Joint Stock Company

Registered Office in Milan - Piazzale Cadorna 14

Share capital EUR 230,000,000.00 fully paid up

Interim Management Report

FNM Group

at 31 March 2020

CORPORATE BODIES

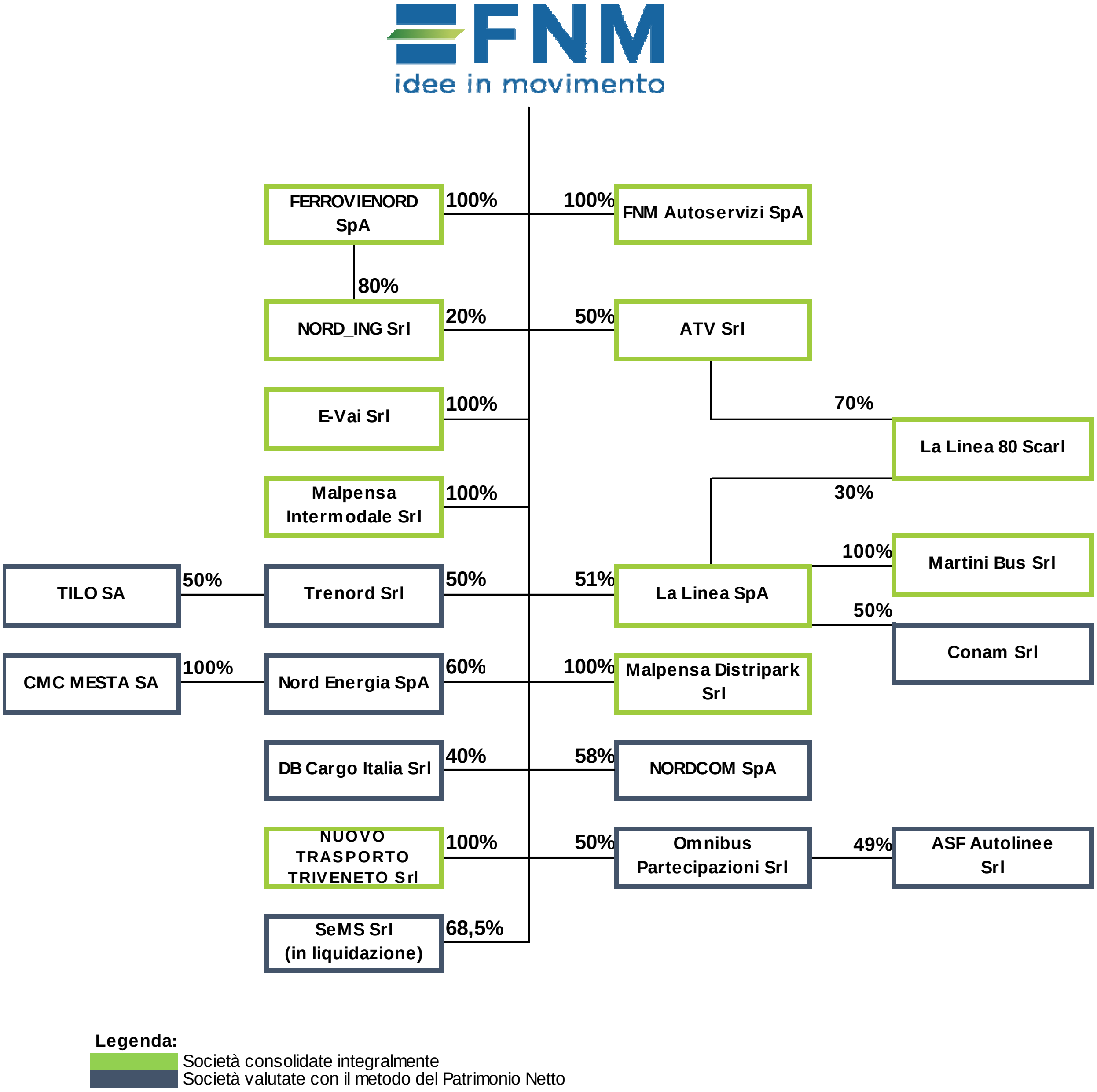
Board of Directors	
Chairman	Andrea Gibelli
Deputy Chairman	Gianantonio Battista Arnoldi
Directors	Giuseppe Bonomi
	Tiziana Bortot
	Mirja Cartia D'Asero

Board of Statutory Auditors	
Chairman	Paolo Prandi
Regular Auditors	Massimo Codari
	Giussi Mainetti

General Manager	Marco Giovanni Piuri
Executive in charge of financial reporting	Valentina Montanari

Independent Auditor	PricewaterhouseCoopers SpA

GROUP MAP


FNM
idee in movimento
FERROVIENORD SpA
100%
100%
FNM Autoservizi SpA
80%
NORD_ING Srl
20%
50%
ATV Srl
70%
La Linea 80 Scarl
E-Vai Srl
100%
Malpensa Intermodale Srl
100%
30%
TILO SA
50%
Trenord Srl
50%
51%
La Linea SpA
100%
Martini Bus Srl
50%
Conam Srl
CMC MESTA SA
100%
Nord Energia SpA
60%
100%
Malpensa Distripark Srl
DB Cargo Italia Srl
40%
58%
NORDCOM SpA
NUOVO TRASPORTO TRIVENETO Srl
100%
50%
Omnibus Partecipazioni Srl
49%
ASF Autolinee Srl
SeMS Srl (in liquidazione)
68,5%
Legenda:
Società consolidate integralmente
Società valutate con il metodo del Patrimonio Netto

SUMMARY INDICATORS OF RESULT

FNM GROUP CONSOLIDATED DATA

Amounts in millions of euros	Q1 2020	Q1 2019	Change	Change %
Revenues	71,7	72,7	(1,0)	-1,3%
Adjusted EBITDA	19,9	17,4	2,5	14,4%
EBITDA	19,7	17,4	2,3	13,2%
Operating income	9,6	7,3	2,3	31,5%
Earnings Before Tax	2,6	7,9	(5,3)	-67,1%
Net profit for the period	0,2	6,2	(6,0)	-96,8%
Shareholders' equity (A)*	453,8	454,3	(0,5)	-0,1%
Net Financial Position (Cash) (B) *	(116,4)	(107,4)	(9,0)	8,4%
Adjusted Net Financial Position (Cash) (B) *	(46,5)	(39,9)	(6,6)	16,5%
Net Invested Capital (A+B)*	337,4	346,9	(9,5)	-2,7%
Market capitalisation at 31.03	202,0	232,2	(30,2)	-13,0%
Investments	18,2	9,2	9,0	97,8%

* Comparison values relate to 31.12.2019

FNM idee in movimento

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INTERIM MANAGEMENT REPORT
at 31 March 2020

INTRODUCTION

With reference to the three-month period ended 31 March 2020 (hereinafter the “First Quarter 2020” or “period”), the quantitative data contained in this Report and the comments therein are intended to provide an overview of the Group’s economic, financial and equity situation, the relative changes that occurred during the period in question, and the significant events that affected the result for the period. The quarter was impacted by the negative effects caused by the global pandemic of COVID-19, which had economic repercussions on the national and regional production system, in particular on mobility and specifically on local public transport.

1 GROUP PROFILE AT 31 MARCH 2020

FNM is the leading integrated transport and mobility group in Lombardy and Northern Italy with companies active in five regions. It is the most important non-governmental Italian investor in the sector. The FNM Group is present, through subsidiaries and/or joint ventures or associates in public rail transport with FERROVIENORD, NORD_ING and Trenord, in road transport with FNM Autoservizi, Omnibus Partecipazioni, ATV and La Linea and E-Vai with car sharing, in rail freight transport with DB Cargo Italia, Malpensa Intermodale and Malpensa Distripark, in ICT with NordCom, in the energy sector with NORD ENERGIA.

