PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE 2021-2025 STRATEGIC PLAN AND THE ESTABLISHMENT OF AN EMTN PROGRAMME OF UP TO ONE BILLION EUROS

- ***Plan consistent with the strategic guidelines approved in November 2020 and guided by principles of environmental, social and governance sustainability, contributing to the achievement of 10 SDGs***
- ***35% reduction of current CO2 emissions and 100% use of energy from renewable sources for rail traction by 2025***
- ***Investments of approximately 850 million euros, of which over one third in green activities included in the EU Taxonomy***
- ***Guidance for 2021 confirmed***
- ***Sustainable growth of the main economic and financial indicators throughout the Plan period; confirmed solidity of the capital structure, in line with the investment grade rating***
- ***Dividend per share of 2.3 cents on 2021 earnings, expected to grow by an average of 16% per annum over the period 2022-2025***
- ***Presentation of the Plan to the market tomorrow 17 September 2021 at 2:00 p.m***
- ***Establishment of an EMTN programme of up to 1 billion euros approved***

Milan, 16 September 2021 – The Board of Directors of FNM S.p.A. ("FNM" or the "Company"), which met today under the chairmanship of Andrea Angelo Gibelli, reviewed and approved the Strategic Plan (or the "Plan") of the FNM Group (or the "Group") for the period 2021-2025 and approved the establishment of an EMTN programme (Euro Medium Term Note Programme, the "EMTN Programme") of up to 1 billion euros, which is expected to be completed by the end of the year.

2021-2025 Strategic Plan

The Plan is based on the guidelines approved by the FNM Board of Directors on 20 November 2020, which configure the Group as an integrated operator of sustainable mobility, guided by principles of environmental, social and governance (ESG) sustainability. **The FNM Plan contributes to the achievement of 10 of the 17 Sustainable Development Goals of the UN 2030 Agenda (SDGs) on which it has an impact**.

"The 2021-2025 Plan marks a turning point for the FNM Group - commented Chairman Andrea Gibelli -. *With the acquisition of control of Milano Serravalle - Milano Tangenziali S.p.A., the year 2021 sees the*

doubling of the Group's economic extent and the creation of the first hub capable of combining the management of railway infrastructures with road mobility and the management of motorway infrastructures. The aim is to develop new forms of integrated and sustainable mobility, and to support the development of the territory. The strengthening of the relationship with the territory itself as well as the impact on the environment and on people's lives also pass through the promotion of important urban regeneration projects, including FILI, a project that entails interventions along the Milano Cadorna-Malpensa railway axis.
For the first time, the FNM Plan integrates and quantifies environmental, social and governance sustainability objectives in the definition of its industrial strategy. All this translates into an investment plan of approximately 850 million euros which, thanks also to the Group's capital and financial solidity, will allow further growth, in line with the commitment already guaranteed in recent years in terms of sustainability and energy transition."

In confirmation of the fact that ESG factors are increasingly integrated into the Group's strategies and management, for the first time, the Plan identifies key indicators with precise targets at 2025 to the achievement of which all the Group's business segments will contribute (Railway infrastructure management, Ro.S.Co. & Service, Road passenger transport and Motorway infrastructure management). In particular, also in order to demonstrate the Company's commitment to encouraging and promoting the energy transition process, **the Group is committed to reducing current CO2 emissions by 35%** and to **using 100% energy from renewable sources for railway traction by 2025,** also thanks to the introduction of hydrogen trains as part of the H2iseO project for the decarbonisation of Valcamonica.

In order to enable the achievement of sustainability objectives and active participation in the energy transition process, in the period 2021-2025, FNM envisages an **investment plan amounting to approximately 850 million euros**, of which over one third in green activities included in the EU Taxonomy, which will allow to increase the value created for all relevant stakeholders in the long term. **The direct and indirect impact** ("True Value") **generated by the FNM Group** in the period, calculated according to the model of representing the "true value" returned to the community by quantifying the economic, social and environmental externalities, is in fact expected to **double, reaching 1.3 billion euros in 2025**.

Over the Plan period, the integration of the Motorway infrastructure management business, the improvement in the performance of the various business segments and the maintenance of a solid capital structure, combined with the optimisation of the financial structure currently being implemented, will enable the FNM Group to achieve sustainable growth in its key indicators.

Specifically, the Plan calls for:

- an **increase in revenues to approximately 680 million euros in 2025** from 481 million euros in 2020 Pro-Forma, with a **2020-2025 CAGR of 7%**;

- an **increase in EBITDA to approximately 250 million euros in 2025** from 151 million euros in 2020 Pro-Forma, with a **2020-2025 CAGR of 11%**;

- a **growth in adjusted net income to approximately 50 million euros in 2025** from 35 million euros in 2020 Pro-Forma, with a **2020-2025 CAGR of 7%**.

The guidance for 2021 on a like-for-like basis (i.e. taking into account Milano Serravalle - Milano Tangenziali S.p.A. ("MISE") consolidated through 2020 and through 2021) **is confirmed**, with revenues and EBITDA growing mid/high single digit compared to 2020 Pro-Forma results. EBITDA margin is expected to remain constant compared to 2020 Pro-Forma.

