

Rete Ferroviaria Italiana S.p.A.

2024 ANNUAL REPORT



Railway superstructure – fastening system

RETE FERROVIARIA ITALIANA S.p.A. Ferrovie dello Stato Italiane Group

Single-member company, managed and coordinated by Ferrovie dello Stato Italiane S.p.A. pursuant to article 2497-*sexies* of the Italian Civil Code and Legislative Decree no. 112/2015

Fully paid-up share capital: €31,528,425,067.00

Registered office: Piazza della Croce Rossa 1, 00161 Rome

Tax code and company registration number: 01585570581 - Rome company register

Economic and Administrative Register (R.E.A.) number: 758300

VAT number: 01008081000

Web address: <https://www.rfi.it/>

COMPANY OFFICERS AND INDEPENDENT AUDITORS

COMPANY OFFICERS OF RETE FERROVIARIA ITALIANA SPA		
Board of Directors	Members at 5 March 2025*	Members from 6 March 2025**
Chairman/Chairwoman	Dario Lo Bosco	Paola Firmi
CEO	Gianpiero Strisciuglio	Aldo Isi
Directors	Antonella Faggi	Antonella Faggi
	Manolo Cipolla	Manolo Cipolla
	Sabrina Lai	Sabrina Lai
Board of Statutory Auditors	Members from 19 May 2023	
Chairman	Leonardo Quagliata	
Standing statutory auditors	Lorenzo Brocca	
	Simona Vittoriana Cassarà	
Alternate statutory auditors	Gaetano Giudice	
	Maria Pia Erica Nucera	

FINANCIAL REPORTING MANAGER

Andrea Pascucci

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A. (for the 2023 – 2025 three-year period)

* The members of the Board of Directors were appointed on 19 May 2023 and remained in office until 5 March 2025.

** On 6 March 2025, RFI appointed Paola Firmi as the new Chairwoman and Aldo Isi as the new CEO, replacing the outgoing members Dario Lo Bosco and Gianpiero Strisciuglio. The positions will expire with the approval of the 2025 financial statements.

The other members of the Board of Directors and of the Board of Statutory Auditors remained unchanged.

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CHAIRMAN'S LETTER

**CHAIRMAN OF RETE FERROVIARIA
ITALIANA**

The relevant macroeconomic environment in which the Company operated during 2024 and increased international tensions, which also affected market trends and supplies, confirmed a seesaw scenario characterized by gradual growth, which was followed by a decline in investment and exports in the second half of the year.

Italy ended 2024 with GDP growth of +0.5% and consumer price index growth of 1.0% compared to the previous year; this macroeconomic picture of the Italian economy is also confirmed to be subject to risks in the coming years, but downward-oriented as a whole, strengthening in growth in 2025 and 2026, which is expected to be at 0.8% and 0.9%, respectively - according to authoritative estimates.

Specifically, with regard to the transport sector and the trends in mobility demand, passenger traffic was confirmed to increase in the past year compared to 2022 and 2023.

Even in this scenario, Rete Ferroviaria Italiana achieved a positive EBITDA of €98 million, down by €324 million from last year. Among the factors that most markedly affected this reduction was the Government's failure to disburse operating grants (about €143 million on the Programme Contract - Services) intended to cover costs already incurred by the Operator, including the increase in labour costs, about €218 million, as a result of the recruitment policy adopted by the company (as from 2023 and continued in 2024), as well as to support strategic investments in the medium term, ensure the best safety standards and efficiency of construction sites, complying with planned time and cost schedules for sustainable mobility works for people and goods, and optimise interconnection with major TENT-T corridors.

At the same time, RFI managed to maintain sustained traffic volumes in almost all market segments, with slight growth in long-distance transport. On the circulation front, in fact, higher toll revenues of €28 million were recorded in 2024, in addition to €8 million more revenues than last year from the operation of concessionary railways (Ferrovia Centrale Umbra, Turin-Ceres and Canavesana).

A cornerstone of RFI's strategy in 2024 also was *sustainability*, which constitutes for the entire FS Italiane Group a "cross-cutting" approach to all business dimensions. In support of this vocation and its full exploitation on all fronts of industrial action, the *sustainability governance system* has been - and will always be - in continuous refinement, and Group's long-term strategic objectives oriented towards sustainable mobility, carbon neutrality and, on the safety front, "zero accidents" have been formally adopted in line with Agenda 2030. In fact, by adopting 4D and 5D BIMs (Building Information Models) across the Company and the entire "*Infrastructure Business Unit*" of FS Italiane with RFI as *Lead Company* - with the support of the engineering excellence of Italferr S.p.A. - we have set ourselves the goal of also integrating into digital projects the contribution from managers responsible for *prevention and protection* of the safety of workers at construction sites, right from the phase of technical-economic feasibility analysis of the works; this will also allow "*control safeguards*" to be optimised with hi-tech techniques and increasingly innovative systems, of which RFI is a "*driver*" in the European Union.

On the front of minimising environmental impacts, an act of management was defined for the reuse of excavated earth for the construction of earthworks, making use of modern "stabilisation" techniques, acquiring economies of scale, and thus also more forcefully countering the infiltration of organised crime and mafias into construction sites, with less recourse to borrow pits, truck transport of materials and landfilling.

In 2024 RFI was also a "driver" of technological culture and applications of artificial intelligence in the international arena, presenting "*Inno Trans*", a set of innovative patents dedicated to optimising the safety and quality of rail transport, at the International Fair in Berlin. These include a transportable ground drone, an electric and autonomous vehicle designed to monitor and control the rail network. Innovation enables post-maintenance inspections, ensuring that lines are ready for safe reactivation.

During the fair the European project #MaDe4Rail, led by RFI, was also highlighted, which aims to explore non-traditional and emerging systems derived from *Maglev* (Magnetic Levitation). Through this study, the Company aims to define the technological concept and characteristics of transport systems derived from magnetic levitation in the international arena, so as to assess the potential of any possible introduction of these systems in the European transport network, thus actually fostering their technological development, of which the FS Italiane Group is a leader in the sector.

Precisely on the topic of scientific, technological, digital research, and processes of optimisation of safety, service quality, sustainability and risk prevention, RFI with the Infrastructure Business Unit have created a special "Academy & Technical Methodologies", which works with the top experts in the fields of interest, i.e. academics, Top Managers and the Government's top management, through "*cross-disciplinarity*" and "*contamination of knowledge*", thus also reinforcing the basic principles of public ethics, which has been also joined by the President of the Pontifical Academy of Theology and is chaired in an honorary capacity by the Chairman of RFI, in his capacity as Full Professor and Dean of the scientific disciplinary sector of "*roads, railways, airports*".

Finally, on the matter of investment, our company carried out an unprecedented amount of infrastructure interventions during the year, which had a decisive impact on the country's infrastructure development and modernization and GDP growth, thanks to the efforts made by our people and digital techniques for process engineering and hi-tech operation of construction sites. Under the NRRP, all EU targets were achieved in 2024, including thanks to synergies with the Ministry of Infrastructure and Transport (MIT) and the Government. During 2024, RFI also completed the process of sharing with the MIT the Agreement concerning the implementation, management, reporting and control of company investments envisaged under the NRRP, which was signed by RFI's CEO on 28 November 2024. With regard to the cases of RFI's liability for any failure to achieve the NRRP objectives and targets, they remain linked to what is defined by the current regulatory framework, in particular article 2 of Decree Law no. 19/2024 converted by Law no. 56/2024.

The aforementioned regulatory provision specifies that recovery actions against the implementing body may be taken only in the case that the failure to achieve the NRRP objectives is attributable to the implementing body itself, thus excluding any recovery action for cases attributable to force majeure or any third-party's acts.

On the front of projects of *urban regeneration* and improvement of "station places", to make them more and more sustainable and "stitched up" with the "*city system*", interventions were carried out with innovative and energy-saving materials, according to the new vision of a "sustainable hub" while also assigning a key role to the forecourts in front of railway yards, with more and more green areas and security systems adapted to the needs of protection of travellers and citizens.

RFI, which is also the main implementing body of the National Recovery and Resilience Plan, plans restyling and improving accessibility at 38 stations in Central-Southern Italy by 2026, with an investment of €345 million. In addition, nine stations will be rehabilitated in the cities of Central Italy which were hit by the earthquake in 2016, as will ten stations in the locations that will host the 2026 Milan-Cortina Winter Olympics and seven stations in Rome for the Jubilee 2025.

Specifically, infrastructure investments totalled €9,630 million, showing an increase of €2,080 million (about 28%) from the previous year.

Out of the total volume, about €6,085 million were allocated to large infrastructure projects, and about €3,545 million to maintaining the efficiency of infrastructure, of which €756 million for technological work.

In financial terms, such a growth in investments, together with the discrepancy between the time needed to collect government funds and payments to the relevant suppliers, led to the worsening of €1,423 million in the Net Financial

Position. For this reason, particular attention will also be devoted in the future to dialogue with institutional stakeholders, and aimed at ensuring a timely disbursement of such financial resources, both on an accruals and cash basis, as are necessary for the implementation of the substantial investment plan, of which the NRRP is a pivotal element.

MISSION

Rete Ferroviaria Italiana S.p.A. ("RFI") is the company within the Ferrovie dello Stato Italiane Group ("FS Italiane Group") responsible for operating the national railway infrastructure under a concession agreement with a term of 60 years, according to the decree issued by the Ministry of Transport and Navigation no. 138 - T of 31 October 2000.

RFI owns the infrastructure consisting of the portion that belonged to the former public body, Ferrovie dello Stato (and made up the body's assets) and the portion acquired subsequently using own funds (obtained through third-party financing and capital injections, first from the government and subsequently Ferrovie dello Stato Italiane) and, currently, through government grants related to assets.