In addition to acting as the Group’s holding company, providing corporate services to its subsidiaries, FNM carries out operating activities, through the leasing of assets used by subsidiaries operating in the local public transport and freight transport sectors and the management of their real estate assets.

Lastly, on 10 March 2020, FNM S.p.A. executed the agreements for the sale of the equity investments held in Locoitalia S.r.l. (51%) - a company consolidated line by line, active in the lease of rolling stock for cargo transport - and in Fuorimuro Servizi Portuali e Ferroviari S.r.l. (49%), a company consolidated with the equity method, active in the railway freight rolling stock and concession-holder for railway operations within the Genoa harbour.

1.1 LOCAL PUBLIC TRANSPORT

The Group's core business is **Collective Transport**.

As regards the business segments in which the Group operates through subsidiaries and companies subject to joint control, there are three sectors:

1. **Railway infrastructure management**, the companies operating in this business segment are:
   - FERROVIENORD S.p.A. – which is responsible for managing the railway infrastructure on the basis of a concession which expires on 31 October 2060;
   - NORD_ING S.r.l. – which is entrusted with planning activity, as well as technical and administrative support for investments in the railway network;
2. **Passenger road transport**, the companies operating in this business segment are:
   - Ferrovie Nord Milano Autoservizi S.p.A. – concessionaire of parts of public road transport services in the Provinces of Varese and Brescia, holder of the service contract for those in the Province of Como in a Temporary Consortium of Companies with ASF Autolinee S.r.l., and support operator to Trenord for "train replacement" activity;
   - Azienda Trasporti Verona S.r.l. – a company that provides urban public road transport services in the municipalities of Verona and Legnago and extra-urban services throughout the province of Verona;
   - La Linea S.p.A. – a company that operates in the Veneto Region in the local public road transport sector and also hires out buses with driver, also through subsidiaries/investees;
   - Omnibus Partecipazioni S.r.l. – a company that holds 49% of the shares in ASF Autolinee S.r.l. and is jointly owned by the company Arriva Italia S.r.l.;
   - E-Vai S.r.l. – a car sharing company operating in Lombardy with electric and bimodal vehicles.
3. **Railway transport**, the companies operating in this business segment are the Parent Company FNM for the lease of rolling stock and Trenord (50% owned by Trenitalia S.p.A.) - manager of rail transport services in the Lombardy Region, as well as manager of "Brenner" railway services in collaboration with Deutsche Bahn and Österreische Bundes Bahn.

It should be noted that the contribution of Trenord S.r.l. (and the associate TILO S.A., 50% owned by Trenord) and Omnibus Partecipazioni S.r.l. to the consolidated financial statements as at 31 December 2019 is based on the valuation of the aforementioned equity investments with the "equity method", with no impact on individual items of the consolidated balance sheet and financial statement and the consolidated income statement with the exception of the "Equity investment "and "Net profit of companies valued with the equity method" items.

1.2 OTHER BUSINESS SEGMENTS

Among the other activities of the FNM Group outside from the Collective Transport service include those of Malpensa Intermodale - which manages the Sacconago terminal in Busto Arsizio (VA) and Malpensa Distripark - which has been tasked with the property development of terminal areas.
FNM, parent company, also serves as the provider of administrative services to its subsidiaries and as the manager of its own property portfolio.
Furthermore, the FNM Group operational divisions extend to segments other than those mentioned. It has a presence in the Information & Communication Technology segment with the joint venture NordCom S.p.A., which operates both for the benefit of the FNM Group and for third parties; it also has a presence in the specialist electricity transport segment through the Mendrisio-Cagno power line (through the jointly controlled company NORD ENERGIA S.p.A. and the subsidiary CMC MeSta S.A.) and in the rail freight transport sector (through the subsidiary DB Cargo Italia S.r.l.).
As a result of the valuation with the equity method of the jointly controlled companies NORD ENERGIA S.p.A., NordCom S.p.A. and the associate DB Cargo Italia S.r.l., "Other business segments" are included in the net profit/(loss) for the period under "Net profit/(loss) of companies valued using the equity method."

2 CONSOLIDATED OPERATING AND FINANCIAL PERFORMANCE

2.1 ECONOMIC DATA SUMMARY

The abridged condensed income statement for the period is shown below, compared with that of the corresponding period of 2019. For completeness of disclosure, in the following reclassified income statement the items "grants for funded investments" and "costs for funded investments", in which, in application of IFRIC 12, the amounts of the financed investments made during the period and the corresponding contributions are recognised, are stated net in "Other income and revenue."

Amounts in millions of euros	Q1 2020	Q1 2019	Change	Change %
Revenues from sales and services	65,8	68,4	(2,6)	*-4%*
Other revenues and income	5,9	4,3	1,6	*0%*
TOTAL REVENUES AND OTHER INCOME	*71,7*	*72,7*	*(1,0)*	*-1%*
Operating costs	(21,7)	(24,1)	2,4	*-10%*
Personnel costs	(30,1)	(31,2)	1,1	*-4%*
Adjusted EBITDA	*19,9*	*17,4*	*2,5*	*14%*
Non-ordinary Income and Expenses	(0,2)	-	(0,2)	*N/A*
EBITDA	*19,7*	*17,4*	*2,3*	*13%*
Depreciation, amortisation and provisions	(10,1)	(10,1)	-	*0%*
EBIT	*9,6*	*7,3*	*2,3*	*32%*
Net financial income	0,5	(0,5)	1,0	*-200%*
of which gains on divestments	*1,0*	-	*1,0*	*N/A*
EARNINGS BEFORE TAX	*10,1*	*6,8*	*3,3*	*49%*
Income tax	(2,4)	(1,7)	(0,7)	*41%*
ADJUSTED COMPREHENSIVE INCOME	**7,7**	**5,1**	**2,6**	***51%***
Profit of companies measured with the Equity method	(7,5)	1,1	(8,6)	*N/A*
COMPREHENSIVE INCOME	**0,2**	**6,2**	**(6,0)**	***-97%***
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	**(0,4)**	**(0,4)**	**0,0**	***-5%***
COMPREHENSIVE GROUP INCOME	**0,6**	**6,6**	**(6,0)**	***-91%***

The **revenues from sales and services** recorded a net decrease of EUR 2.6 million, for the following main reasons:

- revenues from transport services decreased by EUR 3.1 thousand because of the lower sales in relation to the measures ordered from 24 February onwards for the COVID-19 emergency;
- revenues from contracts and public contributions exhibited substantial stability compared to the previous year mainly as a result of the Law of 24 April 2020, no. 27 (art. 92 paragraph 4-*bis*)[1] that provided for the recognition of the fees of the road transport segment on the basis of contractual programming, despite the remodulation of the offer implemented following the epidemiological emergency;
- revenues from the rental of rolling stock increased by EUR 0.5 million, mainly in relation to the operating lease of DE 520 locomotives to Trenord.

Other revenues and income rose by EUR 1.6 million; the main changes are as follows:

- the recovery of general expenses on investments financed by the Planning Agreement increased by EUR 1.4 million, in relation to the higher funded investments in rolling stock made with respect to the comparison period;
- sale of inventory materials, relating to the sale of obsolete material no longer usable for maintenance, increased by EUR 0.4 million.

