES – IFRIC 12

The adoption of IFRIC 12 meant that investments in railway infrastructure and rolling stock, fully funded by the Regione Lombardia, as well as investments in motorway infrastructure, are not shown as property, plant and machinery but under costs in the Income Statement. Likewise, the accrued consideration commensurate with the investments made is recognised in the Income Statement in accordance with IFRS 15.

The amount of these investments in the First Half of 2024 was EUR 96,608 thousand, versus EUR 53,843 thousand in the first half of 2023, and refers to railway infrastructure modernisation and enhancement work for EUR 93,751 thousand (EUR 38,049 thousand in the first half of 2023) and to motorway infrastructure work for EUR 2,857 thousand (EUR 15,794 thousand in the first half of 2023).

The item also includes revenues from the recovery of general expenses for orders for the modernisation of railway infrastructure, for EUR 2,655 thousand (EUR 1,560 thousand in the first half of 2023), the renewal of rolling stock of the “Programme 2017-2032”, for EUR 1,728 thousand (EUR 972 thousand in the first half of 2023), and the renewal of Other rolling stock, for EUR 558 thousand (EUR 292 thousand in the first half of 2023).

The portion of the consideration accrued in relation to the percentage of completion of orders related to the renewal of rolling stock is shown net of costs incurred, in accordance with IFRS 15 (B36), in the amount of EUR 158,853 thousand (EUR 96,845 thousand in the first half of 2023) for rolling stock of the “Programme 2017-2032” and in the amount of EUR 55,845 thousand (EUR 29,137 thousand in the first half of 2023) for other types of rolling stock.

NOTA 33 OTHER INCOME

The next table shows the breakdown of this item:

Description	1H 2024	1H 2023
Motorway infrastructure management income	3,240	2,859
Performance of services	2,045	1,841
Capitalisation of increases in internal work	—	1,752
Lease payments	1,519	1,529
Recovery of diesel excise	1,308	1,078
Fines and penalties	629	543
Insurance pay-outs	898	511
Sale of inventory materials	426	489
Non-recurring income	603	475
Recovery of costs	286	439
Capital gain on property, plant and machinery	204	131
Release of the provision for bad debts	55	63
Release of provisions for risks and charges	—	—
Other income	47	205
Other Income	11,260	11,915
Sundry income with related parties	4,152	4,225
Other income from related parties (Note 45)	4,152	4,225
Total	15,412	16,140

Other income decreased by EUR 728 thousand compared to the comparative six months of 2023 due to the following changes:

Motorway infrastructure management income

This item refers to the recovery of management costs of the Agrate and Terrazzano barriers, recoveries of service area maintenance expenses and income from the management of the interconnected network.

Income in the First Half of 2024 increased by EUR 381 thousand in connection with higher recoveries of management costs of the Agrate and Terrazzano barriers for extraordinary works performed.

Recovery of diesel excise

This item, attributable to diesel fuel used for public transport buses, increased by EUR 230 thousand.

Insurance pay-outs

In the period under review, as a result of the increased efficiency of activities, higher insurance recoveries were recorded, mainly attributable to the recovery of damages caused to motorway infrastructure.

Sale of inventory materials

The item "Sale of inventory materials" relates to sales of obsolete material no longer usable for maintenance, and was line with the previous period.

Sundry income with related parties

The item includes services provided by the Group to companies in joint ventures and the recovery of costs for Design activities carried out through funding from the Regione Lombardia incurred for railway infrastructure modernisation works and the renewal of rolling stock.

NOTA 34 RAW MATERIALS, CONSUMABLES AND GOODS USED

The next table shows the breakdown of this item, by company:

Description	1H 2024	1H 2023
ATV S.r.l.	7,268	7,726
FERROVIENORD	4,850	4,837
FNM Autoservizi S.p.A.	2,050	2,021
MISE and MISE Engineering	1,052	822
Viridis	284	—
Malpensa Intermodale	62	37
La Linea S.p.A.	—	25
Martini Bus	—	7
Total	15,566	15,475

The net change for the period, amounting to EUR 91 thousand, is attributable to the following:

- costs for the contribution to the consolidation of Viridis increased by EUR 284 thousand;
- costs for motorway infrastructure maintenance rose by EUR 230 thousand;
- the consumption of traction fuel for companies operating in the road transport segment decreased, due to the decline in the cost of methane and fuel.