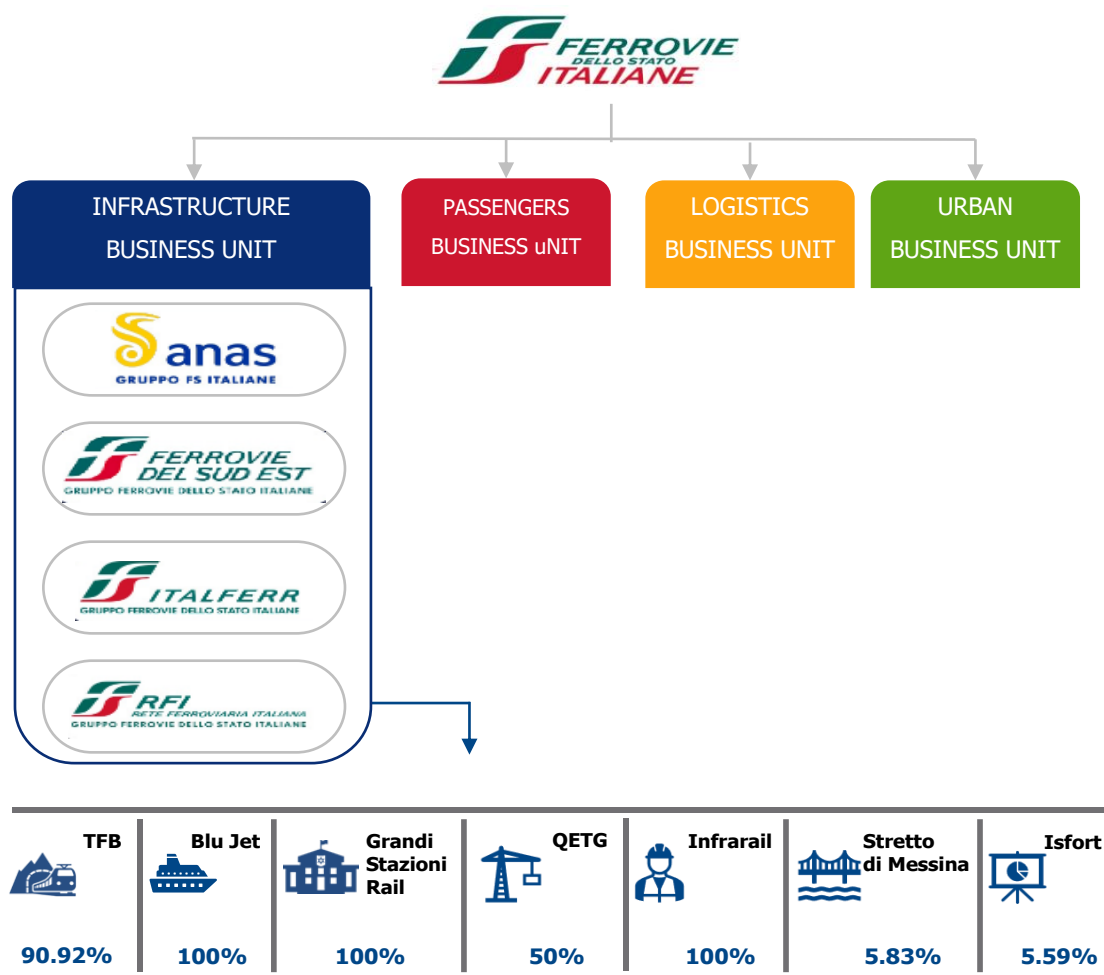
Governance Model of the Ferrovie dello Stato Italiane Group

The Model has redesigned the Group's governance structure based on four Business Units in order to seize the potential of the various Group companies with a view to integrating the various infrastructures and modes of transport for greater sustainability, and to the country's benefit.

In implementing the Model, RFI assumes the role of Sector Parent Company for the Infrastructure Business Unit. According to the model, FS assumes a role of general strategic guidance, and implementation and financial coordination of the Group, carrying out management and coordination activities vis-à-vis the Sector Parent Companies and other Subsidiaries.

With this in mind, RFI, as the Division Parent Company of the Infrastructure Business Unit, carries out the management and coordination activities with respect to the companies operating in the aforesaid Business Unit, as better defined in the Group and Business Unit rules adopted with effect from 1 June 2022.

In this design, the Infrastructure Business Unit ensures the design, construction, operation and maintenance of infrastructure networks for rail, as well as road and highway transport at both national and international levels for the construction of integrated and interconnected road and rail works aimed at enhancing and maximizing industrial synergies.



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DIRECTORS' REPORT

KEY AND GLOSSARY

Non-GAAP performance indicators

Below is a description of the criteria used to calculate the most frequently used performance indicators for the purposes of this report. Such criteria differ from the criteria applied to the financial statements and which management finds useful in monitoring the Company's performance and believes reflect the results of operations and financial trends of its business segments:

- **Gross operating profit:** this is an indicator of the performance of operations and reflects the core business only. It is calculated as the difference between revenue and operating costs.
- **Operating profit:** this is an indicator of the performance of operations and is calculated as the sum of gross operating profit and amortisation and depreciation, impairment losses (impairment gains) and provisions.
- **Net operating working capital:** this is the sum of inventories, contract assets, current and non-current trade receivables, current and non-current trade payables and advances to suppliers.
- **Other assets, net:** these reflect the sum of assets and advances from the Ministry of the Economy and Finance (MEF) for grants, deferred tax assets, other current and non-current assets and other current and non-current liabilities.
- **Working capital:** this is the sum of net operating working capital and other assets, net.
- **Net non-current assets:** these reflect the sum of property, plant and equipment, investment property, intangible assets and equity investments.
- **Other provisions:** these reflect the sum of post-employment benefits and other employee benefits, the provision for litigation with employees and third parties, and provisions for other sundry risks set aside from time to time.
- **Net invested capital (NIC):** this is the sum of working capital, net non-current assets, other provisions and net assets held for sale.
- **Net financial debt (NFD):** this financial indicator consists of bonds, non-current bank loans and borrowings, the current portion of non-current bank loans and borrowings, current and non-current loans and borrowings from other financial backers, cash and cash equivalents and current and non-current financial assets.
- **Equity (E):** this is a financial statements indicator calculated as the sum of share capital, reserves, retained earnings (losses carried forward), current and non-current derivative liabilities and the profit (loss) for the year.
- **Gross operating profit margin:** this profitability indicator is calculated as the ratio of gross operating profit to operating revenue.
- **Operating profit margin - ROS (return on sales):** this sales profitability indicator is calculated as the ratio of operating profit to revenue.

- **Debt/equity ratio:** this indicator is used to measure the Company's debt. It is calculated as the ratio between net financial debt and equity.
- **ROE (return on equity):** this is a profitability indicator for equity and is calculated as the ratio of profit/loss for the year and average equity (from the start to the end of year), net of the profit/loss for the year.
- **ROI (return on investment):** this is a profitability indicator for invested capital through core business operations. It is calculated as the ratio of operating profit to average NIC (from the start to the end of the year).
- **Turnover of net invested capital – Net Asset Turnover:** this is an efficiency indicator that expresses invested capital's ability to transform into sales revenue. It is calculated as the ratio between operating revenue and average NIC (from the start to the end of the year).

Glossary

The following terms are frequently used in relation to the Company's operations:


- **Multistation Computerised interlocking system:** this is a central management system for control and signalling and station safety.
- **Transport Regulator (ART):** the body in charge of regulating transport and access to related infrastructure along with accessory services.
- **ATC:** Automatic train control. This system automatically controls the train's speed. It is the technological and functional evolution of the automatic train protection (ATP) system.
- **HS/HC:** High speed/High capacity. This is the system of lines and vehicles specifically developed for high speed and/or high capacity transport.
- **CSEA:** the fund for energy and waste collection service.
- **CIPESS:** Interministerial committee for economic planning and sustainable development.
- **Government Programme Contract - Services or Investments:** these are long-term contracts between the MIT and RFI defining investment projects and other terms and conditions, such as ordinary and/or extraordinary network maintenance, to encourage the development of the railway system.
- **Main line:** this is a particularly important series of railway lines in terms of traffic volumes and the transport role that it plays, as it joins major network centres or hubs.
- **Prime Ministerial decree:** Prime Minister's decree.
- **ENIM (European Network of Infrastructure Managers):** this is a third-party entity including all IOs of the railway lines belonging to the core and extended core TEN-T network and the European Commission.
- **European Railway Agency (ERA):** this is the EU agency establishing the mandatory requirements for European railways and builders in the form of technical interoperability specifications applicable to the European railway system. The ERA sets common safety targets, along with the related methods and common safety indicators, in compliance with Directive 2004/49/EC, as amended.

- **European Rail Traffic Management System (ERTMS):** this is the system that integrates the various railway networks in the EU from a functional and operational standpoint and provides for the European Train Control System.
- **European Train Control System (ETCS):** this is the overall network of the various national automatic train control (ATC) systems. ATC systems consist of traditional and innovative signalling systems.
- **Infrastructure Operator:** Operator of the domestic infrastructure.
- **Global System for Mobile Communication - Railway (GSM-R):** this is the European standard for public digital mobile telephony system with a transmission speed of 9.6 Kbps.
- **ItP:** information to the public on train schedule and performance.
- **NRI:** National Railway Infrastructure.
- **MATTM:** Ministry of the Environment and Protection of Land and Sea.
- **MEF:** Ministry of the Economy and Finance.
- **MIT:** Ministry of Infrastructure and Transport.
- **HUB:** this is a conventional term to define a railway area that generally coincides with major metropolitan destinations presenting highly dense and relatively complex medium to large-size stations and other railway plants that are interconnected by various lines, creating a continuation of the main routes into the same hub and other lines, built to manage various traffic flows and alternative routes, or service loops.
- **PIR:** Network Statement, containing the criteria, procedures, methods and terms for the allocation of the infrastructure capacity and for the provision of the related services, as well as a detailed presentation of the available infrastructure and access conditions.
- **LC:** level crossing.
- **Operating control line:** a location where there is no passenger service.
- **MAP:** minimum access package.
- **PRG:** general zoning plan.
- **PUMS:** urban sustainable mobility plan.
- **Doubling:** this is the transformation of a single track to a double track.
- **CCS/CTC:** this command and control system/large network central traffic control system regulates traffic on the main lines and hubs, outperforming traditional centralised traffic control systems.
- **TSCS:** train speed control system. This is the first functional stage of the ATC system for constant control over train speed, making it possible to activate the emergency brakes if the train exceeds the maximum speed allowed on the line or if it proceeds past stop signals.
- **Steering support controls - SSC:** they are used to control and manage railway operation on the line from the central control stations in Bologna and Verona.
- **Terminal:** this is the intermodal transport infrastructure for the transfer of large load units between carriers, with or without warehouses of modest size.