Total revenues and other income are broken down as follows into the three business areas:

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

Amounts in millions of euros	**Q1 2020**	**Q1 2019**	***Change***	***Chg %***
Railway infrastructure management	32,3	30,2	*2,1*	*7,1%*
Passenger road transport	25,1	28,5	*(3,4)*	*-11,9%*
Rosco & Services	20,3	20,2	*0,1*	*0,5%*
Intercompany eliminations	(6,0)	(6,2)	*0,2*	*-3,2%*
Total	**71,7**	**72,7**	***(1,0)***	***-1,3%***

Operating costs recorded a net decrease of EUR 2.4 million for the following main reasons:

- decrease of diesel and bus maintenance costs, respectively equal to EUR 0.7 million and EUR 0.3 million, in relation to the fewer km travelled as a result of the reduction in the runs carried out as a consequence of the start of the lockdown phase and of the related measures taken for the COVID-19 emergency;
- decrease in subcontracting to third parties, by EUR 0.4 million;
- decrease in costs for legal expenses, by EUR 0.3 million, in relation to the closure of disputes during the first quarter of 2019;
- decrease in commercial expenses and commissions to third parties by EUR 0.2 million, in relation to the lower sales of tickets carried out in the quarter.

Personnel costs decreased by EUR 1.1 million, mainly as a result of the use of residual leave and of the lesser employment of temporary workers, in relation to the reduction of working activities as a consequence of the COVID-19 emergency. Labour costs also benefited from the lower costs amounting to EUR 0.3 million in relation to the decreased workforce.

Adjusted EBITDA (which excludes some non-ordinary elements), equal to EUR 19.9 million, was up 14%, mainly because of a timing effect deriving from lower costs for the postponement of some infrastructure interventions financed by the Lombardy Region within the Planning Agreement, to be incurred in the remainder of the year, and it is divided as follows between the three business areas:

Amounts in millions of euros	**Q1 2020**	**Q1 2019**	***Change***	***Chg %***
Railway infrastructure management	4,7	2,5	*2,2*	*88,0%*
Passenger road transport	1,9	2,1	*(0,2)*	*-9,5%*
Rosco & Services	13,3	12,8	*0,5*	*3,9%*
Total	**19,9**	**17,4**	***2,5***	***14,4%***

Non-ordinary income / expenses in the period are due to costs for development projects.

Depreciation, amortisation and provisions of EUR 10.1 million, remained substantially unchanged from the comparative period.

Comprehensive EBIT amounted to EUR 9.6 million, versus EUR 7.3 million in the comparative period 2019, a net increase of EUR 2.3 million.

Comprehensive net financial income was positive by EUR 0.5 million versus negative EUR 0.5 million in the comparative period 2019, particularly in relation to the capital gain deriving from the equity investment held in Locoitalia, amounting to EUR 1.0 million. Net of this effect, financial expenses were in line with the previous year.

Earnings before taxes amounted to EUR 10.1 million versus EUR 6.8 million in the comparative period 2019.

Income taxes, amounting to EUR 2.4 million, increased by EUR 0.7 million from the comparative period 2019, in relation to the higher taxable income achieved and the application of the Robin tax.

Adjusted comprehensive income, before recognition of the result of the companies measured at Equity, changed from EUR 5.1 million to EUR 7.7 million of the comparative period of the previous year, thus reflecting a positive performance, despite the effects of COVID-19.

The **profit/(loss) of companies measured at Equity** recorded a loss of EUR 7.5 million, versus a profit of EUR 1.1 million in the comparative period 2019, mainly due to the lower result of the investee Trenord S.r.l. This item is broken down as follows:

Amounts in thousands of euros	Q1 2020	Q1 2019	Change
Trenord Srl *	(8.325)	(40)	(8.285)
NORD ENERGIA SpA **	737	770	(33)
DB Cargo Italia Srl	12	394	(382)
Omnibus Partecipazioni Srl ***	56	44	12
NordCom SpA	10	(20)	30
Conam Srl	3	12	(9)
SeMS Srl in liquidation	-	10	(10)
Fuorimuro Srl****	-	(27)	27
Result of companies measured with equity method	**(7.507)**	**1.143**	**(8.650)**

* Includes the result of TILO SA
** Includes the result of CMC MeSta SA
*** Includes the result of ASF Autolinee Srl
****The result of the equity investment in Fuorimuro is down to zero as a result of the sale completed on 10 March 2020, adjusted to fair value as at 31 December 2019.

The quarterly result of the investee Trenord was affected by the contagion containment measures and hence by the revision of the offer implemented starting from 24 February as a result of the start of the COVID-19 emergency. In particular during the period:

- traffic revenues decreased by EUR 22.7 million relative to the comparative period of the previous year, in relation to the reduction in passenger volume because of the spread of COVID-19 from 24 February onwards;
- Service Agreement revenues decreased by EUR 8.4 million because of the reduction of the offered service, due to the spread of COVID-19, and of lower charge-backs for cyclic

maintenance, tolls and rolling stock rental;

- other revenues decreased, by EUR 0.6 million, by effect of the interruption of the long-distance service carried out, adopted from 14 March 2020;
- personnel cost decreased by EUR 1.5 million in relation to the lower number of FTE (-4) and to the lower accessory remuneration deriving from reduction of the service;
- operating cost decreased by EUR 8.6 million in relation to the lesser services performed, due to toll and energy costs (-EUR 5.0 million), commission expenses (-EUR 1.3 million), surveillance (-EUR 0.7 million), services to other railway companies (-EUR 0.6 million) and train replacement services (-EUR 0.4 million).

Given the above, EBITDA, amounting to -EUR 7.6 million, decreased by EUR 21.1 million from the 2019 comparative period; EBIT, amounting to -EUR 20.7 million, decreased by EUR 21.2 million from the 2019 comparative period; lastly, the net result changed from a profit of EUR 0.4 million in the first quarter of 2019 to a loss of -EUR 16 million in the first quarter of 2020.

The consolidated **comprehensive income** in the first quarter of 2020 amounted to EUR 0.2 million, compared to EUR 6.2 million in the 2019 comparative period.

In the period ended 31 March 2020, as in the comparative period 2019, there were no profits from discontinued operations.

2.2 INVESTMENTS

Investments accrued in the period amounted to a total of EUR 18.2 million versus EUR 9.2 million of the comparative period of the previous year.

In particular:

- **investments with public funds** were made for a total of EUR 17.0 million (EUR 5.2 million in the comparative period), relating to the renewal of rolling stock for EUR 9.4 million and the modernisation and upgrading of infrastructure for EUR 7.6 million. In detail, these initiatives pertain mainly to the equipment renewal on the Saronno – Como, Bovisa – Seveso – Mariano Comense and Saronno – Malnate sections, the requalification of the Borgo San Giovanni (Brescia) station to meet standards, as well as the construction of the support system for the drive aid system;
- **investments using own funds** were made for EUR 1.2 million (EUR 4.0 million in the comparative period 2019) and refer mainly to the commissioning of 3 new buses and minibuses (with related on-board equipment) for EUR 0.8 million, to furniture and sundry equipment for EUR 0.2 million, and to additional modules of the SAP ERP for EUR 0.2

million.

2.3 RECLASSIFIED STATEMENT OF FINANCIAL POSITION

The reclassified statement of financial position at 31 March 2020, is shown below, with comparative figures at 31 December 2019:

Amounts in millions of euros	31/03/2020	31/12/2019	Change
Inventories	8,9	8,9	0,0
Trade Receivables	70,3	62,0	8,3
Other current receivables	61,6	63,5	(1,9)
Trade Payables	(148,8)	(175,7)	26,9
Other current payables	(94,9)	(91,0)	(3,9)
Net Working Capital	***(102,9)***	***(132,3)***	***29,4***
Fixed assets	427,8	432,3	(4,5)
Equity interests	77,4	84,9	(7,5)
Non-current receivables	21,5	21,6	(0,1)
Non-current liabilities	(27,8)	(28,2)	0,4
Provisions	(58,6)	(60,9)	2,3
Assets and liabilities held for sale	0,0	29,5	(29,5)
NET INVESTED CAPITAL	***337,4***	***346,9***	***(9,5)***
Equity	*453,8*	*454,3*	*(0,5)*
Adjusted Net Financial Position (cash)	(46,5)	(39,9)	(6,6)
Net Financial Position for funded investments (cash)	(69,9)	(67,5)	(2,4)
Total net financial position (cash)	*(116,4)*	*(107,4)*	*(9,0)*
TOTAL SOURCES	***337,4***	***346,9***	***(9,5)***

The **Net Working Capital** increased by EUR 29.4 million as a result of the changes in the following items:

- **trade receivables** increased by EUR 8.3 million, mainly by effect of the different collection times for receivables from related parties, and from the Client of the Veneto LPT Service Contract;
- **trade payables**, down by EUR 26.9 million, decreased mainly as a result of the payments made in the period to suppliers for investments with borrowed and own funds, respectively for EUR 26.1 million and for EUR 10.9 million. It should be stressed that the investments paid with borrowed funds pertain for EUR 14.6 million to the renewal of rolling stock and hence paid with the funds allocated by the Lombardy Region on restricted funds, excluded from the adjusted NFP. During the period, moreover, payables for advances on funded

investments were paid, pertaining to infrastructure modernisation, recognised in the previous year, for EUR 4.5 million. The decrease is partially offset by the investments made in the period and not yet paid, amounting to EUR 15.9 million.