In particular, with regard to the traction energy costs of ATV and FNMA, it is noted that:

- automotive diesel costs, amounting to EUR 3,428 thousand, decreased by EUR 150 thousand with respect to those of the first half of 2023 (EUR 3,578 thousand) as a result of the lower average cost (amounting to EUR 1.352/litre versus EUR 1.379/litre in 2023);
- automotive CNG costs, amounting to EUR 1,807 thousand, decreased by EUR 469 thousand with respect to those of the first half of 2023 (EUR 2,276 thousand) as a result of the lower average cost (amounting to EUR 0.579/m³ versus EUR 0.720/m³ in 2023).

As regards the costs of FNM Autoservizi, automotive diesel costs, amounting to EUR 1,663 thousand, dropped by EUR 90 thousand with respect to those of the first half of 2023 (EUR 1,753 thousand) due to the lower average cost (EUR 1.43/litre compared to EUR 1.46/litre in 2023), partially offset by the increase in average consumption (2.66 km/litre compared to 2.53 km/litre in 2023).

NOTA 35 SERVICE COSTS

The next table shows the breakdown of this item:

Description	1H 2024	1H 2023
Sundry third-party services	10,252	6,370
Motorway infrastructure maintenance	9,907	15,905
Costs for sub-contracting of road LPT services	7,394	5,280
Utilities	6,139	6,276
Third-party services – Railway infrastructure maintenance	5,834	8,378
Motorway infrastructure management	4,709	4,251
Expenses for employees	4,283	3,761
Insurance	3,461	3,066
Other charges	3,162	3,449
Cleaning expenses	2,555	2,540
Consulting	2,301	2,150
Commercial expenses	2,245	1,688
Supervision expenses	1,711	1,476
IT costs	1,546	1,057
Provisions for risks and charges	1,221	546
Third-party services – Bus maintenance	1,070	934
Motor vehicles management	903	696
Costs for non-ordinary consulting services	894	—
Coordinated and continuous services	642	593
Legal and notary fees	618	544
Real estate management	538	749
Renewable energy maintenance costs	484	—
Third-party services – Maintenance of rolling stock	472	457
Renewable energy management costs	—	—
Service costs	72,341	70,166
Service costs – related parties	6,274	5,351
Service costs from related parties (Note 45)	6,274	5,351
Total	78,615	75,517

Service costs – third parties

“Service costs with third parties” showed an increase of EUR 2,175 thousand due to the following factors:

- Viridis contribution to the consolidation of EUR 1,308 thousand, mainly attributable to consulting and third-party services for EUR 531 thousand, photovoltaic plant maintenance costs for EUR 484 thousand, and insurance costs for EUR 82 thousand;
- sundry third-party services increased by EUR 3,882 thousand, mainly due to higher costs for design, technical services, safety coordination and project management entrusted to third parties for the execution of projects within the framework of the integrated railway infrastructure maintenance contracts, up EUR 3,195 thousand;
- expenses for sub-contracting third-party services increased due to the additional services performed during the period, amounting to EUR 2,114 thousand;
- higher costs for non-ordinary consulting services of EUR 894 thousand, attributable to costs incurred for the Viridis acquisition;
- higher provisions for risks and charges of EUR 675 thousand;

- higher employee expenses, for EUR 522 thousand;
- higher IT costs for EUR 489 thousand;
- increase in commercial expenses and commissions to third parties by EUR 557 thousand in relation to higher advertising expenses during the period;
- a decrease of EUR 5,998 thousand for motorway infrastructure maintenance expenses mainly due to the greater release of the provision for late maintenance, as authorised by the Awarding Body (EUR +6,315 thousand);
- a decrease of EUR 2,544 thousand for maintenance work on the railway infrastructure due to the completion of major restoration work on the Iseo Branch following the extraordinary events that occurred in 2023.

The item “Motorway infrastructure maintenance” includes allocations to the renewal provision in the amount of EUR 3,295 thousand and utilisations of the renewal provision in the amount of EUR 7,905 thousand.

The renewal provisions recognised represent the amount set aside during the period in order to ensure their consistency. The amount set aside is valued taking into account scheduled maintenance as well as the progress of the investment plan, as set forth in the Economic and Financial Plan.

The utilisation of the renewal provision represents the expenses incurred during the period for the restoration of assets under concession covered by the renewal provision previously set aside.

Service costs – related parties

The item “Costs for services from related parties” mainly refers to costs for IT services charged by the joint venture investee NordCom, as well as fees to Corporate Bodies. The increase is attributable to higher IT services, in the amount of EUR 749 thousand.