- **TLC:** telecommunications.
- **Intermodal transport:** this is transport using two or more modes of transport (road, rail, sea or river) with the transfer of load units from one mode to another without breaking up the load, i.e., using a roadway vehicle or intermodal transport unit (containers, swap bodies and semitrailers).
- **Train-km (tkm):** this is the number of train events per kilometre travelled.

OUR COMPANY

Our figures



The RFI network in figures	
OPERATING RAILWAY LINES (1)	16,879 km
<i>CLASSIFICATION</i>	
Main lines	6,453 km
- HS/HC Lines (2)	1,097 km
Complementary lines	9,477 km
Hub lines	950 km
<i>TYPE</i>	
Double-track lines	7,756 km
Single-track lines	9,123 km
<i>POWER</i>	
Electrical lines	12,277 km
- Double track	7,679 km
- Single track	4,598 km
Diesel fuel lines	4,602 km
TOTAL TRACK LENGTH	24,636 km
RAILWAY FACILITIES	
Stations that can serve passengers	~2,200
Ferry facilities	3
Freight facilities (3)	204
TRAIN SPEED PROTECTION TECHNOLOGIES (4)	
Remote control systems for traffic	13,680 km
TSCS, for train speed control	13,631 km *
SSC for steering support	2,058 km *
ERTMS, for interoperability (5)	1,071 km
GSM-R, for mobile communications	11,700 km

Notes

(1) 70 km of which on the foreign network, 52 km on Umbrian regional railway and 54 km on Piedmont regional railway

(2) referring to lines with speed equal to or exceeding 250 km/h, equipped with Level 2 ERTMS powered at 25kV, and high-performance lines with speed exceeding 200 km/h

(3) facilities with intermodal centres, hubs, connections, etc.

(4) all network lines are equipped with one or more train speed protection systems

* of which 25 km with double SSC and TSCS equipment

(5) referring to lines equipped with stand-alone Level 2 ERTMS and with overlapped ERTMS

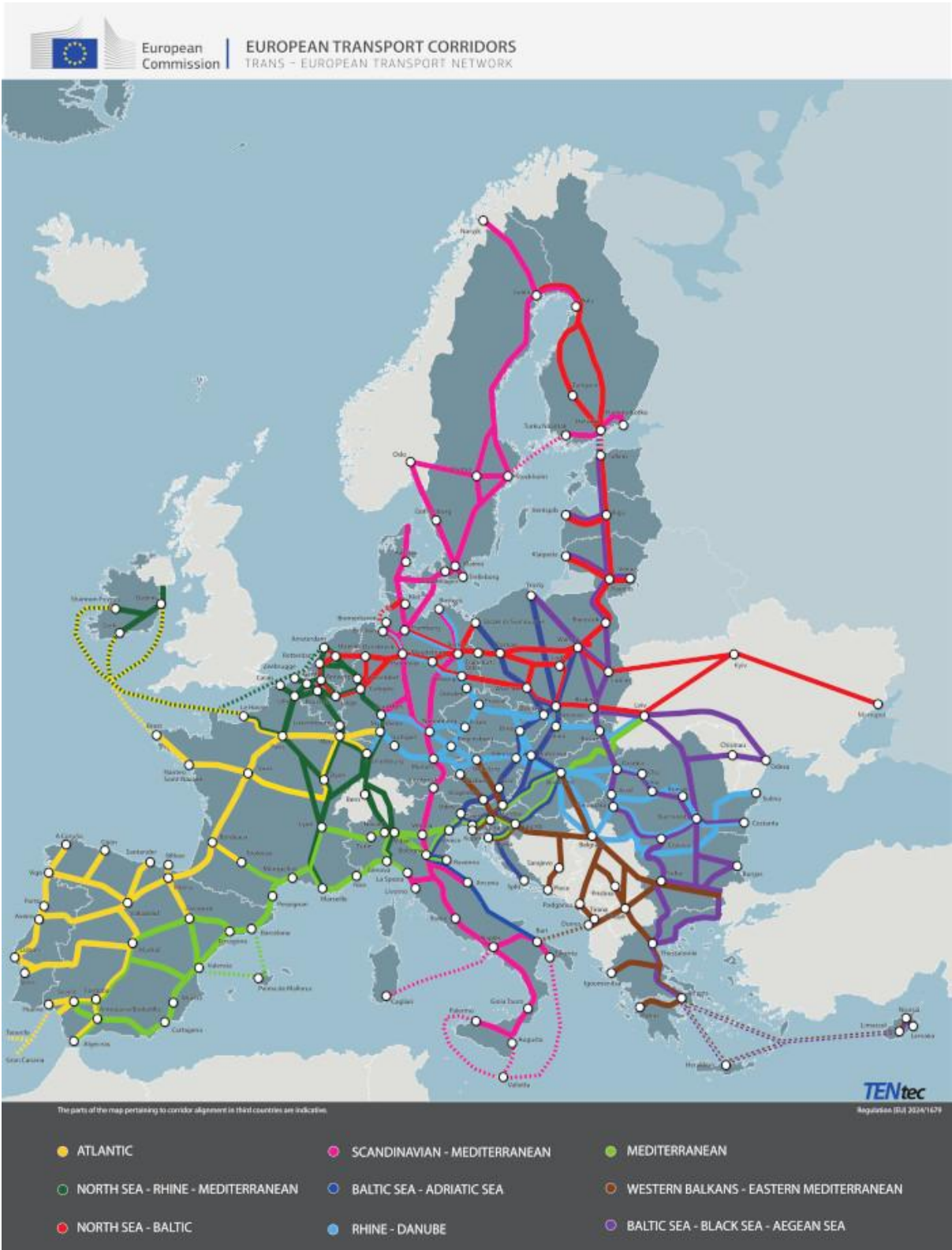
(6) nominal figure net of any possible discontinuities - for example, due to maintenance work - which could reduce service availability



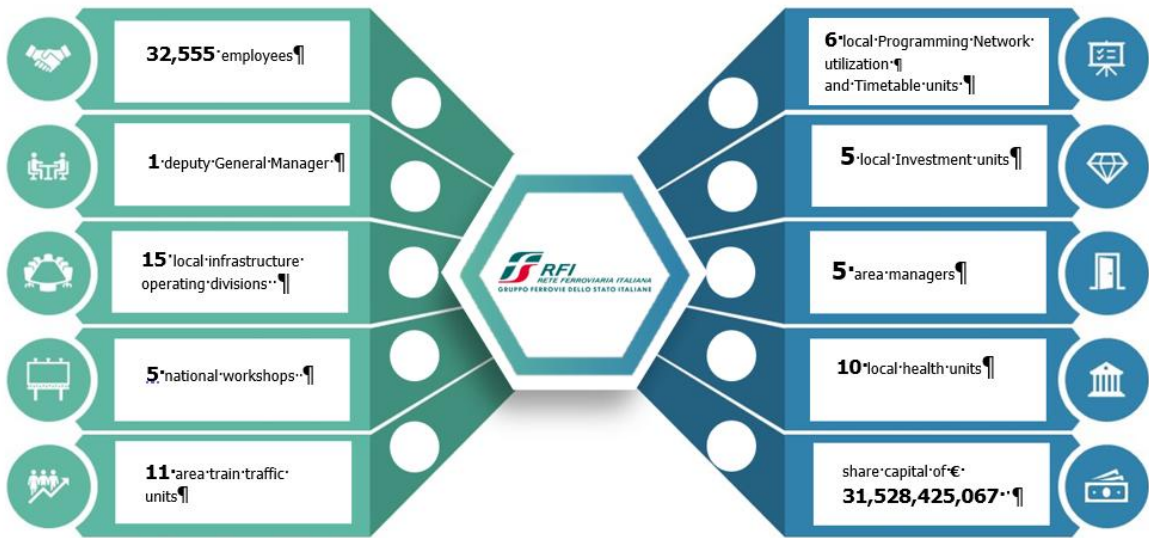
Istantanea sulla rete

- Rete Fondamentale AV/AC(ERTMS)
- Rete Fondamentale Tradizionale
- Rete Complementare
- Nodi

TEN-T (Trans European Transport Network) Corridors



The organization



Our approach

In line with its mission, RFI conducts its business according to a vision marked by social, economic and environmental sustainability, and based on the values of:



with the aim of delivering quality services at the lowest cost to the community and capable of generating shared value for all stakeholders.

On site and on a day-to-day basis, the Company develops the operation, maintenance, upgrading, design and construction of lines and stations with the utmost attention to safety, reduction of impacts and, increasingly, rational use of resources, circularity, infrastructure monitoring and resilience, and benefit to the community.



This wholly sustainability-driven approach leverages RFI's well-established Integrated Safety Management System (ISMS), which includes environmental management systems (EMS), workers' safety (OSMS), and rail operation safety (SMS) certified to UNI EN ISO 9001, 14001, and 45001.

As stated in the Company's "Integrated Policy" document, the National Railway Infrastructure (NRI) operated by Rete Ferroviaria Italiana S.p.A. is a fundamental asset of the country's mobility system, and is therefore a significant reference for the social, economic and environmental enhancement of the national territory. In particular, RFI ensures that railway traffic takes place in safety, the technologies used are developed on an ongoing basis, the network evolves consistently with the mobility needs of people and goods across the country, and that the network itself is maintained in full efficiency.

The Company supports the dissemination and entrenchment of a **culture of safety**, including attention to the human factor as a component influencing operations, which, in compliance with EU, national and regional regulations, as well as voluntary ones, is the point of reference for those who work daily within the organization, as well as for those who, from the outside, come into contact with it. **RFI bases its culture of safety on key principles, by which management and all personnel must always be guided, which can be identified as follows:**

- priority of safety and continuous improvement;
- leadership commitment;
- awareness and accountability;
- communication and participation;
- skill learning;
- comprehensibility of rules and standards;
- organisation of work;
- unexpected event management;
- transparency and fairness.