Equity investments decreased by effect of the lower result provided by the companies measured at equity.

The item **Equity investments** comprises mainly tangible assets of EUR 402.5 million, of which EUR 304.5 million pertain to rolling stock, EUR 12.8 million to intangible assets, EUR 6.3 million to goodwill and EUR 12.5 million to rights of use.

Impairment Test

Concerning the value of equity investments and of goodwill, in consideration of the impact of COVID-19 on business performance, the impairment test assessments are ongoing.

In particular, international research agencies limited macroeconomic scenario forecasts to the next 24 months and forecast that the COVID-19 economic crisis will generate a "*short and sharp*" effect. However, uncertainty is still very high. Market supervision Authorities (Consob, ESMA) issued recommendations to listed companies, pointing out their responsibility for a correct representation of the effects of the crisis in the financial statements.

In this highly uncertain context, it is necessary to adopt a disciplined approach to impairment testing.

Whereas the impairment test will necessarily have to be repeated for the six-monthly report as at 30 June 2020, when a clearer picture of the effects of the crisis will be available, which may be translated into medium-term forecasts, in the quarterly report it was deemed appropriate to carry out a qualitative analysis by analysing three main profiles and correlated tests:

(i) the investee companies' exposure to the crisis (i.e. the effects on income in the next 12-24 months);

(ii) the investee companies' vulnerability to the crisis (i.e. test of the ability to maintain financial and capital balance);

(iii) the investee companies' resilience to the crisis (i.e. test of the medium/long term income capacity).

Whereas to date there are no reasons for the investees not to be able to restore operating normalcy conditions in the medium term, the following analysis pertains to the exposure and vulnerability profiles.

With regard to the value of the **equity investment in Trenord**, the impact of COVID-19 on operations and on the business performance of the investee is a trigger event, which in accordance with IAS 36, would require a test of the recoverability of the carrying amount of the equity investment. Given the current situation of high regulatory uncertainty and the consequent impossibility to perform a reliable quantitative analysis of the effects, some qualitative considerations are provided below.

Trenord's activity, as represented by the result of the quarter pointed out above, was affected by the contagion containment measures and hence by the revision of the offer implemented starting from 24 February. The effects of these measures have entailed a reduction in ticketing and Service Agreement revenues, only partially offset by a reduction in costs. It may be expected that the economic effects will persist until the end of 2020, in relation to the evolution of the containment measures adopted by the Government and to the consequent gradual resumption of production and of the number of passengers transported.

Although the economic trend may produce negative financial effects, Trenord believes that the cash and cash equivalents currently available, the existing credit lines and the cash flow generated by the management of working capital will allow it to operate in financial balance, also in consideration of the signalled possible additional support of the shareholders, if necessary.

It should be kept in mind that the Service Agreement existing between Trenord and the Lombardy Region in Article 25 requires to ensure maintenance of the economic and financial balance of the Service Agreement in accordance with the provisions of "Regulation (EC) No 1370/2007 on public passenger transport services by rail and by road", through compensation that takes into account, in addition to the difference in outflows and inflows relating to the costs and revenues of public service operations, also a reasonable profit (remuneration of the capital invested) calculated in accordance with the Economic Financial Plan (EFP). Although discussions on this matter are already ongoing with the Client, Trenor has not already considered these compensatory economic measures when preparing the statement of financial position at 31 March 2020, because to date they cannot yet be reliably quantified, given the constantly evolving scenario.

The correct quantitative estimate of the economic impacts and of the effects on future cash flows with the consideration of the compensatory economic measures are being assessed in the preparation of Trenord's economic-financial plan, which shall be subjected to impairment testing when drafting the next six-monthly financial report.

Concerning the value of **goodwill in ATV and La Linea**, the forecast of the economic performance of the subsidiaries as a result of the COVID-19 impact is a trigger event that, in accordance with IAS 36, would require the revision of impairment testing on the value of the goodwill, relating to the investee ATV and La Linea, recognised in the consolidated financial statements.

For road transport activities in Veneto, the prohibitions on mobility and circulation as well as the closure of school activities, prescribed by the regulatory provisions, have generated a significant reduction in the demand for transport and consequently in traffic revenues, the effect of which is estimated to persist also in the summer period due to the reduction of visitors and tourist activities in the city of Verona, in the Garda area and in the Venice area.

On the contrary, revenues from fees provided for by the service contracts in force for all of 2020 will be paid as required by the contractual programming, on the basis of the Law of 24 April 2020, no. 27 (art. 92 paragraph 4-*bis*). Both investees have initiated actions to contain the negative impacts of the emergency, by reducing the main cost items.

Although the economic trend may produce negative financial effects, the funds currently available, the existing credit lines and the cash flow generated by the management of working capital will allow them to operate in financial balance and assure business continuity.

On the basis of a scenario of recovery of the production of transport services in full operation starting from September, together with the resumption of school activity (although with an estimate of revenues from ticketing lower than the previous year), quantitatively revised estimates are being computed and will be used for approval of the new business plan by the subsidiaries and, hence for the revision of the impairment test when preparing the next six-monthly financial report.

The change in **assets and liabilities held for sale**, which included the values of the equity investment held in Locoitalia and Fuorimuro, reclassified and measured in accordance with IFRS 5, is consequent to the execution of the sale agreements on 10 March 2020.

Below is the breakdown of the Group’s net financial position at 31 March 2020, compared with 31 December 2019.

Lastly, the better to represent the ability to generate cash and Group NFP, an adjusted NFP was calculated, which excludes the effects deriving from adoption of IFRIC 12:

Amounts in millions of euros	31/03/2020	31/12/2019	Change
Liquidity	(180,1)	(156,4)	(23,7)
Current financial receivables	(49,4)	(49,3)	(0,1)
Current financial debt	100,3	94,3	6,0
Current Net Financial Position (cash)	***(129,2)***	***(111,4)***	***(17,8)***
Non-current financial debt	82,7	71,5	11,2
Adjusted Net Financial Position (cash)	***(46,5)***	***(39,9)***	***(6,6)***
Net Financial Position for funded investments (cash)	(69,9)	(67,5)	(2,4)
Net Financial Position (cash)	***(116,4)***	***(107,4)***	***(9,0)***

At 31 March 2020, the net comprehensive financial position was positive at EUR 116.4 million, compared to a balance of EUR 107.4 million at 31 December 2019; isolating the amount relating to the advances on investments for the renewal of rolling stock (EUR 69.9 million), the Adjusted Net Financial Position is positive by EUR 46.5 million, versus a negative balance of EUR 39.9 million at 31 December 2019, and thus recognising an improvement of EUR 6.6 million.