NOTA 36 PERSONNEL COSTS

The item “personnel costs” is broken down as follows:

Description	1H 2024	1H 2023
Wages and salaries	63,268	59,161
Social security contributions	18,693	17,990
Allocation to supplementary pension fund	4,322	4,068
Allocation to National Collective Bargaining Agreement provision	1,025	—
Pension liabilities	367	283
Allocation for post-employment benefit payable	5	6
Other costs	1,717	1,695
Recovery of personnel costs	(1,281)	(816)
Total	88,116	82,387

Personnel costs showed an overall net increase of EUR 5,729 thousand due to the combined effect of the higher average workforce for the period, up from 2,563 to 2,624, of which 40 FTE contributed by the consolidation of Viridis, of the application of the higher remuneration policies applied as part of the renewal of the National Collective Bargaining Agreement for Motorway and Tunnels Companies and Consortia, which took place in the second half of 2023, as well as of provisions made for the contractual holiday of the National Collective Bargaining Agreement for the Railway/Tram sector, which expired on 31 December 2023, amounting to EUR 1.0 million.

The National Collective Bargaining Agreement for the Railway/Tram Sector is applied to all Group employees, with the following exceptions: MISE employees are subject to the National Collective Bargaining Agreement for Motorway and Tunnels Companies and Consortia; E-Vai employees are subject to the National Collective Bargaining Agreement for Commerce; Viridis employees are subject to the National Collective Bargaining Agreement for Employees in the Electricity Sector and lastly, senior managers are subject to the Contract for Senior Managers of Industrial Companies.

NOTA 37 DEPRECIATION, AMORTISATION AND WRITE-DOWNS

The next table shows the breakdown of this item:

Description	1H 2024	1H 2023
Depreciation	21,143	18,391
Amortisation	38,968	29,780
Amortisation of right of use	4,281	3,307
Write-down of Property, plant and machinery	182	—
Depreciation, amortisation and write-downs	64,574	51,478

Depreciation

This item, which increased by EUR 2,752 thousand, was mainly due to the depreciation of photovoltaic plants, amounting to EUR 2,076 thousand, recognised in the Group's Consolidated Financial Statements following the consolidation of Viridis (Note 3). The increase was also affected by higher depreciation, in the amount of EUR 487 thousand, for the new buses to be phased in during the financial year 2023.

Amortisation

Amortisation of intangible assets was affected by the amortisation of the motorway infrastructure, with an increase of EUR 9,188 thousand, following the commissioning in the period, attributable mainly to the road network lot at the Segrate Intermodal Centre.

Amortisation of right of use

Amortisation of the right of use increased due to the contribution of Viridis to the consolidation, amounting to EUR 675 thousand.

Write-down of Property, plant and machinery

The write-down is entirely attributable to the difference between the book value of a property and its appraised value.

NOTA 38 WRITE-DOWN OF FINANCIAL ASSETS AND CONTRACT ASSETS

This item includes amounts related to provisions for bad debts, in the amount of EUR 184 thousand (EUR 569 thousand in the first half of 2023).

NOTA 39 OTHER OPERATING COSTS

The next table shows the breakdown of this item:

Description	1H 2024	1H 2023
Concession fee	14,862	14,491
Allocations to the provision for risks and charges	140	10,618
Taxes and duties	1,072	952
Non-recurring expenses	172	318
Fines, penalties and settlements	101	155
Capital losses on property, plant and machinery	59	162
Losses on receivables	1	—
Release of provisions for risks and charges	(87)	(659)
Other charges	1,690	1,312
Other operating costs	18,010	27,349
Other operating costs	34	283
Other operating costs to related parties (Note 45)	34	283
Total	18,044	27,632

The change in other operating costs showed a net decrease of EUR 9,588 thousand compared to the first half of 2023, and is analysed below.

Concession fee

The item refers to motorway concession fees. The change for the period was EUR 371 thousand, due to the change in toll revenues and traffic trends.

Allocations to the provision for risks and charges

This item included accruals made to the provision for cyclical maintenance of rolling stock, amounting to EUR 9,883 thousand, no longer recognised as of 01 January 2024 as a result of the application of the amendments to the FERROVIENORD Service Contract 2023-2028 (Note 25).

Other charges

This item includes membership fees for EUR 1,013 thousand (EUR 873 thousand at 30 June 2023).