The Plan also envisages that **the capital structure will be strengthened** over the period of the Plan thanks to the generation of cash, which will make it possible to support the investment plan, also achieving a progressive deleveraging.

For 2021, in fact, FNM expects a level of **indebtedness (Adjusted Net Financial Position or "Adjusted NFP") at the end of the year in the range of 750-800 million euros, in line** with that at 30 June 2021 (Adjusted NFP equal to 777 million euros), and in any case compatible with the parameters envisaged for the current rating levels (Baa3 by Moody's and BBB- by Fitch, both with a positive outlook). Over the course of the following years, the Adjusted NFP in absolute value is expected to remain **substantially in line** compared to 2021, with a target at the end of 2025 of 740-780 million euros, despite the presence of a substantial investment plan. Thanks to the improvement in the Company's economic and financial performance, the **Adjusted FNP/EBITDA ratio is expected to improve from 5x at the end of 2021 to 3x at 2025**.

The establishment of the EMTN Programme, of which information is provided below, is part of the financial strategy aimed at **optimising the composition of existing financial debt**, including the prepayment in full of the outstanding debt assumed in relation to the acquisition of MISE, maturing at the beginning of 2022, and maintaining adequate levels of liquidity to meet the operating needs and investments envisaged in the Plan**.** This will allow FNM to lengthen debt maturities in line with asset composition, optimise the average cost of debt and ensure adequate diversification of sources and investors. The establishment of the EMTN Programme will also allow the issuance of **sustainable finance instruments** in line with the Group's targets.

In light of the economic and financial trends illustrated above, the Plan envisages remunerating shareholders with a **dividend per share expected on 2021 earnings of 2.3 euro cents** (in line with the dividend paid in 2019 from 2018 earnings). For subsequent years, the dividend per share is expected to grow at a **2021-2025 CAGR of 16%**, sustainable and consistent with leverage targets and maintaining investment grade ratings.

In addition to the provisions of the Plan, FNM will continue to monitor further investment opportunities that may arise, leveraging on the flexibility of its financial structure, without prejudice to its objectives of maintaining a solid investment grade rating and consistency with its targets and ESG strategy.

The **2021-2025 Strategic Plan will be presented tomorrow 17 September at 2:00 p.m** (Milan time) to financial analysts, institutional investors and media representatives. It will be possible to follow the event in presence, in conference call or through the web, by accessing the Company's website www.fnmgroup.it in the Investors/Presentations section. Supporting materials for the event will be made available on the website in conjunction with the start of the meeting itself. The presentation will also be made available on the authorised storage mechanism EMARKET STORAGE at www.emarketstorage.com.

The establishment of an EMTN Programme for a maximum total amount up to one billion euros has been approved

The Board of Directors also approved the establishment of a programme of medium and long-term issues of senior unsecured, non-subordinated and non-convertible bonds for a total maximum amount of up to 1 billion euros, which is expected to be completed by the end of the year. The EMTN Programme envisages the possibility for the Company to issue one or more bonds, even in several series and/or tranches. Each bond issue may be offered for subscription only to qualified Italian and foreign investors in accordance with current legislation (subject to limitations relating to certain countries, including the United States of America) and may be listed on the Irish regulated market (Euronext Dublin) and/or other regulated market or multilateral trading facility in the European Union at the time of the issue.

Approval of the 2020 Pro-Forma Consolidated Income Statement

Finally, the Board of Directors approved the Consolidated Pro-Forma 2020 Unaudited Income Statement prepared by FNM on a voluntary basis for the purpose of establishing the EMTN Programme.

The document has been prepared in order to retroactively represent the main economic effects deriving from the acquisition of the controlling stake in MISE by FNM finalised on 26 February and from the 620 million euro Bridge Loan contracted for its financing, using the same accounting standards historically adopted for the publication of the FNM Group's results.

The consolidated statement of financial position as at 30 June 2021 included in the Company's condensed consolidated interim financial statements already reflects the effects of the transactions described above, therefore no pro forma consolidated statement of financial position has been prepared.

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Disclaimer:

This press release contains forward-looking statements, particularly with respect to: changes in transportation demand, investment plans and future operating performance. By their nature, forward-looking statements have a component of risk and uncertainty because they depend on the occurrence of future events and developments. Actual results may therefore differ from those announced due to a number of factors, including: foreseeable changes in transport demand, general macroeconomic conditions, the impact of regulations relating to the different business segments and environmental matters, the successful development and application of new technologies, changes in stakeholder expectations and other changes in business conditions.
The Financial Reporting Officer, Valentina Montanari, hereby declares, pursuant to paragraph 2, article 154 bis of the Consolidated Law on Finance, that the disclosures herein correspond to the data found in Company's documents, books and accounting records.

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This press release and the 2020 Pro-Forma Consolidated Income Statement are available on the Company's website at the address www.fnmgroup.it, and on the authorised storage mechanism EMARKET STORAGE at www.emarketstorage.com.

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