The **adjusted net financial position** thus reflects the positive cash generation of the Group, as represented below by the cash flow changes in the reference period:

Amounts in millions of euros	Q1 2020	Q1 2019
EBITDA	19,7	17,4
NET WORKING CAPITAL	(19,1)	(8,3)
Financial expenses/income	(0,6)	(0,2)
Free cash flow from operations	***(0,0)***	***8,9***
Investments paid	(22,4)	(9,4)
Cash flow generation	***(22,4)***	***(0,5)***
Divestments	32,1	-
Cash flow	**9,7**	**(0,5)**
Adjusted NFP (Cash) INITIAL 01/01	**(39,9)**	**7,5**
Cash flow generation	(9,7)	0,5
Change in scope of consolidation	3,1	
Financial receivables for uncollected dividends		(4,7)
Total change in NFP	***(6,6)***	***0,5***
Adjusted NFP (Cash) FINAL 31/03	**(46,5)**	**8,0**

The operating **cash flow performance** deriving from income management is negatively affected, as in the first quarter of the previous year, by the change in net working capital, mainly due to lower collections of trade receivables from related parties and from the Client of the Veneto LPT Service Contract, as well as the net decrease in payables for investments with funded funds, equal to EUR

9.7 million. Cash flow from operations also includes the cash outflows relating to financial expenses amounting to EUR 0.6 million.

Investments were also paid in the period for around EUR 22.4 million, of which EUR 19.9 million pertaining to the previous year and EUR 2.5 million to the current one.

The negative **cash flow generation** of the period, amounting to EUR 22.4 million, as a result of the investments paid, is more than offset by the collections deriving from the sale of the investments in Locoitalia and Fuorimuro, equal to EUR 32.1 million.

The positive **cash flow** of the period thus stands at EUR 9.7 million.

The adjusted net financial position also reflects the effects deriving from the change of the scope of consolidation for the sale of the equity investment in Locoitalia, as a result of which financial payables for leases amounting to EUR 3.1 million were recognised.

Non-current financial debt changed by effect of the portion of financial payables for leases recognised as a result of the change in the scope of consolidation, as well as of the recognition of the non-current portion of the financial debt to EIB.

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, on 20 March 2020, the first tranche of EUR 10 million of the loan stipulated on 21 December 2017 between the Parent Company and the European Investment Bank, for a total amount of EUR 50 million, was disbursed. The loan was disbursed at a fixed rate of 0.377%, with six-year maturity and repayment plan in constant annual instalments with the first due date on 1 February 2021.

3 OPERATING PERFORMANCE OF BUSINESS SEGMENTS

The following table shows the economic performance of the consolidated business segments:

	Q1 2020					Q1 2019				
Amounts in millions of euros	Railway infrastructure management	Passenger road transport	Rosco & Services	Eliminations	Total	Railway infrastructure management	Passenger road transport	Rosco & Services	Eliminations	Total
Revenues from third parties	29,1	23,6	17,2		**69,9**	28,3	26,8	17,2		**72,3**
Intercompany revenues	1,4	1,5	3,1	(6,0)	**,0**	1,5	1,7	3,0	(6,2)	**,0**
Grants for funded investments net of costs	1,8				**1,8**	,4				**,4**
Segment revenues	**32,3**	**25,1**	**20,3**	**(6,0)**	**71,7**	**30,2**	**28,5**	**20,2**	**(6,2)**	**72,7**
Adjusted EBITDA	**4,7**	**1,9**	**13,3**		**19,9**	**2,5**	**2,1**	**12,8**		**17,4**
Adjusted EBITDA %	***24%***	***10%***	***67%***			***14%***	***12%***	***74%***		
Depreciation and amortisation	(,6)	(2,9)	(6,6)		**(10,1)**	(,5)	(2,8)	(6,8)		(10,1)
EBITDA	**4,7**	**1,9**	**13,1**		**19,7**	**2,5**	**2,1**	**12,8**		**17,4**
EBITDA %	***24%***	***10%***	***66%***			***14%***	***12%***	***74%***		
Operating income	**4,1**	**(1,0)**	**6,5**		**9,6**	**2,0**	**(,7)**	**6,0**		**7,3**

Railway infrastructure management

The "Railway infrastructure management" segment includes the management of railway infrastructure of the Milan and Iseo lines, under concession, as well as terminal design and management activities. With Regional Council Resolution no. X/4823 of 15 February 2016, the Lombardy Region ordered the Concession to FERROVIENORD S.p.A. for the construction, operation and management of the Regional Railway Network be renewed from 18 March 2016 to 31 October 2060.

The concession agreement includes the construction, management and maintenance of the railway infrastructure, the upgrading and modernisation of the network, traffic management and the allocation of capacity. The concessionaire also has the role of acquiring and managing, on a non-exclusive basis, the fleet necessary to provide railway services and the enhancement of railway assets including those of historical value. The concessionaire is also assigned the tasks regulated by the Investment Programme Agreement, Service Contract or other administrative provision.

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

The terminal management activity is carried out by the subsidiary Malpensa Intermodale, a company established in December 2018, which started the management of the Sacconago terminal owned by the Group, in the municipality of Busto Arsizio (VA); this activity will be an opportunity for the development of the management of rail links by the companies of the FNM group operating in the cargo sector.

Amounts in millions of euros	Q1 2020	Q1 2019	Chg	Chg %
Public contracts and grants	26,1	24,6	1,5	6,1%
Leasing rolling stock	2,1	2,1	0,0	1,4%
Other revenues	4,1	3,5	0,6	17,1%
Total	**32,3**	**30,2**	**2,1**	**7,1%**

The segment revenues changed from EUR 30.2 million to EUR 32.2 million in the first quarter of 2020, up 6.6% from the same period of the previous year.
In particular, the revenues relating to public contracts and grands comprise the consideration deriving from the infrastructure management service agreement, as well as the higher income tied to planning and project management activities on the investments financed by the Lombardy Region provided by the Planning Agreement and by the loans for the purchase of the new high capacity trains, and they increased by 5.6% from the previous year.

The significant increase of the EBITDA of the segment in the quarter in question, from EUR 2.5 million to EUR 4.7 million, is mainly due to a timing effect deriving from lower costs for the postponement of some infrastructure interventions financed by the Lombardy Region within the Planning Agreement, to be incurred in the remainder of the year, as a result of the ongoing health emergency.

Passenger road transport

The revenues of the "Passenger road transport" segment declined by approximately 12% in the first quarter of the current year, from EUR 28.6 to 25.1 million.

Amounts in millions of euros	Q1 2020	Q1 2019	Chg	Chg %
Public contracts and grants	12,3	11,5	0,8	7,0%
Transport services	11,0	14,8	(3,8)	-25,7%
Other revenues	1,8	2,2	(0,4)	-18,2%
Total	**25,1**	**28,5**	**- 3,4**	**-11,9%**

In particular:

- revenues from contracts and public contributions exhibited approximately 7% growth compared to the previous year mainly as a result of the Law of 24 April 2020, no. 27 (art. 92 paragraph 4-*bis*) that provided for the recognition of the fees on the basis of contractual programming, despite the remodulation of the offer implemented following the epidemiological emergency;

- the revenues deriving from the transport services and hence relating to ticketing, to replacement services carried out by FNM on behalf of Trenord, to sub-leasing activities and to the car-sharing of E-VAI, contracted by 26.3% in the quarter as a result of the significant reduction in mobility demand due to the introduction of traffic bans;
- the residual revenues, relating mainly to contributions on the purchase of rolling stock, declined by EUR 0.3 million.

All the companies of this segment have also initiated actions to contain the negative impacts of the emergency, by reducing the main cost items, enabling them to reduce the negative impact of the revenue decline on the Adjusted EBITDA which changed from EUR 2.1 million to EUR 1.9 million, thanks also to the improvement of E-Vai margins in the quarter.