The effective adoption of these principles implies safe behaviour, at all levels of the organisation, based on widely shared ways of thinking and acting within RFI.

Therefore, **safety and protection** are two key values for the Company, pursued both through the direct and ongoing oversight of the balance between technologies, people and organisation right from the definition of infrastructure projects, as well as of the services offered and industrial processes, with a view to continuous improvement, and through the management and minimisation of risks related to business activities for workers, the environment, travellers, citizens and, in general, for the world outside the company.

2025-2029 BUSINESS PLAN

On 26 November 2024, the Board of Directors of RFI approved the company Business Plan (hereinafter "The Plan") with a five-year horizon, 2025-2029 (CAPEX with ten-year horizon for the period 2025-2034), in which the year 2025 represents the Budget year.

RFI's strategic vision to be put in place over the Plan period is to pursue the full potential of the core business through the enhancement of the quality of service, both on lines and at stations, the improvement of the accessibility of local areas, and through a safe network, increasingly modern, connected and sustainable, in support of the development of our country.

In accordance with the Parent Company's guidelines, the key factors to achieve change are structured into five strategic pillars:

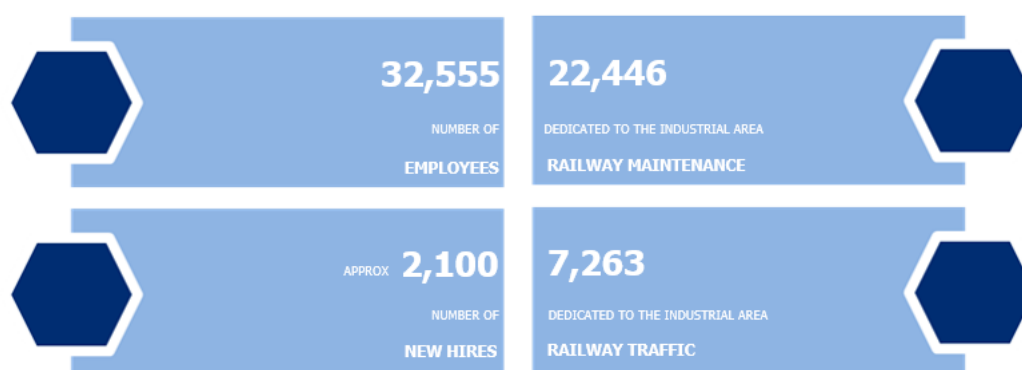
- **Service quality:** "Support the improvement of services provided and punctuality through industrial reorganisation and reduced unavailability";
- **Network transformation:** "Develop the NRI, with upgrades, new works and new access points, to support the potential of local areas and production system, and Ensure the implementation of the investment plan and safeguard the targets and milestones set under the NRRP";
- **Stations:** "Revolutionise the relationship between infrastructure and travellers, enhancing touch-points";
- **Asset and skills enhancement:** "Improve asset utilisation to create shared value and Strengthen, extend and make skills available to expand the scope of work in support of the community";
- **Performance improvement:** "Ensure the adoption of advanced models in support of business efficiency to optimise results of operations and Ensure the economic stability of planned interventions and the achievement of a certain and aligned level of contribution."

As part of the relevant projects and initiatives, cross-cutting actions will be taken in relation to maintaining infrastructure efficiency, and improving safety and cyber security standards, as well as a gradual integration of sustainability into all business processes.

RFI's Plan, aimed at achieving the above objectives, has been developed on the basis of assumptions about the system's production capacity and the possibility of activating related enabling factors, and makes provision for a total volume of expenditure of €115.4 billion over the 2025-2034 Plan period.

In terms of financial forecasts, the Plan period shows a significant increase in performance, particularly compared to the loss recorded in 2024. As from 2025, in fact, the Operator's KPIs are expected to grow, mainly thanks to the more substantial resources provided for under the 2025 Budget Act, amounting to about €1,256 million for all years covered by the plan, compared to an average annual value of about €1,006 million prior to the approval of Law no. 207 of 30 December 2024. To this must be added the adoption of the new tariff plan, with effect from 2026, following the ART resolution no. 165 of 20 November 2024 approving the proposal for the 2025-2029 regulatory period (net of the effect of higher Government grants allocated following the aforesaid approval in order to report its foreseeable impacts in accordance with the current regulatory measures). These elements, together with targeted performance improvement actions aimed at cost reduction and increased capitalisation as the financial effect of the investment plan, allow the achievement of balanced results for all years covered by the plan.

HUMAN RESOURCES



RFI's workforce grew during the year, recording an increase in overall costs of labour compared to the previous year, mainly due to a higher number of staff members.

The number of RFI employees in the period from 1 January 2024 to 31 December 2024 recorded, in fact, an increase of 2.2% compared to the previous year:

- Headcount at 31 December 2023: **31,868** (including 325 managers, and 31,543 blue collars, workers and junior managers);
- Headcount at 31 December 2024: **32,555** (including 350 managers, and 32,205 blue collars, workers and junior managers).

Workforce headcount

	2024		2023	
Employees by gender				
Men	27,007	83%	26,624	84%
Women	5,548	17%	5,244	16%
Employees by age group				
< 30 years	9,248	28%	9,358	29%
Between 30 and 50 years	14,489	45%	13,579	43%
> 50 years	8,818	27%	8,931	28%
Employees by professional level				
Blue collars	11,580	35%	12,896	40%
White collars	14,194	44%	12,590	40%
Junior managers	6,431	20%	6,057	19%
Managers	350	1%	325	1%
Total employees	32,555		31,868	

The growth in the workforce, aimed at improving the generational mix, and enhancing technological and professional skills, is due to the need to cope with the increased commitments arising from the NRRP, and the

consequent review of the related volumes of operations. During 2024, there were 2,294 new hires (from the market, and from internal Group mobility), and 1,607 exits.

The current contracts are the National Collective Labour Agreements applicable to the Company, and to the Mobility in the Railway Activities Area (AAF).

Breakdown of the number of new hires

	2024		2023	
New hires by gender				
Men	1,809	79%	3,912	83%
Women	485	21%	789	17%
Employees by age group				
< 30 years	1,451	63%	3,333	71%
Between 30 and 50 years	697	30%	1,274	27%
> 50 years	146	7%	94	2%
Total new hires	2,294		4,701	

The year 2024 was marked by strengthening the recruitment plan, which was aimed at hiring the various professionals needed to support the programme of substantial investments that had been started in the previous year. Specifically, about 500 recent graduates/experts (44% of whom are women), and about 1,600 operational and office staff joined the organisation. In order to achieve this goal, several recruiting campaigns were activated throughout the country to search for operational staff needed to ensure the efficiency of the railway network, and the immediate operation of the functions and units engaged in managing the investment processes and projects under the NRRP.

Turnover (workers + Junior managers + Managers)

	2024
Overall turnover rate	12%
<i>[(incoming/outgoing employees)/average permanent staff in the year]</i>	
Negative turnover rate	5.0%
<i>[outgoing employees in the period/permanent staff at the beginning of the year]</i>	
Positive turnover rate	7.2%
<i>[incoming employees in the period/permanent staff at the beginning of the year]</i>	
Turnover compensation rate	142.8%
<i>[incoming employees in the period/outgoing employees in the year]</i>	



Training

In 2024:



4,063,668 training hours delivered;



€193 per participant as average cost of training;



+7% involvement of participants compared to the previous year;



98% of the Company population was involved in at least one synchronous training course.

Among training projects in 2024 was the so-called “onboarding” dedicated to approximately 2,000 new hires of all targets, trainees, graduates, experts and office staff, in blended mode.

Also particularly significant, especially for the impact on activities related to the management of the NRRP, was the qualification obtained by 650 new assistant works managers, and 320 works managers, up compared to 2023.

Furthermore, much importance was attached to the training programme focused on Safety Culture and Human Factor, which involved approximately 5,900 people for more than 7,210 man/days, where a set of diversified projects were put in place on various targets: from the Human Factor training course dedicated to new hires, to that targeted at Assistant Works Manager, to the new e-learning on Safety Culture extended to about 29,000 employees, and to the project dedicated to more than 450 Safety LEDs, with the aim of strengthening Safety Culture through behavioural micro-tactics with a view to prevention, and to 23 Human Factor Experts from various departments with a focus on the detection of Human Factor variables, both individual and organisational, and the analysis of safety-related events.

Another important new development in 2024 was the establishment of a “Basic Life Support Defibrillation” (BLSD) training center within the Health Department, which will allow in-house training to be delivered to RFI staff as from 2025.

MAIN EVENTS OF THE YEAR



January

Acquisition of the infrastructure business unit of Gruppo Torinese Trasporti S.p.A. (GTT)

With effect from 1 January 2024, RFI took over the operation of the Turin-Ceres and Canavesana railway lines through the acquisition of the "infrastructure" business unit of Gruppo Torinese Trasporti S.p.A. (GTT), which had been approved by RFI's Board of Directors in December 2023.

Specifically, the interconnection of the Turin-Ceres line will allow transit passengers to be conveyed to and from Turin Sandro Pertini Airport on the conventional and High-Speed national rail network. In addition, the takeover of operation also makes it possible to achieve a standardization of the commercial offer and services to the public, thus achieving benefits in terms of supply optimization, with the integration of long-haul and LPT services.



February

K2 discount pursuant to Ministerial Decree no. 44T/2000 - Rome Court ruling- General Register no. 59994/2017 - no. 3460 of 1 March 2023

By order dated 22 February 2024, the third division of the Rome Court of Appeals granted the petition filed by RFI, and ordered the suspension of the enforceability of the judgment of conviction issued by the Court, adjourning the case to a hearing on 18 March 2026.



May

Intragroup reorganization of Ferservizi's Energy BU: partial demerger of Ferservizi S.p.A. in favour of Rete Ferroviaria Italiana S.p.A.