NOTA 40 FINANCIAL INCOME

Financial income accrued as shown in the following table:

Description	1H 2024	1H 2023
Bank current accounts and deposits	4,818	706
Income from provision discounting	383	188
Capital gain from disposal	—	32
Other financial income	166	693
Financial income	5,367	1,619
Change in fair value of equity investments	311	—
Other financial income	2,197	1,884
Financial income from related parties (Note 45)	2,508	1,884
Total	7,875	3,503

Bank current accounts and deposits

Financial income on bank current accounts and deposits increased by EUR 4,112 thousand in relation to the higher average quantity of cash and the higher average remuneration rate, which went from 0.479% to 2.504% in 2023.

Income from provision discounting

The income is entirely attributable to the change in the discount rate for the motorway infrastructure renewal provision, which was a charge in the previous period (Note 41). In the comparative period, the item was entirely attributable to the discounting of the cyclical maintenance provision, which resulted in a charge in the current period.

Capital gain from disposal

The capital gain from disposal to third parties in the first half of 2023 related to the sale of the equity investment in NTT, which took place on 16 January 2023.

Change in fair value of equity investments

The item refers to the revaluation of the investment in Tangenziale Esterna S.p.A., recorded at fair value, carried out following the outcome of the transactions that took place during the half-year (Note 9).

Other financial income from related parties

The item relates to the financial income resulting from the loan agreements between FNM and the investees Busforfun and SportIT, and between MISE and the investees APL, S.A.Bro.M. and Tangenziale Esterna (Note 10).

NOTA 41 FINANCIAL EXPENSES

Financial expenses accrued on:

Description	1H 2024	1H 2023
Financial expenses on loans	6,864	4,292
Financial expenses on bond	3,153	3,137
Put option discounting	1,221	—
Discounting of renewal provision	891	1,118
Lease agreement as lessee	627	341
Interest cost – Post-employment benefits (Note 26)	280	360
Other financial expenses	690	49
Financial expenses	13,726	9,297
Financial expenses on giro account	369	30
Lease agreement as lessee	1	—
Financial expenses to related parties		155
Financial expenses to related parties (Note 45)	370	185
Total	14,096	9,482

Financial expenses on loans

The item includes financial expenses relating to:

- loan taken out by the Parent Company from the European Investment Bank on 21 December 2017 for EUR 50 million, and calculated at the contractual interest rate equal to a fixed rate of 0.377% on the first tranche of EUR 10 million and 0.446% on the second tranche of EUR 40 million, for a total of EUR 57 thousand (EUR 77 thousand in the first half of 2023);
- loan signed between the Parent Company and Banca Intesa, on 19 February 2024, for an amount of EUR 85 million, and calculated at a variable interest rate of 5.2725%, for a total amount of EUR 1,615 thousand;
- loans taken out by MISE, for a total of EUR 3,707 thousand (EUR 4,215 thousand in the first half of 2023); the item includes interest accrued on both long-term and short-term loans, inclusive of the negative IRS spread relating to financial hedging contracts, amounting to EUR 21 thousand;
- loans taken out by VIRIDIS, for a total of EUR 1,485 thousand; the item includes interest accrued on both long-term and short-term loans, inclusive of the negative IRS spread relating to financial hedging contracts, amounting to EUR 58 thousand.

Financial expenses on bond

This item includes the financial expenses relating to bond (Note 21) issued on 20 October 2021, calculated by applying the amortised cost method at an effective interest rate of 0.982% (nominal rate of 0.75%).

Put option discounting

The item is entirely attributable to the financial charge recognised at 30 June 2024 on the *Put Option* issued to the selling shareholders of Viridis (Note 21) as a result of the updated rate and discount period compared to the initial recognition on 23 February 2024.

Lease agreement as lessee

Lease agreements as lessee are attributable to the application of IFRS 16.

Other financial expenses

This item includes the financial expense incurred as a result of the settlement with a contractor in the amount of EUR 605 thousand.

NOTA 42 NET PROFIT/LOSS OF COMPANIES MEASURED WITH THE EQUITY METHOD

The item "Profit/Loss of companies measured with the equity method" at 30 June 2024 and 30 June 2023 is broken down as follows:

Description	1H 2024	1H 2023
Trenord S.r.l. *	5,316	(1,000)
Autostrada Pedemontana Lombarda S.p.A.	(844)	(583)
Tangenziali Esterne di Milano S.p.A. **	(977)	(941)
NORD ENERGIA S.p.A. in liquidation	1,007	725
DB Cargo Italia S.r.l.	270	1,334
Omnibus Partecipazioni S.r.l. ***	697	(1)
NordCom S.p.A.	220	296
Busforfun.Com S.r.l.	—	(60)
Mbility S.r.l.	(56)	—
SportIT S.r.l.	(123)	(232)
Profit/Loss of companies measured with the equity method	5,510	(462)

* includes the result of TILO SA

** includes the result of Tangenziale Esterna S.p.A.

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

Reference should be made to the Management Report for the analysis of the trend in equity investments in joint ventures and events affecting the profitability of the aforementioned investees

NOTA 43 INCOME TAXES

The next table shows the breakdown of this item.