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

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

  In the period analysed herein, production recorded a decline by approximately 18% by effect of the revision of the offer starting from 24 February (1.3 million bus-km) while comprehensive revenues, by effect of the stability of the service agreement fees, contained the decline to approximately 7%.
- Azienda Trasporti Verona operates mainly in the passenger road transport segment in the municipality and province of Verona; the company is jointly owned by FNM and Azienda Mobilità Trasporti S.p.A.

  In the quarter analysed herein, production declined by approximately 15% by effect of the revision of the offer starting from 24 February (4.5 million bus-km) while comprehensive revenues declined by approximately 11%. In parallel, the number of transported passengers declined by over 30% in the first quarter of 2020.
- La Linea, a company that operates in the Veneto area in local public road transport sector and also hires out buses with driver, also through subsidiaries (MartiniBus) and/or investees.

  The revenues of subcontracted services contracted by 26% by effect of the significant reduction of the services as a result of the traffic limitations imposed by the competent authorities in all areas of competence (Venice, Padua, Verona and Belluno), as well as of the zeroing of tourist services from the end of February onwards.

- The car-sharing and sustainable mobility service carried out by E-VAI with electric and bimodal vehicles aims to finalise the completion of public mobility and in particular railway mobility, according to traditional and innovative business models.

  In the first quarter of 2020, there was a contraction in the volumes of historical car sharing, today called *Regional Electric*, in relation to the events tied to the COVID-19 emergency. This Lombardy ecological car sharing agreement was stipulated with FERROVIENORD in the context of the commitment with the Lombardy Region to provide an "ecological" car sharing service in exchange for the payment of an annual fee of EUR 1.8 million per year, unchanged from the previous year. During the period, the activity tied to the three current lines directed at individual users (Easy Station service), municipal administrations (Public service) and to private companies (Corporate service) continued. These improved compared to the same period of 2019, but underwent a slowdown in the activation of new contracts tied to the current health emergency. The updated managed service models, which were also considered integrable with one another in the near future, were also implemented by the European Community: E-Vai participates in two European projects, I-SharE LIFE and CarE-Service Horizon 2020, for which grants of EUR 0.2 million were recognised in the financial statements in the first quarter.

At 31 March 2020, the fleet consisted of a total of 204 vehicles, (107 on the same date of 2019), 50 of which were dedicated to the I-SharE LIFE project.

Rosco & Services

Amounts in millions of euros	**Q1** 2020	**Q1** 2019	***Chg***	***Chg*** %
Leasing rolling stock	14,1	13,8	*0,3*	*2,2%*
Other revenues	6,2	6,4	*(0,2)*	*-3,1%*
Total	**20,3**	**20,2**	***0,1***	***0,5%***

The revenues of this segment pertain mainly to the lease of rolling stock to investee companies, in the first place to Trenord, with fees that changed from EUR 13.7 million to EUR 14.3 million, up by 4% in relation to the operating lease of the new E494 fleet to Db Cargo Italia and of the DE 520 locomotives to Trenord; other revenues include administrative services, i.e. the management through service agreements with the investees of the centralised corporate activities, and real estate management, relating to lease payments of owned property, such as the building in Piazzale Cadorna, the commercial premises of the Milan Cadorna station lobby, the buildings in Iseo, the parking area in Novate and the depot in Solbiate Comasco.

The increased EBITDA of the segment in the first quarter of the current year is mainly due to the higher lease fees and to the reduction of some operating costs, including lower costs for consulting services, communication and lower legal expenses.

4 FNM GROUP HUMAN RESOURCES

The average number of employees of the FNM Group at 31 March 2020 was 2,237, compared with 2,280 in the same period of the previous year. The decrease, of 1.8%, is mainly due to the retirements that took place in 2019 and in the first quarter of 2020 in particular for the subsidiary FERROVIENORD.

5 SIGNIFICANT EVENTS DURING THE PERIOD

On **10 March 2020**, FNM S.p.A. executed the agreements for the sale of the undersigned equity investments held in:

- Locoitalia S.r.l. (51%), a line-by-line consolidated company active in the business of leasing rolling stock for the transportation of goods: the sale of the shares held by FNM to Tenor was closed after the completion of the partial and proportional demerger of the company in Locoelettriche S.r.l., whose shares held by FNM were sold to Railpool GmbH, for a total equity value of EUR 6.0 million. FNM's portion amounts to EUR 3.0 million;
- Fuorimuro Servizi Portuali e Ferroviari S.r.l. (49%), a company consolidated with the equity method, active in the railway freight rolling stock and concession-holder for railway operations within the Genoa harbour, to Tenor S.r.l.; the price for the shareholding was EUR 0.5 million.

These transactions resulted in an overall improvement of approximately EUR 30.8 million of the Group's Net Financial Position (including the net financial position of Locoitalia) and a consolidated capital gain of EUR 1.0 million deriving from the sale of the shareholding in Locoitalia.

On **11 March 2020**, the World Health Organisation declared the still ongoing COVID-19 epidemic to be a pandemic.

All of the Group's companies, following the contagion that occurred, promptly activated both the measures required by the instructions promulgated by the competent authorities to confront the epidemic and the initiatives to safeguard the health of personnel and of customers and to contain the economic repercussions.

In particular, with the goal of protecting workers' health, the Group, in addition to having incentivised smart-working since the start of the health emergency, also activated an extraordinary insurance coverage for the management of Coronavirus infection for all its employees, stipulating a supplemental policy able to cover the expenses tied to possible hospitalisation and to the subsequent recovery phase.

6 SIGNIFICANT EVENTS AFTER 31 MARCH 2020

No significant events or facts took place after the first quarter of the current year

7 MANAGEMENT OUTLOOK

In the first months of the current year, in particular from the end of February, the entire public transport sector in Italy was significantly impacted by the still ongoing COVID-19 epidemic. The complexity is even greater due to the need to guarantee a continuous and safe service. As already mentioned, the Group implemented important actions and clear procedures aimed at safeguarding the health of its employees and users, as well as containing the economic repercussions.

The effects on the Group, whose businesses relating to the leasing of rolling stock and to management of the railway infrastructure continue to not be substantially impacted by the current emergency, pertain mainly to road transport and to a greater extent on the Trenord investee.

In particular, for road transport activities in Lombardy and Veneto, the prohibitions on mobility and circulation as well as the closure of school activities, foreseen by the promulgated provisions, have generated a significant reduction in the demand for transport and consequently in traffic revenues, the effect of which is estimated to persist also in the summer period due to the reduction of visitors and tourist activities in the city of Verona, in the Garda area and in the Venice area (where the Group operates with the companies ATV, La Linea and Martini Bus also with rental services with driver).

On the contrary, revenues from fees provided for by the service contracts in force for all of 2020 will be paid as required by the contractual programming, on the basis of the Law of 24 April 2020, no. 27 (art. 92 paragraph 4-*bis*). All companies have also activated actions to contain the negative impacts of the emergency, by reducing the main cost items.

The law decree approved yesterday 13 May 2020 (the "Relaunch Decree"), to sustain the local and regional public passenger transport service following the negative effects deriving from the epidemiological emergency, established with the Ministry for Infrastructure and Transport a fund to offset the reduction of fee revenues from passengers in the period from 23 February 2020 to 31 December 2020 compared to the average fee revenues recorded in the same period of the previous two years.

In light of the previous considerations, on the basis of a scenario of recovery of the production of transport services in full operation starting from September, together with the resumption of school activity (although with an estimate of revenues from ticketing lower than the previous year), therefore, extending the lock-down period previously assumed, and in the absence of reliable quantification of the compensation deriving from the latest regulatory change, at present it is reasonable to expect a negative impact on the FNM Group's revenues and adjusted EBITDA in a range between 12 and 14% compared to the previous year. This estimate may be revised to improve it when more details are provided on the criteria for the allocation of the aforementioned fund, intended for local public transport.