On 1 May 2025, the Partial demerger of Ferservizi S.p.A. in favour of Rete Ferroviaria Italiana S.p.A., concerning the intercompany reorganization of the Energy BU, became effective in implementation of the Act of management and coordination issued by Ferrovie dello Stato Italiane S.p.A. on 1 December 2023, and in compliance with the Golden Power regulations. This

reallocation responds to the need to give maximum impetus to the implementation of the self-production of energy project, as one of the most challenging initiatives of the FS Group's Business Plan, in order to foster the ecological transition, exploiting the synergies that the positioning of the Energy BU in RFI, the Group's main consumer, will allow to generate, thus also ensuring a unified governance oversight for the FS Group's energy strategy. As a result of the Demerger, RFI was assigned assets and liabilities of the Demerged Company.

Demerger of the quota (100%) in Terminali Italia S.r.l. to the benefit of Mercitalia Logistics S.p.A.

On 29 May 2024 the Demerger of the quota in Terminali Italia S.r.l. to the benefit of Mercitalia Logistics S.p.A. (MIL) became effective as part of the corporate reorganization project in line with the Governance Model, and the FS Group's Business Plan, and in compliance with the Golden Power regulations. Specifically, the Share Capital of RFI ("Demerged Company") did not record any change, as the available equity reserves were reduced by €9,237,954.60, equal to the net value stated in the accounting records of the Demerged Company for the investment representing the entire quota capital of Terminali Italia.



November

Approval of the 2025-2029 Business Plan

On 26 November 2024, RFI's Board of Directors approved the company Business Plan with a five-year horizon, 2025-2029 (CAPEX with ten-year horizon for the period 2025-2034), in which the year 2025 is the Budget year.



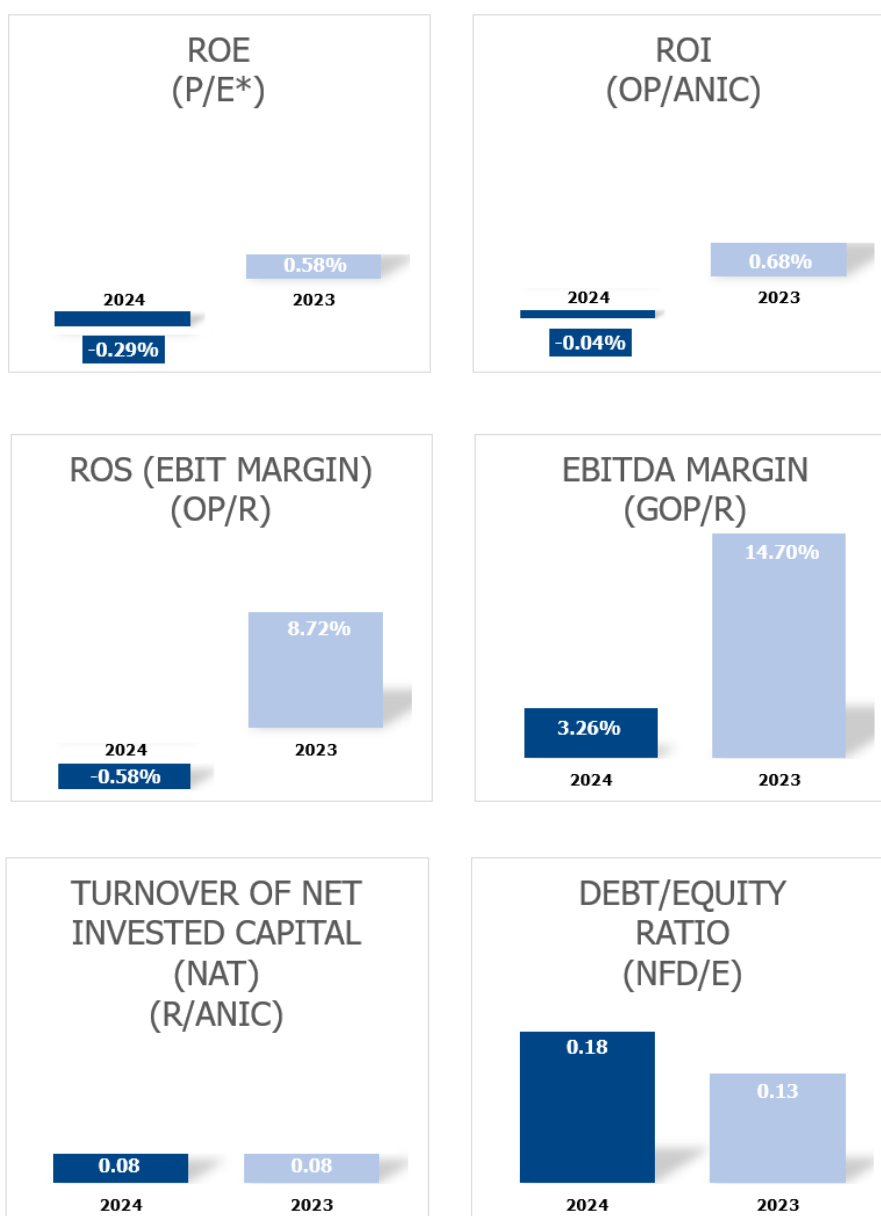
December

Intercompany financing from medium- to long-term loan granted by Intesa Sanpaolo

On 19 December 2024, FS Italiane entered into a four-year loan agreement with Intesa Sanpaolo - IMI CIB for a total amount of €2 billion. The related proceeds are earmarked for RFI, in particular to finance non-routine maintenance expenses for the modernisation of the railway infrastructure, fully compliant with ESG principles because they relate to projects capable of producing significant environmental and social benefits.

The transaction will make it possible to extend until January 2029 the maturity of the short-term loan - of the same amount – under the agreement signed with Intesa Sanpaolo on 25 July 2023, which is due to expire on 20 January 2025. The arrangement on the renewal of the €2 billion Loan Agreement was signed between FS and RFI on 16 January 2025 (with the CEO signing on 21 January 2025).

FINANCIAL HIGHLIGHTS



KEY

ANIC: Average net invested capital (average of the opening and closing balances)

OP: Operating profit (loss)

GOP: Gross operating profit (loss)

E*: Average equity (average of the opening and closing balances) net of the profit for the year

E: Equity

NFD: Net financial debt

R: Revenue

P: Profit for the year

FINANCIAL POSITION AND PERFORMANCE

For the purposes of describing its financial position and performance, the Company has prepared reclassified financial statements in addition to those required by the IFRS adopted by the FS Italiane Group (as detailed in the Notes). The reclassified financial statements comprise alternative performance indicators which differ from those directly derived from the financial statements and which management deems useful in monitoring the Company's performance and in presenting the financial results of the business. Reference should be made to the section "Key and glossary" for a description of the methods used to calculate these indicators.

Reclassified income statement

	<i>millions of Euros</i>			
	2024	2023	CHANGE	%
REVENUE	3,019	2,868	151	5%
Revenue from sales and services	2,877	2,713	164	6%
Other income	142	155	(13)	(8%)
OPERATING COSTS	(2,921)	(2,446)	(475)	19%
Personnel expense	(1,893)	(1,675)	(218)	13%
Other costs, net	(1,028)	(771)	(257)	33%
GROSS OPERATING PROFIT	98	422	(324)	(77%)
Amortisation and depreciation	(141)	(140)	(1)	1%
Net impairment losses	(10)	(32)	22	(69%)
Provisions	35	–	35	(100%)
OPERATING PROFIT	(18)	250	(268)	(107%)
Net financial income (expense)	(81)	(54)	(27)	50%
PRE-TAX PROFIT	(99)	196	(295)	(151%)
Income taxes	–	–	–	–
PROFIT FROM CONTINUING OPERATIONS	(99)	196	(295)	(151%)
Post-tax profit (loss) from discontinued operations	–	–	–	–
PROFIT (LOSS) FOR THE YEAR	(99)	196	(295)	(151%)

The increase in revenue from sales and services, equal to €164 million, was linked to revenue of approximately €270 million, which was offset by the related costs, such as:

- higher revenue from traffic-related services for €206 million, mainly following an increase in the cost of traction electricity that RFI passes on to the Railway Undertakings (hereinafter "RUs") (€220 million) mitigated by higher negative adjustments compared to the similar previous year (€14 million). The growth in revenue from traction power sales is linked to the stabilisation of the purchase price of energy compared to 2023, and the consequent valuation of the grant provided under the Special Tariff Scheme (3kV grid) in line with the gross cost trend. The increase in revenue was more than offset by similar growth in traction power costs, equal to €218 million, seen in the change in raw materials, consumables and supplies;
- higher revenue from processing on behalf of third parties, for €64 million, arising from construction/improvement works on concessionary railways (FCU in Umbria, Turin-Ceres and Canavesana in Piedmont). On the contrary, the related costs, included under services, rose by €57 million.

Revenue from sales and services, net of the items described above, showed a negative performance equal to approximately €106 million, mainly linked to lower operating grants received during the year.

On the grants front, in fact, there was a decrease of €150 million resulting from the effect of:

- lower Government grants allocated by the MEF under the Government Programme Contract – Services - for €143 million;
- lower allocations of €7 million regarding extraordinary grants, in the form of tax credits, for the purchase of electricity and natural gas.

This effect was partially offset with regard to the operation of the network, where we must note:

- an increase in fee revenue (€28 million) due to:
 - an increase in fees (price effect of about €22 million), due to the ISTAT (National Statistics Institute) revaluation of 1.4%, which mainly affects the long-distance and regional transport segments;
 - higher traffic volumes (a volume effect for approximately €6 million), driven by the Premium segment;
- an increase in other transport-related services (€5 million), in particular parking and pre-heating, linked both to the higher volumes of traffic circulated and to the cost of energy (in line with costs);
- an increase in revenue from operation of concessionary railways (€8 million), attributable to RFI's takeover of operation of the Turin-Ceres and Canavesana railway lines as from 1 January 2024.

Finally, revenue from health services rendered during the year grew by €3 million.

Other income showed a decrease of €13 million, due to lower capital gains related to the sale of materials removed during maintenance work, and lower contingent assets recognised in 2024 compared to the previous year.