Description	1H 2024	1H 2023
Current	(12,235)	(9,501)
Deferred tax assets/liabilities	2,518	747
Total	(9,717)	(8,754)

Current taxes increased by EUR 2,734 thousand mainly in connection with the abolition of the tax benefit on reinvested profits ("ACE") as of 2024 and, as, in the comparative period, the following had been recognised:

- the benefit, in the amount of EUR 1,672 thousand, arising from the different tax treatment of certain items following the receipt of the response to a request for a tax ruling filed by MISE;
- the refund of the tax wedge not deducted in 2008, amounting to EUR 665 thousand.

Reference should be made to the Notes to the 2023 Consolidated Financial Statements for the breakdown by nature of the temporary differences that give rise to the balance of the receivables for deferred tax assets, whose change in the half-year was EUR 2,518 thousand.

Deferred tax assets recognised directly in equity in relation to the recognition of actuarial gains/losses and the change in the fair value of derivatives amounted to EUR 189 thousand.

The change in deferred tax assets for the period was mainly attributable to the different treatment applied to the renewal provision, as well as to the inclusion of Viridis and its subsidiaries in the scope of consolidation.

NOTA 44 EARNINGS PER SHARE

Earnings per share are calculated dividing the result attributable to Group Shareholders by the average weighted number of ordinary shares issued, excluding any treasury shares purchased from this calculation, no stock option plans being in place.

Description	1H 2024	1H 2023
Profit attributable to Parent Company Shareholders in EUR units	30,290,000	33,480,000
Average weighted number of shares	434,902,568	434,902,568
Basic earnings per share in EUR cents	0.07	0.08

Diluted earnings per share coincided with basic earnings per share.

NOTA 45 RELATED-PARTY TRANSACTIONS

The FNM Group is controlled by the Regione Lombardia, which holds 57.57%. 14.74% is held by Ferrovie dello Stato S.p.A. and the remaining interest is listed on the Standard (Class 1) market of the Milan Stock Exchange.

Therefore, all transactions with the Regione Lombardia are reported under Related-Party Transactions, which also include the transactions with companies for which the Group has joint control and with associates, measured with the equity method.

Transactions with Related Parties, carried out at market values, are presented below:

Description	Notes	30/06/2024			31/12/2023		
		Total	Related parties		Total	Related parties	
			Absolute value	Proportion %		Absolute value	Proportion %
STATEMENT OF FINANCIAL POSITION							
Other non-current financial assets measured at amortised cost	10	71,925	70,776	98.4 %	67,172	66,172	98.5 %
Other non-current assets	16	3,618	7	0.2 %	2,955	7	0.2 %
Trade receivables	15	164,317	77,165	47.0 %	171,031	86,771	50.7 %
Other current assets	16	129,060	15,613	12.1 %	136,619	17,462	12.8 %
Other current financial assets measured at amortised cost	10	1,252	287	22.9 %	2,743	1,948	71.0 %
Current contract assets	13	31,562	31,562	100.0 %	10,249	10,249	100.0 %
Receivables for investments in services under	12	295,866	293,869	99.3 %	210,717	208,720	99.1 %
Non-current payables for funded investments	22	25,587	10,565	41.3 %	16,413	10,565	64.4 %
Lease liabilities	21	19,851	25	0.1 %	12,968	15	0.1 %
Other non-current liabilities	24	34,641	10,365	29.9 %	36,657	10,824	29.5 %
Current financial payables	21	29,083	25,867	88.9 %	30,071	27,035	89.9 %
Current payables for funded investments	22	66,987	66,987	100.0 %	82,200	75,327	91.6 %
Current lease liabilities	21	8,456	43	0.5 %	7,963	79	1.0 %
Trade payables	27	517,790	10,430	2.0 %	513,693	13,790	2.7 %
Other current liabilities	29	91,582	35,052	38.3 %	73,938	21,414	29.0 %