The previous estimate relating to the Group's Adjusted NFP is confirmed which, despite the positive continuous cash flow generation, is expected to grow, substantially reflecting the higher investments expected for the renewal of fleets, in particular relating to trains in the RoSCo segment, and for the development of the freight mobility business. In addition to having a positive adjusted net financial position by approximately EUR 47 million at 31 March 2020, the Group has a significant liquidity headroom of EUR 90 million of committed lines and approximately EUR 100 million of uncommitted lines.

Trenord - valued according to the equity method - proceeded from 24 February 2020 to the revision of the railway service in accordance with the regulatory provisions issued, which led to a significant reduction in revenues from ticketing which, although to a lesser extent, is estimated to continue throughout the current year. Trenord operates on the basis of a service contract, which requires to ensure maintenance of economic and financial balance - in accordance with the provisions of EC Regulation 1370/2007 - through a compensation mechanism that takes into account, in addition to the difference in outflows and inflows relating to the costs and revenues of public service operations, also adequate remuneration of the capital invested. In the quarterly situation, the impact of these compensatory economic measures has not yet been considered, as they cannot be reliably quantified to date, given the scenario and regulatory framework in continuous evolution. Although the economic trend may produce negative financial effects for all of 2020, Trenord believes that the cash and cash equivalents currently available, the existing credit lines and the cash flow generated will allow it to operate in financial balance.

Milan, 14 May 2020

The Board of Directors

The undersigned Valentina Montanari, in her capacity as “ Executive in charge of financial reporting” of FNM S.p.A., hereby certifies, in compliance with the provisions of Article 154-*bis* of Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this interim management report corresponds to the documented results in the company’s books and records.

The Executive in charge of financial reporting
Valentina Montanari

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE INDICATORS USED

The present document, in addition to the conventional financial statements and indicators prescribed by IFRS, presents some reclassified statements and some alternative performance indicators in order to allow a better assessment of the economic-financial performance of the Group. These statements and indicators should not be deemed to be replacements for the conventional ones prescribed by IFRS. For these quantities, the descriptions of the criteria adopted in their preparation and the appropriate notes referring to the items contained in the mandatory statements are provided in accordance with the indications of Consob Communication no. 6064293 of 28 July 2006, in Consob Communication no. 0092543 of 3 December 2015 and of the ESMA 2015/1415 guidelines for alternative performance indicators ("Non GAAP Measures").

In particular, among the alternative indicators used, the following are pointed out:

EBITDA: it represents the earnings for the period before income taxes, of the other financial income and expenses, of depreciation, amortisation and impairments of non-current assets. The Group also provides an indication of the incidence of EBITDA on net sales. The calculation of EBITDA carried out by the Group allows to compare the operating results with those of other companies, excluding any effects deriving from financial and tax components and from depreciation and amortisation, which may vary from company to company for reasons not correlated with the general operating performance.

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

Adjusted EBITDA: it is represented by EBITDA as identified above, excluding non-ordinary expenses and income, such as:

(i) income and expenses deriving from restructuring, reorganisation and business combination operations;

(ii) income and expenses not directly referred to the ordinary performance of the business, clearly identified;

(iii) in addition to any income and expenses deriving from non-ordinary events and significant transactions as defined by Consob DEM6064293 communication of 28 July 2006.

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

a) non-ordinary expenses deriving from development projects, amounting to EUR 0.2 million.

There were no non-ordinary components in the first quarter of 2019.

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.

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

Net Working Capital: it includes current assets (excluding cash and cash equivalents and the current financial assets included in the net financial position), and current liabilities (excluding the current financial liabilities included in the net financial position).

Net Invested Capital: it is equal to the algebraic sum of fixed capital, which includes non-current assets and non-current liabilities (excluding the non-current financial liabilities included in the net financial position) and of net working capital.

NFP (Net Financial Position): it includes cash and cash equivalents, current financial assets and current financial liabilities.

Adjusted NFP: it is represented by the net financial position as identified above, excluding the impacts of the timeline of the collections of the contributions on financial investments for the renewal of the railway rolling stock and of the related payments made to suppliers, recognised in accordance with IFRIC 12.

FNM idee in movimento

Joint Stock Company

Registered Office in Milan - Piazzale Cadorna 14

Share capital EUR 230,000,000.00 fully paid up

Interim Management Report at 31 March 2020

Consolidated Statement of Financial Position

Consolidated Income Statement

Other Consolidated Comprehensive Income

Changes in Consolidated Shareholders' Equity

Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31.03.2020

Amounts in thousands of euros		31/03/2020	31/12/2019	Change
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		402.488	409.865	(7.377)
Intangible assets		6.470	7.156	(686)
Goodwill		6.353	6.358	(5)
Right of use		12.527	8.879	3.648
Investments measured with the equity method		71.977	79.429	(7.452)
Investments in other companies		5.472	5.472	0
Financial receivables		2	2	0
	of which: from Related Parties	0	0	0
Financial Receivables measured at fair value in profit or loss		0	0	0
	of which: from Related Parties	0	0	0
Deferred Tax Assets		21.414	21.542	(128)
Tax receivables		0	0	0
Other Receivables		77	82	(5)
TOTAL NON-CURRENT ASSETS		**526.780**	**538.785**	**(12.005)**
CURRENT ASSETS				
Inventories		8.923	8.910	13
Trade Receivables		70.302	62.040	8.262
	of which: from Related Parties	50.667	42.648	8.019
Other Receivables		61.290	63.191	(1.901)
	of which: from Related Parties	11.601	13.854	(2.253)
Tax receivables		280	280	0
Financial receivables		40.870	40.997	(127)
	of which: from Related Parties	870	997	(127)
Financial Receivables measured at fair value in profit or loss		48.493	48.352	141
	of which: from Related Parties	48.493	48.352	141
Receivables for public funded investments		45.389	59.096	(13.707)
	of which: from Related Parties	45.389	59.096	(13.707)
Cash and cash equivalents		364.751	228.723	136.028
TOTAL CURRENT ASSETS		**640.298**	**511.589**	**128.709**
Assets held for sale		0	35.239	(35.239)
TOTAL ASSETS		**1.167.078**	**1.085.613**	**81.465**
LIABILITIES				
Share capital		230.000	230.000	0
Other reserves		7.788	7.788	0
Reserve for indivisible profit		203.300	172.970	30.330
Reserve for actuarial gains/(losses)		(6.775)	(7.545)	770
Translation reserve		142	96	46
Profit for the year		652	30.281	(29.629)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		**435.107**	**433.590**	**1.517**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTEREST		**18.709**	**20.711**	**(2.002)**
TOTAL SHAREHOLDERS' EQUITY		**453.816**	**454.301**	**(485)**
NON-CURRENT LIABILITIES				
Payables to banks		58.268	49.780	8.488
Financial Payables		11.838	9.184	2.654
	of which: from Related Parties	0	2	(2)
Payables for funded investments		12.581	12.581	0
	of which: from Related Parties	6.076	6.079	(3)
Other liabilities		27.274	27.550	(276)
	of which: from Related Parties	11.654	12.253	(599)
Deferred tax liabilities		519	692	(173)
Provisions for risks and charges		36.977	36.977	0
Employee severance indemnities		21.695	23.931	(2.236)
TOTAL NON-CURRENT LIABILITIES		**169.152**	**160.695**	**8.457**
CURRENT LIABILITIES				
Payables to banks		1.779	304	1.475
Financial Payables		98.477	94.053	4.424
	of which: from Related Parties	89.986	86.573	3.413
Payables for funded investments		200.147	103.818	96.329
	of which: from Related Parties	200.147	103.818	96.329
Trade payables		148.836	175.746	(26.910)
	of which: from Related Parties	4.684	3.930	754
Payables for taxes		6.024	3.181	2.843
Tax payables		2.729	3.775	(1.046)
Other liabilities		64.201	65.180	(979)
	of which: from Related Parties	35.333	35.762	(429)
Provisions for risks and charges		21.917	18.856	3.061
TOTAL CURRENT LIABILITIES		**544.110**	**464.913**	**79.197**
Liabilities related to assets held for sale			5.704	**(5.704)**
TOT. LIABILITIES AND SHAREHOLDERS' EQUITY		**1.167.078**	**1.085.613**	**81.465**