In 2024, there was a significant increase in "Personnel expense" (€218 million) compared to the previous year, which was substantially due to an increase in workforce, partially mitigated by the effect of turnover (2,294 entries compared to 1,607 exits in the year under review). The addition of various professional staff was mainly related to the application of the new maintenance model, as well as the need to cope with increased commitments resulting from the massive investment program, which generated as a direct consequence the revision of operating volumes.

The rise of €257 million in other net costs was partly due to costs that are offset by corresponding revenues as described above, showing a total increase of €275 million, such as:

- an increase in energy prices related to train traction by €218 million, attributable to the stabilisation of the purchase price compared to last year as described above;
- an increase in costs for works on behalf of third parties by €57 million, mainly attributable to the construction/improvement works on concessionary railways.

Other net costs, net of the items described above, showed a reduction of approximately €18 million, mainly related to higher capitalised company charges of approximately €129 million, related to the intense investment activities carried out during the year mainly related to projects in the NRRP perimeter, mainly offset by:

- higher other expenses to third parties (€33 million) related to the payment of indemnity reserves against judgments issued during the year (€23 million), charges related to the disposal of Scalo Farini railway

yard, arising from contractual commitments under the 2017 Programme Agreement with the Municipality of Milan (€5 million), and for the remainder to other matters;

- an increase in costs for ongoing IT services, equal to €22 million, and cybersecurity costs, equal to €4 million, to the affiliated company FS Technology;
- an increase in costs for security services rendered at stations by the affiliated company FS Security for €16 million;
- an increase in insurance costs of €12 million, following the awarding of the new tender at increasing market rates compared to the previous contract;
- higher costs for Free Travel Card (CLC) of €4 million, related to the increase in workforce;
- higher taxes and duties of €4 million, mainly related to waste collection;
- an increase in costs for property services and utilities of €4 million, mainly attributable to a higher cost of water utilities and higher fees for the management of real estate contracts to the affiliated company Ferservizi;
- an increase in costs for the use of third-party assets of €8 million, related to the rental of mobile phones, service charges referring to offices occupied by company staff, and the remainder to the rental of other assets;
- an increase in travel and subsistence expenses, amounting to €3 million, due to the higher number of staff members and business trips compared to the previous year.

Amortisation and depreciation remained in line with the values posted in the previous year.

Net impairment losses showed a drop by €22 million, due about half to lower write-downs of property, plant and equipment, and the other half to lower write-downs of trade receivables.

The Company's checks of the applications for access to the income and employment support fund during the year revealed the need to release the provision for €35 million, since it was found to be excessive compared to what was needed.

"Net financial income (expense)" showed a worsening of €27 million, mainly due to the release of the provision to cover "Stretto di Messina S.p.A." for €39 million in the last year, offset by lower interest and other charges to banks and financial institutions for €4 million, related to the decrease in the loan stock, lower Interest Cost charges related to post-employment benefits for €3 million, and lower provisions for €5 million.

Reclassified statement of financial position

	<i>millions of Euros</i>		
	31.12.2024	31.12.2023	CHANGE
Net operating working capital	(2,633)	(2,274)	(359)
Other assets, net	5,531	4,224	1,307
Working capital	2,898	1,950	948
Non-current assets	37,540	37,281	259
Equity investments	106	115	(9)
Net non-current assets	37,646	37,396	250
Post employment benefits	(258)	(291)	33
Other provisions	(433)	(417)	(16)
Post employment benefits and Other provisions	(691)	(708)	17
Net assets /(liabilities) held for sale	-	-	-
NET INVESTED CAPITAL	39,853	38,638	1,215
Net current financial position	4,027	2,295	1,732
Net non-current financial debt	1,914	2,223	(309)
Net financial position	5,941	4,518	1,423
Equity	33,912	34,120	(208)
TOTAL COVERAGE	39,853	38,638	1,215

“Net invested capital” showed an increase of €1,215 million, due to the rise in Working Capital (€948 million), and the increase in Net non-current assets (€250 million), as well as to a reduction in Post-employment benefits and Other provisions (€17 million).

The rise in Working capital was due to the increase in Other assets, net (€1,307 million) offset by a reduction in Net operating working capital (€359 million).

Specifically, Net Operating Working Capital showed a decrease of €359 million, due to the combined effect of:

- higher non-current and current trade payables (€487 million), mostly due to works contractors, in line with the progress of investments;
- lower payments on account to suppliers (€6 million);
- an increase in contract work in progress (€23 million) linked to higher production volumes compared to the previous year;
- higher inventories (€83 million), related to purchases during the year to meet investment requirements;
- higher current and non-current trade receivables (€28 million), both from third parties and from Group companies.

Other assets, net, showed an increase of €1,307 million, mainly as a result of higher receivables claimed from the MEF, MIT and EU, and others (€980 million) related to higher allocations of set-up grants from the MEF, lower advances for grants (€329 million), linked to significant recoveries on the status of work in progress, lower accruals and deferrals (€5 million), and higher other current and non-current receivables (€113 million), mainly amounts

claimed from CSEA linked to the downward trend in energy costs, partially offset by higher other non-current and current liabilities (€103 million), mainly due to dividends to the Parent Company resolved upon in 2024, and not yet paid, higher other tax payables (€6 million), relating to withholding taxes made by RFI from employees and self-employed persons and for revaluation of Post-employment benefits, and lower other tax receivables (€11 million), relating to the recovery of taxes.

The increase of about €250 million in Net non-current assets was due to the rise in Property, Plant and Equipment (€275 million), linked with the status of work in progress, which were offset by a reduction in Investment Property (€13 million), Intangible assets (€2 million), as a result of amortisation and depreciation, and Equity investments (€9 million), following the demerger of the investment in the quota capital (100%) of Terminali Italia S.r.l. to the benefit of Mercitalia Logistics S.p.A..

At 31 December 2024 Post-employment benefits showed a decrease of €33 million while Other provisions showed an increase of €16 million. More precisely, the increase in Other provisions was attributable to new accruals (€98 million), partly offset by the combined effect of uses, releases and reclassifications (€82 million).

Coverage increased by €1,215 million due to the combined effect of the worsening in the current Net financial debt (€1,732 million), and an improvement in non-current Net financial debt (€309 million), as well as due to a decrease of €208 million in Equity.

In detail, the worsening in Net financial debt (€1,423 million) was mainly due to the combined effect of the following factors:

- the discrepancy between the time needed to collect government resources, and the related payment to suppliers, which led to a worsening effect on the short-term Net Financial Position by absorbing the cash on hand as at 31 December 2023, and making it necessary to resort to short-term credit lines;
- the effect of repayments of the three Loans to FS (TRLO Unicredit, BPM and Intesa).

It should be noted, however, that during the first two months of 2025, there was the recognition of receipts for set-up grants equal to about €3.1 billion, of which €2.4 billion came from State budget chapter 7122, and about €0.7 billion were collected from requests submitted under the NRRP. These grants were disbursed to cover work already completed and to be completed, from the 2024 update of the Government Programme Contract – Investments.

For more details on the financial requirements in the coming year, please refer to the section on the "Outlook" of operations.

PERFORMANCE OF SUBSIDIARIES



Blu Jet operates the railway connection by sea between Villa San Giovanni and Messina, to be carried out by also using high-speed vessels.

The company posted a **net profit of €304 thousand** in 2024 (down by about €80 thousand on 2023), mainly due to a decline in revenue (-€4.1 million), partially offset by lower operating costs (-€4.0 million), attributable to terminating the operation of service on the Reggio Calabria - Messina route.



TFB is engaged in the management of the investment in Galleria di Base del Brennero BBT SE, and in any other entity promoting the project of the Brennero base railway tunnel.

The company posted a **net profit of €1.2 million** in 2024, up on 2023, due to the sharp increase in interest income from banks, and the longer period of cash on hand.



Infrarail is engaged in the construction and maintenance of equipment and facilities, and the performance of structural, geotechnical and environmental monitoring work, as well as in environmental protection and mitigation related to construction sites, and in the performance of engineering services necessary for the implementation of projects, carried out on behalf of RFI.

The company posted a **net profit of €412 thousand** in 2024, recording an improvement over the previous year (profit of €35 thousand). This result was attributable to the higher production in the area of construction sites and services rendered by IFR, which resulted in a more than proportional increase in revenues (+€4,449 thousand) compared to costs (+€4,078 thousand) recorded in 2023.



Grandi Stazioni Rail is engaged in redeveloping, improving and operating the fourteen largest Italian railway stations; as well as in the performance of lease and maintenance services on the real estate complexes at railway stations; it also operates the areas and premises used for ticketing offices and waiting areas, paid parking lots near the stations, and the commercial exploitation of the units for executive office use; it also manages investment and maintenance contracts related to the activities under its responsibility.

The company posted a **net profit of €8.7 million** in 2024, up by €256 thousand on 2023, mainly due to higher operating revenue (+€11,340 thousand), and an improvement in the balance of financial income and costs (+€493 thousand), only partially offset by higher operating costs (+€11,107 thousand) and taxes (+€470 thousand).

MACROECONOMIC CONTEXT

In 2024, global economy showed good adaptation and resilience¹. Robust market conditions and declining inflation helped sustain moderate growth, albeit characterised by downward risks and high uncertainty, accentuated by the instability of the international environment due to the prolonged conflict in Ukraine and the widening of clashes in the Middle East. The major economies continued to show heterogeneous trends: while GDP performance in the United States was higher than expected, China witnessed a slowdown in growth; the Eurozone, on the other hand, slightly more than stagnated, although it showed signs of recovery from the third quarter of the year, particularly due to the unexpected economic growth in Germany. Indicators for international trade saw a significant rise in the second and third quarters of the year, driven by the sharp increase in US and Chinese trade. More recent data point to a slowdown for the fourth quarter and, looking ahead, the outcome of the US presidential election is an element of uncertainty for international trade in goods and services, due to the Trump administration's announced protectionist policies.