Description	Notes	1H 2024			1H 2023		
		Total	Related parties Absolute value	Proportio n %	Total	Related parties Absolute value	Proportio n %

INCOME STATEMENT

Revenues from sales and services	30	276,026	84,727	30.7 %	276,741	98,350	35.5 %
Grants	31	9,215	3,958	43.0 %	5,892	3,763	63.9 %
Revenues from construction services	32	101,549	98,692	97.2 %	56,667	40,873	72.1 %
Other income	33	15,412	4,152	26.9 %	16,140	4,225	26.2 %
Service costs	35	(78,615)	(6,274)	8.0 %	(75,517)	(5,351)	7.1 %
Other operating costs	39	(18,044)	(34)	0.2 %	(27,632)	(283)	1.0 %
Financial income	40	7,875	2,508	31.8 %	3,503	1,884	53.8 %
Financial expenses	41	(14,096)	(370)	2.6 %	(9,482)	(185)	2.0 %

The “Other current receivables from related parties” refer to receivables from the Regione Lombardia for investment grants, and to receivables for services rendered to joint venture investees (Note 16).

“Receivables for investments in services under concession” include, in accordance with IFRIC 12, the portions not yet collected and intended to finance the investments in the modernisation of infrastructure and the renewal of rolling stock (Note 12).

“Current financial payables to related parties” include the balance of the giro account held with joint venture investees and the Pension Fund (Note 21).

“Payables for funded investments” include payables to the Regione Lombardia and other Entities relating to the surplus of collections of fees obtained for investments made by the Group, for the portion already allocated to investments and not yet offset (Note 22).

The item "Other current liabilities" refers to payables for services provided to the Group by joint venture investees, as well as to capital grants obtained from the Regione Lombardia for the purchase of rolling stock and buses.

NOTA 46 OTHER COMPREHENSIVE INCOME

Details of related items recorded in Shareholders' Equity at 30 June 2024 and 30 June 2023 are reported below:

Description	Gross value	1H 2024 Tax (Charge) /Benefit	Net value	Gross value	1H 2023 Tax (Charge) /Benefit	Net value
Post-employment benefit actuarial gain/(loss)	356	(100)	256	119	(32)	87
Revaluation of fair value of derivatives	372	(89)	283	264	(64)	200
Post-employment benefit actuarial gain/(loss) of companies measured with the equity method	447	—	447	487		487
Revaluation of fair value of derivatives of companies measured with the equity method	(122)		(122)	(97)		(97)
Gains/(Losses) arising from the translation of Financial Statements of foreign companies	(53)		(53)	8		8
Total	1,000	(189)	811	781	(96)	685

Post-employment benefit actuarial gain/(loss)

Starting from the preparation of the Consolidated Financial Statements at 31 December 2011, actuarial gains/losses are not recognised in the Income Statement, but in a specific reserve of Shareholders' Equity, net of the tax effect, recognised in the Statement of Comprehensive Income (Note 26).

Post-employment benefit actuarial gain/(loss) of companies measured with the equity method

This item includes the change in actuarial gains and losses recognised in the Financial Statements of joint ventures (Note 9).

Reserve for changes in fair value of derivatives

Reference should be made to Note 21.

Gains/(Losses) arising from the translation of Financial Statements of foreign companies

Reference should be made to Note 9.

NOTA 47 FAIR VALUE ESTIMATE

The fair value of the financial instruments listed on an active market is based on market prices at the reporting date. The fair value of the financial instruments that are not listed on an active market is determined using measurement techniques based on a series of methods and assumptions tied to market conditions at the reporting date.

The fair value of the financial instruments based on the following hierarchical levels is provided below:

- Level 1: fair value determined with reference to (unadjusted) listed prices on active markets for identical financial instruments;
- Level 2: fair value determined with measurement techniques with reference to variables observable on active markets;
- Level 3: fair value determined with measurement techniques with reference to non-observable market variables.

Description	01.01.2024 Book Value	Increases Decreases	Changes Income (Expenses) recognised in the Income Statement	Income (Expenses) recognised in Other Comprehen sive Income	Change in the scope of consolidatio n	30.06.2024 Book Value
Level 1						—
Level 2	5,016	(17)	73		334	5,406
Level 3	11,450	2,044	311	—	5	13,810
Financial assets measured at fair value (Notes 9-11)	16,466	2,027	384	—	339	19,216
Level 1						—
Level 2	(136)	(308)	80	372	(340)	(332)
Level 3						—
Derivative liabilities (Note 21)	(136)	(308)	80	372	(340)	(332)
Level 1						—
Level 2						—
Level 3			(1,221)		(51,772)	(52,993)
Financial debt – Viridis put option and earn-out (Note 21)	—	—	(1,221)	—	(51,772)	(52,993)

The accounting value already approximates fair value, where the related hierarchical level is not expressed.