Q1 2020 CONSOLIDATED INCOME STATEMENT

Amounts in thousands of euros	Q1 2019	Q1 2018
Revenues from sales and services	63.182	65.711
of which: from Related Parties	43.872	43.717
Grants	2.660	2.660
of which: from Related Parties	2.015	1.988
Grants for funded investments	9.356	5.618
of which: from Related Parties	9.356	17.078
Other income	4.118	3.924
of which: from Related Parties	1.750	2.257
of which: Non recurring		
TOTAL REVENUES AND OTHER INCOME	**79.316**	**77.913**
Raw materials, consumables and goods used	(4.392)	(5.510)
Service costs	(14.578)	(15.644)
of which: from Related Parties	(1.944)	(2.062)
of which: Non Recurring	(186)	-
Personnel costs	(30.090)	(31.247)
Depreciation and Amortisation	(10.144)	(10.063)
of which: from Related Parties and Non Recurring	-	-
of which: Non Recurring	(186)	-
Other operating costs	(2.933)	(2.957)
of which: from Related Parties	-	-
Costs for funded investments	(7.566)	(5.203)
TOTAL COSTS	**(69.703)**	**(70.624)**
EBIT	**9.613**	**7.289**
Financial income	1.281	298
of which: from Related Parties	162	257
Financial expenses	(745)	(788)
of which: from Related Parties	(171)	(182)
of which: Non Recurring		-
NET FINANCIAL INCOME	**536**	**(490)**
Net profit of companies measured with the equity method	(7.507)	1.143
EARNINGS BEFORE TAX	**2.642**	**7.942**
Income tax	(2.362)	(1.682)
of which: Non Recurring	-	-
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**280**	**6.260**
NET PROFIT FROM DISCONTINUED OPERATIONS	-	-
PROFIT FOR THE YEAR	**280**	**6.260**
Result attributable to NCIs	**(372)**	**(392)**
PROFIT attributable to Parent Company shareholders	**652**	**6.652**
Result attributable to NCIs for discontinued operations	-	-
PROFIT attributable to Parent Company shareholders for discontinued operations	-	-

Earnings per share attributable to Group shareholders		
Basic earnings per share (euro)	0,00	0,02
Diluted earnings per share (euro)	0,00	0,02
Earnings per share attributable to Group shareholders for discontinued operations		
Basic earnings per share (euro)	-	-
Diluted earnings per share (euro)	-	-

OTHER CONSOLIDATED COMPREHENSIVE INCOME

Amounts in thousands of euros	I TRIM. 2020	I TRIM. 2019
PROFIT FOR THE YEAR	**280**	**6.260**
Other components of companies consolidated on a line-by-line basis		
Post-employment benefit actuarial gain/(loss)	1.434	(1.488)
Tax effect	(401)	417
Total components that will not be reclassified in the operating result	**1.033**	**(1.071)**
Total components that will be reclassified in the operating result	**-**	**-**
Total companies consolidated on a line-by-line basis	**1.033**	**(1.071)**
Other components of companies consolidated on a line-by-line basis		
Post-employment benefit actuarial gain/(loss) of companies measured with the equity method	12	(30)
Tax effect	(3)	8
Total components that will not be reclassified in the operating result	**9**	**(22)**
Gains/(losses) arising from the translation of financial statements of foreign companies	46	8
Total components that will be reclassified in the operating result	**46**	**8**
Total companies consolidated with equity method	**55**	**(14)**
Total Other Comprehensive Income	**1.088**	**(1.085)**
TOTAL COMPREHENSIVE INCOME	**1.368**	**5.175**
Comprehensive result attributable to NCIs	**(100)**	**(666)**
Comprehensive INCOME attributable to Parent Company shareholders	**1.468**	**5.841**

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Amounts in thousands of euros	Share capital	Other reserves	Indivisible Profits/Losses	Reserve for actuarial gain/loss	Translation reserve	Profit/Loss for the year	Shareholders' equity attributable to the Group	Shareholders' equity attributable to non-controlling interest	Total Shareholders' equity
Balance 01.01.2019	**230.000**	**7.788**	**154.333**	**(6.474)**	**64**	**28.477**	**414.188**	**20.983**	**435.171**
Total Comprehensive Income				**(819)**	**8**	**6.652**	**5.841**	**(666)**	**5.175**
Allocation of 2018 profit			28.477			(28.477)	-		-
Distribution of dividends							-		-
Change in the scope of consolidation			5				5	(51)	(46)
							-		-
Balance 31.03.2019	**230.000**	**7.788**	**182.815**	**(7.293)**	**72**	**6.652**	**420.034**	**20.266**	**440.300**
Balance 31.12.2019	**230.000**	**7.788**	**172.970**	**(7.545)**	**96**	**30.281**	**433.590**	**20.711**	**454.301**
Total Comprehensive Income				**770**	**46**	**652**	**1.468**	**(100)**	**1.368**
Allocation of 2019 profit			30.281			(30.281)	-		-
Distribution of dividends							-	-	-
Change in the scope of consolidation			49				49	(1.902)	(1.853)
Balance 31.03.2020	**230.000**	**7.788**	**203.300**	**(6.775)**	**142**	**652**	**435.107**	**18.709**	**453.816**

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CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in thousands of euros	**31/03/2020**	**31/03/2019**
Cash flow from operating activities	**Total**	**Total**
Operating result	280	6.260
Income tax	2.362	1.682
Net profit of companies measured with the equity method	7.507	(1.143)
Amortisation for the period of intangible assets	887	923
Depreciation for the period	8.336	8.747
Amortisation of right of use	921	393
Provisions for risks and charges	2.864	2.149
Capital grants for the period	(949)	(1.371)
Interest income	(267)	(300)
Interest expense	745	791
Other non-monetary income		(25)
Cash flow from income activities	**22.686**	**18.106**
Net change in the provision for post-employment benefit	(966)	(536)
Changes in provision for risks and charges	197	607
Decrease in trade receivables	(6.000)	(14.237)
(Increase)/Decrease in inventories	(13)	(315)
Increase in other receivables	(7.500)	(5.963)
Increase in trade receivables	(6.011)	(3.976)
Increase in other liabilities	1.943	779
Total cash flow from operating activities	**4.336**	**(5.535)**
Cash flow from investing activities		
Investments in intangible assets	(201)	(343)
Investments in owned property, plant and equipment	(965)	(3.670)
Increase/(Decrease) in trade payables for investments	(20.898)	3.085
Investments in funded rolling stock net of grants collected	117.532	-
Increase in financial receivables for services under concession	(7.567)	(5.203)
Decrease in financial receivables for services under concession - payments received	771	17.985
Disposal value of property, plant and equipment	6	-
Cash-in of financial receivables from subsidiaries	28.660	-
Other changes in financial receivables	(113)	34
Interest income collected	126	635
Repayment of finance lease receivables	240	450
Disinvestments	3.464	-
Total cash flow from investing activities	**121.055**	**12.973**
Cash flow from/(for) financing activities		
Repayment of finance lease payables	(1.115)	(919)
Interest paid	(411)	(513)
Decrease in payables to banks	9.963	(77)
Interest paid on debenture loan	(340)	(364)
Increase in other financial liabilities	2.540	(3.657)
Total cash flow from/(for) financing activities	**10.637**	**(5.530)**
Liquidity generated (+) / absorbed (-)	**136.028**	**1.908**
Cash and cash equivalents at start of period	228.723	137.316
Cash and cash equivalents at end of period	364.751	139.224
Liquidity generated (+) / absorbed (-)	**136.028**	**1.908**