On the consumer price side², inflation trends tended to decline in 2024, in the Eurozone more than in the US, despite the expected rebound in November, mainly due to base effects related to energy prices. Energy commodity markets showed moderate volatility, with the price of gas in Europe showing an uninterrupted upward trend in the second half of the year, reaching almost 50/mwh³ at the end of December, from a low of 24/mwh in March. The price of crude oil (Brent), after a moderate increase in the first months of the year, fell due to the weakness of Chinese demand and the increase in supply, and at the end of December it was trading at around \$75/barrel, at a three-year low. Against the backdrop of substantially lower inflation, the major central banks continued their work on easing monetary conditions. The European Central Bank, after its first intervention in June, made three further cuts in policy rates while the Federal Reserve cut interest rates by 50 basis points in September, followed by a further cut of 25 points in November.

In considering this scenario, according to Prometeia estimates, growth in global GDP came to +3.1% in 2024 compared to 2023 while the trend in world trade appeared to be growing by +2.3%. Growth projections for 2025 suggest a slight decline in the global GDP growth rate (+2.8%), which will involve both industrialised (+1.5%) and emerging (+3.5%) countries. In this context, the Italian economy went through the turbulent historical period initiated by the pandemic with better results than the average of the Eurozone countries, and Italian GDP quickly recovered and exceeded 2019 levels. In the course of 2024, however, growth gradually lost speed, showing a partly expected slowdown, considering that our country's excellent performance was largely attributable to the abundant fiscal stimulus and above all to the Superbonus (tax deduction for expenses related to renovation of residential buildings), which are temporary measures destined to produce a negative rebound once they are over. In spite of the significant contribution of the public component supported by the NRRP, and the substantial resilience of household spending, in fact, investments appeared to fall sharply in the second half of 2024 and the export performance was also lower than expected, suffering more than expected from the difficulties of Germany, with which we share a development model based on manufacturing and exports. Italy ended 2024 with a GDP growth of +0.5% compared to the previous year. The consumer price index for the entire national community, moderating during the year, saw growth of 1% compared to 2023.

¹ Source: Prometeia macroeconomic data, December 2024.

² In December 2024 the index of consumer prices (ICP) for the Eurozone was 2.4% on an annual basis, and the corresponding ICP for the US was 2.9% on an annual basis.

³ Values refer to the reference natural gas price for European markets (Title Transfer Facility, TTF).

LEGISLATIVE AND REGULATORY FRAMEWORK

Review of the criteria for the determination of the fees for access to and use of the railway infrastructure approved with decision no. 96/2015

In referring to the 2023 Annual Report for more details, it should be noted that, by Decision no. 187 of 30 November 2023, the ART ratified the non-conformity of the tariff proposal submitted by RFI with respect to Decision no. 96/2015, requiring the Operator to take a number of measures to be included in a new proposal submitted by the deadline of 16 February 2024. On 29 January 2024, RFI appealed to the Piedmont Regional Administrative Court against the above-mentioned measure.

In compliance with the provisions of Decision no. 187/2023, and after taking into account the findings of the further preliminary investigations conducted by the ART, RFI took steps to prepare a new tariff proposal for the period 2024-2028 and provide it to the Authority on 16 February 2024, in order to resolve any of the instances of non-conformity referred to in point 1 of the aforementioned Decision no. 187/2023.

By Decision no. 38 of 14 March 2024, the ART again noted the non-conformity of the tariff proposal with the regulatory model approved under Decision no. 95/2023, both for the MAP and non-MAP services, adopting certain resolutions for the regulatory period under review and, in particular, requiring the Operator:

- to submit a new tariff system proposal, with respect to the MAP and non-MAP services, for the period 2025-2029 (thus shifting the relevant tariff period by one year);
- to take into account, for the purposes of developing the new tariff proposal, the requirements set forth in Decision no. 187/2023, the preliminary investigation findings submitted to the Infrastructure Operator on 15 January 2024, as well as the critical issues mentioned under Decision no. 38/2024.

A new tariff proposal was then prepared in accordance with the regulatory measures under Decision no. 95/2023, as well as the requirements laid down under Decision no. 187/2023, the findings of the preliminary investigation conducted by the ART, and the additional requirements laid down under Decision no. 38/2024, and then submitted to the ART on 28 June 2024.

The new tariff proposal for the period 2025-2029 was subsequently put out for public consultation. But even due to the observations received from the railway undertakings as part of the consultation, RFI subsequently proposed, on 30 September 2024, a further remodulation of the tariffs in the passenger transport segment.

Based on the positive outcome of the audits of the tariffs' conformity with the regulatory principles and criteria, the ART finally gave approval of the tariff system proposed by RFI under Decision no. 165 of 20 November 2024.

In particular, with regard to MAP, the tariffs for the period 2025-2029 were finally approved without any requirements subject to, as from 2027, the effects due to the recalculation of costs for the capex part of the new station services, which, by June 2026, will have to be reallocated with the adaptation of the information systems and control model.

The full compliance of the tariff setting method adopted by RFI with the current regulatory framework is therefore validated. This method will constitute, in the future, a well-established basis for any subsequent tariff adjustments. All tariffs finally came into force with the publication of the final version of the Network Statement 2026 in December 2024.

Regulation on the use of railway infrastructure capacity

In referring to the 2023 Annual Report for more details, whereby it was notified that, on 11 July 2023, the European Commission had presented the new proposed Regulation on the use of railway infrastructure capacity, appropriate updates are reported below about the state of the art of the legislative approval process, and the key points of interest for RFI.

As far as the legislative procedure is concerned, on 18 June the Council of the European Union, too, approved the General Approach, providing its own amendments and additions to the original text after the European Parliament had reached its position on the text proposed by the Commission in March.

The above-mentioned texts (i.e. that of the Parliament and that of the Council of the European Union) will provide the basis for the continuation of negotiations, which will involve the European legislative bodies in the so-called trilogues, which commenced their work on 19 November, and are expected to be concluded by 2025.

The Council's proposal:

- confirms the key role of national infrastructure operators and ENIM (European Network of Infrastructure Managers), the platform that brings them together to lay down rules on the management of capacity and traffic management, as well as crisis and emergency situations, providing for the possibility – even at the request of Italy - that participation in ENIM be extended to third countries such as the Balkan countries and Switzerland, albeit without voting rights;
- does not provide, in the structure of the legislative text, for the “non-binding” character of the European frameworks (present, however, in previous versions of the text), since such wording would have detracted from the spirit in which these frameworks are conceived, which are aimed precisely at harmonising processes at the European level. However, the “non-binding” character of the frameworks is explicitly mentioned in the recitals, which have legal value as instruments interpreting the operative part of the Regulation;
- has replaced the term “compensation” with “penalty” regarding the consequences arising from changes in capacity rights. In addition to being in continuity with what is provided for in RFI's Network Statement, which uses the term “penalties”, this choice has implications in defining the amount of these sums, since the concept of penalty would exclude the possibility of also requesting any compensation for damages in addition to the preset amount;
- confirms the deadline of 2029 for the repeal of Regulation (EU) No 913/2010 on Freight Corridors, in line with the proposal submitted by the European Commission;
- postpones the entry into force of the Capacity Regulation to 2029 from what the European Commission proposed (2026).

2025 Budget Act

Law no. 207 of 31 December 2024 was published in the Italian Official Journal, General Series no. 305, Ordinary Supplement no. 43, setting out the "Government budget for the 2025 fiscal year, and the three-year budget for 2025-2027" (the 2025 Budget Act), which, under art. 1, provides for measures of interest to the Operator.

Specifically:

Paragraph	Title	Description
528	Bridge-related works	authorises a total expenditure of €500 million for the execution of works related to the construction of the stable connection between Sicily and Calabria;
530	Rail interventions under the NRRP	there is provision for the allocation to RFI of a total of €1,096 million, of which €482 million in the year 2025 and €614 million in the year 2026 for the financing of residual needs and higher charges resulting from the implementation of the NRRP interventions, without specifying in the table the interventions for which resources are earmarked; these resources are included in the Government Programme Contract - Investments with evidence of those to which they are devoted;
532	Fund for continuation of public works	there is provision for extending, until 31 December 2025, the operations of the Fund for continuation of public works, which is refinanced for €300 million for the year 2025 and €100 million for the year 2026;
534	RFI financing	there is provision for an increase in favour of RFI in the resources allocated under article 1, paragraph 395, of Law no. 234/2021, for the Government Programme Contract - Investments for a total of €1,158 million, of which €89.09 million for the year 2027 and €1,068.91 million for the years 2028 and later; these resources are prioritised, within the updating of the Contract, to cover the greater requirements of the interventions under construction and the continuation of the works in progress;
536	Non-routine maintenance financing – Government Programme Contract – Services	it is provided that the expenditure authorisation in favour of Rete Ferroviaria italiana S.p.A. under article 1, paragraph 396, of Law no. 234 of 30 December 2021, is increased by a total of €1,334 million, of which €248 million for the year 2027, €36 million for the year 2028, €10 million for the year 2029, €90 million for each of the years 2030 and 2031, €190 million for each of the years 2032 to 2034, €90 million for the year 2035, and €200 million for the year 2036;

735	Palermo-Agrigento-Porto Empedocle railway line	there is provision for an increase of €3 million, including €1 million for the year 2025, €1 million for the year 2026, and €1 million for the year 2027, due to infrastructure requirements of the Palermo-Agrigento-Porto Empedocle railway line, in order to facilitate the mobility of the citizens of the Sicily Region;
875-876	Investment Fund	there is provision for setting aside, in the forecast budget of the Ministry of Economy and Finance, a fund to be distributed to the central Government authorities, to ensure the financing of investments and infrastructure development of the country, with total resources of €18,486 million; grants from the fund are made available to Ministries under one or more decrees of the Minister of Economy and Finance, at the proposal of the Ministers concerned; the fund is intended for interventions, including those already partially financed, which present a compatible procedural timetable in line with public finance balances, within the limits of the resources allocated to each authority; the aforesaid decrees are communicated to the competent Parliamentary Commissions and the Court of Auditors; the decrees provide for procedures to monitor the interventions through the information systems of the General State Accounting Department, and the relevant single project code, as well as the regulation of revocation in case of non-compliance with the timetable.