There are currently some instruments in the Financial Statements whose value is determined by models with input not directly linked to observable market data, particularly in relation to the valuation of minority interests.

For all derivative instruments used by the Group, the fair value is determined on the basis of valuation techniques that make reference to parameters observable on the market (i.e. “Level 2”); during the First Half of 2024, there were no transfers from Level 1 to Level 2 and vice versa.

NOTA 48 SIGNIFICANT NON-RECURRENT EVENTS AND TRANSACTIONS

In the First Half of 2024, in relation to development projects relating to the transaction described in Note 3, a non-recurring expense of EUR 894 thousand was recognised, not present in the comparative period in 2023.

NOTA 49 SUBSEQUENT EVENTS

On 15 July 2024, following the resolution of the FNM Board of Directors of 25 June, the purchase from the TIM Group of 2,100,000 ordinary shares of Nordcom, corresponding to 42% of the share capital, was completed. FNM thus became the sole shareholder of Nordcom, increasing its shareholding to 100%. The transaction enables FNM to strengthen and optimise the management of technological services, ensuring greater efficiency and innovation within the Group.

The transaction was finalised upon payment of EUR 8.3 million by way of consideration for the sale of the 42% shareholding, drawing on current available funds and without making use of external financing. The acquisition of the equity investment resulted in the acquisition of non-current assets of EUR 8,512 thousand, current assets of EUR 20,117 thousand, cash and cash equivalents of EUR 1 thousand, lease liabilities for EUR 3,585 thousand and other current and non-current liabilities for EUR 8,093 thousand.

Milan, 01 August 2024

The Board of Directors

ANNEX 1

to the NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as at 30.06.2024

	Name	Registered Office	Nature of Control	Consolidation method	%
1	FERROVIENORD S.p.A.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	100.0 %
2	NORD_ING S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Consolidation	100.0 %
3	FNM Autoservizi S.p.A.	Milan - P.le Cadorna, 14	Subsidiary	Consolidation	100.0 %
4	E-Vai S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Consolidation	100.0 %
5	Malpensa Intermodale S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Consolidation	100.0 %
6	Malpensa Distripark S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Consolidation	100.0 %
7	FNMPAY S.p.A.	Milan - P.le Cadorna, 14	Subsidiary	Consolidation	100.0 %
8	FNM POWER S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Consolidation	100.0 %
9	Milano Serravalle – Milano Tangenziali S.p.A.	Assago - Via del Bosco Rinnovato, 4/b	Subsidiary	Line-by-line Consolidation	100.0 %
10	Milano Serravalle Engineering S.r.l.	Assago - Via del Bosco Rinnovato, 4/b	Subsidiary	Line-by-line Consolidation	100.0 %
11	Azienda Trasporti Verona S.r.l.	Verona - Lungadige Galtarossa, 5	Subsidiary	Line-by-line Consolidation	50.0 %
12	La Linea 80 Scarl	Belluno - Via Garibaldi, 77	Subsidiary	Line-by-line Consolidation	50.3 %
13	Viridis Energia S.p.A.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
14	Viridis Energia Asset Management S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
15	VRD 23 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
16	VRD 23.2.1 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
17	VRD 23.4 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
18	VRD 25 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
19	VRE.1 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
20	VRD 25.5 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
21	VRD 26.1 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
22	VRD 27 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
23	VRD 27.1 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
24	VRD 27.2 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %

25	VRD 27.3 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
26	VRD 28 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
27	VRD 28.1 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
28	VRD 28.2 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
29	VRD 28.3 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
30	VRD 28.4 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
31	VRD 28.5 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
32	VRD 29 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
33	VRD 29.1 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
34	VRD 29.2 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
35	VRD 29.3 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
36	VRE.2 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
37	VRD 30 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
38	VRD 30.1 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
39	VRD 30.2 S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
40	VSE S.r.l.	Milan - P.le Cadorna, 14	Subsidiary	Line-by-line Consolidation	80.0 %
41	VBIO 1 Società Agricola S.r.l.	Ancona - Via Sandro Totti, 12/A	Subsidiary	Line-by-line Consolidation	80.0 %
42	VBIO 2 Società Agricola S.r.l.	Ancona - Via Sandro Totti, 12/A	Subsidiary	Line-by-line Consolidation	80.0 %
43	TAU SOLAR S.r.l.	San Benedetto del Tronto (AP) - Piazza Pericle Fazzini, 8	Subsidiary	Line-by-line Consolidation	80.0 %
44	B&ER ENERGIA S.r.l.	Pesaro - Strada di Sant'Egidio, 7/2	Subsidiary	Line-by-line Consolidation	80.0 %
45	Trenord S.r.l.	Milan - P.le Cadorna, 14	Joint Venture	Measured with the equity method	50.0 %
46	TILO SA	Bellinzona CH - Via Portaccia, 1a	Joint Venture	Measured with the equity method	25.0 %
47	NordCom S.p.A.	Milan - P.le Cadorna, 14	Joint Venture	Measured with the equity method	58.0 %
48	NORD ENERGIA S.p.A. in liquidation	Milan - P.le Cadorna, 14	Joint Venture	Measured with the equity method	60.0 %
49	Omnibus Partecipazioni S.r.l.	Milan - P.le Cadorna, 14	Joint Venture	Measured with the equity method	50.0 %
50	ASF Autolinee S.r.l.	Como - Via Asiago, 16/18	Joint Venture	Measured with the equity method	24.5 %
51	DB Cargo Italia S.r.l.	Milan - Via Lancetti, 29	Associate	Measured with the equity method	40.0 %
52	Busforfun.com S.r.l.	Venice - Via Bottegghino, 217	Associate	Measured with the equity method	40.0 %
53	Busforfun.CH SA	Lugano - Via Francesco Somaini, 10	Associate	Measured with the equity method	38.0 %

54	BUSFORFUNESPAÑA S.L.	Barcelona - Plaza Catalunya 1 - p.4	Associate	Measured with the equity method	40.0 %
55	Currant S.r.l.	Venice - Via Jacopo Salamonio, 3	Associate	Measured with the equity method	40.00 %
56	SportIT S.r.l.	Milan - Piazza Santa Francesca Romana, 3	Associate	Measured with the equity method	33.33 %
57	Mbility S.r.l.	Milan - Via Santa Sofia, 27	Joint Venture	Measured with the equity method	30.77 %
58	Autostrada Pedemontana Lombarda S.p.A.	Milan - Via Pola, 12/14	Associate	Measured with the equity method	36.66 %
59	Tangenziali Esterne di Milano S.p.A.	Milan - Via Fabio Filzi, 25	Associate	Measured with the equity method	22.55 %

CERTIFICATION
of the Consolidated condensed interim financial statements pursuant to art. 154-bis of
Legislative Decree 58/98 and art. 81-ter of Consob Regulation no. 11971 of 14 May 1999
and subsequent amendments and additions

1. The undersigned, Andrea Gibelli as “Chairman of the Board of Directors” and Valentina Montanari as “Executive in charge of financial reporting” of FNM S.p.A., also taking into account the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree of 24 February 1998, no. 58, attest to:
 - a) the adequacy in relation to the characteristics of the company and
 - b) the effective application of the administrative and accounting procedures for the preparation of the consolidated condensed interim financial statements during the first half of 2024.
2. No major issues have arisen in this respect
3. They also attest that:
 - a) The Consolidated condensed interim financial statements:
 - were prepared in accordance with the International Accounting Standards (IAS/IFRS) applicable in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002, and in particular IAS 34 - Interim financial reporting;
 - correspond to the results of the accounting books and records;
 - provide a true and fair view of the economic and financial position of the issuer and of the group of companies included in the consolidation.
 - b) The management report to the consolidated condensed interim financial statements includes a reliable analysis of the references to significant events that occurred in the first six months of the year and their impact on the consolidated condensed interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the year. The interim management report also includes a reliable analysis of information on significant transactions with related parties.

Milan, 1 August 2024

The Chairman
of the Board of Directors
Andrea Gibelli

The Executive in charge of
financial reporting
Eugenio Giavatto

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REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
FNM SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of FNM SpA and its subsidiaries (the FNM Group) as of 30 June 2024, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholder's equity, the consolidated cashflow statement and related notes. The directors of FNM Group are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

PricewaterhouseCoopers SpA

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the [consolidated condensed interim financial statements of FNM Group as of 30 June 2024 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 2 August 2024

PricewaterhouseCoopers SpA

Riccardo Proietti
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.