Flood Decree

During 2023 the Council of Ministers declared, by specific resolutions, the state of emergency as a result of adverse weather conditions in various territories of the Regions of Emilia-Romagna, Tuscany and Marche. After considering the extraordinary necessity and urgency of issuing provisions to cope with the exceptional weather, landslide and flooding events that had occurred as from 1 May 2023, for which a state of emergency had been declared, there was the enactment of Decree Law no. 61 of 1 June 2023, on "Urgent measures to cope with the emergency caused by the flooding events that occurred as from 1 May 2023", as converted, with amendments, by Law no. 100 of 31 July 2023, whereby it is stipulated that:

- the Extraordinary Commissioner prepares and approves, within the limits of the resources allocated for the purpose, a specific plan for road infrastructure and, within the limit of €255 million, including VAT, railways;
- for rail infrastructure, the Extraordinary Commissioner provides, with charges to be borne according to the economic terms and conditions of the interventions, for a specific framework Agreement to be signed with RFI S.p.A. for the definition of the works it is entrusted with, the related financial costs, and the methods of reporting and monitoring, as well as any charges for the subsequent management and maintenance of

any interventions that are not strictly attributable to the institutional competences of RFI, giving notice thereof to the Ministry of Infrastructure and Transport.

On 23 December 2024, the Framework Agreement was signed between Rete Ferroviaria Italiana and the Extraordinary Commissioner for reconstruction in the Emilia-Romagna, Tuscany and Marche regions, which provides for the implementation of interventions aimed at securing the rail infrastructure, of which:

- 71 interventions envisaged in Mission 2, Component 4, Investment 2.1 "Measures for flood risk management and hydrogeological risk reduction" under the NRRP;
- 5 additional interventions not envisaged in Mission 2, Component 4, Investment 2.1 "Measures for flood risk management and hydrogeological risk reduction" under the NRRP.

The interventions covered by the Agreement are financed from the special accounting scheme of the Extraordinary Commissioner and in particular:

- €154,428,359.61 (including VAT) from NRRP resources available under M2C4 - Investment 2.1;
- €100,157,120.00 (including VAT), as resources available under the special accounting scheme, the use of which will in any case be subject to establishing whether they are actually available, and through the formalization of an appropriate agreement between the parties, to be finalised by December.

TRANSACTIONS WITH THE GOVERNMENT

The Company's relationships with the Government are governed by two contracts:



Government Programme Contract – Investments aimed at regulating the sustainable planning and funding of investments to develop the railway infrastructure in order to improve service quality and ensure compliance with safety levels in line with technological developments, in accordance with new legislation and the national and EU strategic guidelines for financial planning;



Government Programme Contract – Services governing the availability of the infrastructure and, specifically, routine and non-routine maintenance on the infrastructure, as well as safety, security and railway ferrying.

The Government Programme Contract – Investments

As from 31 December 2024, the 2024 update of the 2022-2026 Programme Contract - Investments (GPC-I) entered into force, which is necessary to define the allocation of the resources made available under the 2024 Budget Act, as well as to incorporate the resources provided for by specific regulatory acts, and fully aimed to specific interventions as prescribed by law.

The 2024 Budget Act provided for the allocation of:

- €3,202 million as undivided resources earmarked for investments on the national railway infrastructure, to be allocated to specific interventions through the allocation to be regulated under the 2024 Contract update;
- €825 million specifically earmarked for the Third Giovi Pass project;
- €94.62 million from A22 resources, as the amount paid and set aside with respect to the 2024 year, to be also allocated to specific interventions through the allocation to be regulated under the 2024 update of the Contract.

The 2024 Budget Act itself has provided for a reduction in the resources already granted for the HS/HC works on the Adriatic line by €350 million.

On 2 March 2024, there was the enactment of Decree Law no. 19, laying down additional urgent measures for the implementation of the National Recovery and Resilience Plan (NRRP), which, among other things, provides for a defunding of €57 million from the aforementioned funds allocated under the 2024 Budget Act as undivided resources earmarked for investments on the national rail infrastructure.

Resources regulated by contract in the 2024 update of the GPC-I

Increases totalling €7,623.26 million, distributed as follows:

- €3,202.00 million allocated under the 2024 Budget Act;
- €825.00 million allocated for the Third Giovi Pass under the 2024 Budget Act;
- €5.00 million as a share of the "Jubilee 2025" resources for the "Cycle link between Monte Ciocchi and San Pietro";
- €805.29 million allocated under the Asset Decree for the following projects: HS/HC Milan-Verona line: Brescia-Verona section, 1st Functional Lot; HS/HC Milan-Venice line: Verona-Vicenza sub-section, 1st Functional Lot; Third Giovi Pass;
- €876.89 million financed from the "Fund for the start-up of works that cannot be postponed" (under art. 26, paragraph 7, of Decree Law no. 50/2022);
- €247.74 million financed from the "Fund for the continuation of public works" (under art. 26.4, letter a, of Decree Law no. 50/2022);
- €20.60 million financed from the "Fund for price adjustment" (under art. 1-*septies*, paragraph 8, of Decree Law no. 73/2021);
- €12.00 million referred to the overall Plan of the Olympic works prepared by Società Infrastrutture Milano Cortina 2020-2026 S.p.A.;
- €94.62 million financed from the A22 resources as the 2024 annual payment made by Autobrennero S.p.A.;
- €720.00 million financed from the DCF 2021-2027 programme for the implementation of the railway project on "Infrastructure upgrading of the Rome-Pescara route. Doubling of the Interporto d'Abruzzo-Manoppello-Scafa sections (Lots 1 and 2)";
- €698.36 million of EU resources financed from the CEF 2021-2027 and NOP 2014-2020 programmes;
- €115.76 million of resources from entering into new agreements, Memoranda of understanding with Local Authorities, self-financing and others.

Decreases totalling €4,088.69 million, distributed as follows:

- €350.00 million as a reduction in the spending authorisations of the 2022 Budget Act for HS/HC interventions on the Adriatic line;
- €56.95 million financed from the chapter MEF 7122, MP 2, as provided for by Decree Law no. 19 of 2 March 2024;
- €292.20 million financed from the DCF 2014-2020 programme;
- €1,265.97 million financed from the DCF 2021-2027 programme;
- €24.40 million financed from the National Complementary Plan under Decree Law no. 152/2021;
- €1,866.27 million as a result of the rescheduling of the NRRP on measure M3C1;
- €26.00 million as a result of the rescheduling of the NRRP on measure M5C3;
- €25.00 million financed from the Complementary Operational Plan on "Infrastructure and Networks" 2014-2020;
- €181.90 million financed from resources deriving from Agreements with Local Authorities and others.

In addition, there is provision for a zero-balance variation in the amount of €2,512.79 million, which mainly concerned the reallocation of national resources that became available as a result of both the revision of the NRRP, and the contractualization of EU resources on projects that have already been financed in full, and an optimised use of ordinary state resources not committed through negotiated acts with third parties. After having been freed, state resources have been made available to meet priority needs.

The **2025 Budget Act** has provided for the allocation of:

- €1,096 million to finance residual needs and higher costs arising from the implementation of the NRRP interventions, to be earmarked for specific projects through the allocation to be regulated by contract with the 2025 update of the GPC-I;
- €1,158 million earmarked as a priority, as part of the 2025 update of the GPC-I, to cover the greater requirements of interventions in the process of being implemented, and the continuation of works in progress;
- €3 million earmarked for infrastructure needs on the Palermo-Agrigento-Porto Empedocle railway line in order to facilitate the mobility of the citizens of the Sicily Region.

The 2025 Budget Act itself has provided for a reduction of €13 million in the resources already granted under Decree Law no. 68/2022 for the Genoa Hub, Campasso railway yard, and an additional amount of €4 million financed from the resources allocated for the renewal of fleets of buses, trains and green ships, under the National Complementary Plan to the NRRP.

These resources will be regulated by contract in the 2025 update of the GPC-I, which is expected to be operational during 2025.

Government Programme Contract - Services

As at 31 December 2024, the second supplementary act to the 2022-2026 Government Programme Contract - Services (GPC-S) was in force.

Resources regulated by contract in the second supplementary act to the GPC-S

This supplementary act incorporates:

- o €50 million of higher operating grants, both on an accruals and on a cash basis, to cover network management for the year 2023;
- o €1,000.00 million of higher set-up grants on a cash basis to cover non-routine maintenance programmes for the year 2023, with a corresponding reduction in set-up grants on a cash basis for the year 2024;
- o €1,000.00 million of higher set-up grants on a cash basis to cover non-routine maintenance programmes for the year 2024, with a corresponding reduction in set-up grants on a cash basis for the year 2026;
- o €19.10 million financed from the "Fund for the continuation of public works" (under art. 26.4, letter a, of Decree Law no. 50/2022) and from the "Fund for price adjustment" (under art. 1-*septies*, paragraph 8, of Decree Law no. 73/2021);
- o €300.58 million following the remodulation of the NRRP on measure M3C1 - 1.7 Upgrading, electrification and resilience of railways in the South;

-
- €4.15 million financed from the Infrastructure and Networks NOP 2014 - 2020;
 - €100.00 million for increased routine maintenance work for the year 2026, financed from the "Superbonus Decree Law" (Decree Law no. 39 of 29 March 2024, as converted with amendments by Law no. 67 of 23 May 2024);
 - €2,073.60 million in total for non-routine maintenance work under the "Superbonus Decree Law" (Decree Law no. 39 of 29 March 2024, as converted with amendments by Law no. 67 of 23 May 2024).

In terms of requirements, the planning value for non-routine maintenance work for the year 2024 is updated to the maximum amount of €2,850 million while for the years after 2024 this value will be revised at the time of the next contract update, depending on the actual impact of high prices on the intervention programmes, and within the limits of the resources allocated for this purpose.

The 2025 Budget Act has provided for the allocation of:

- €1,530 million for routine maintenance work;
- €1,334 million for non-routine maintenance work.

These resources will be regulated by contract in the third supplementary act to the GPC-S, which is expected to be operational during 2025.

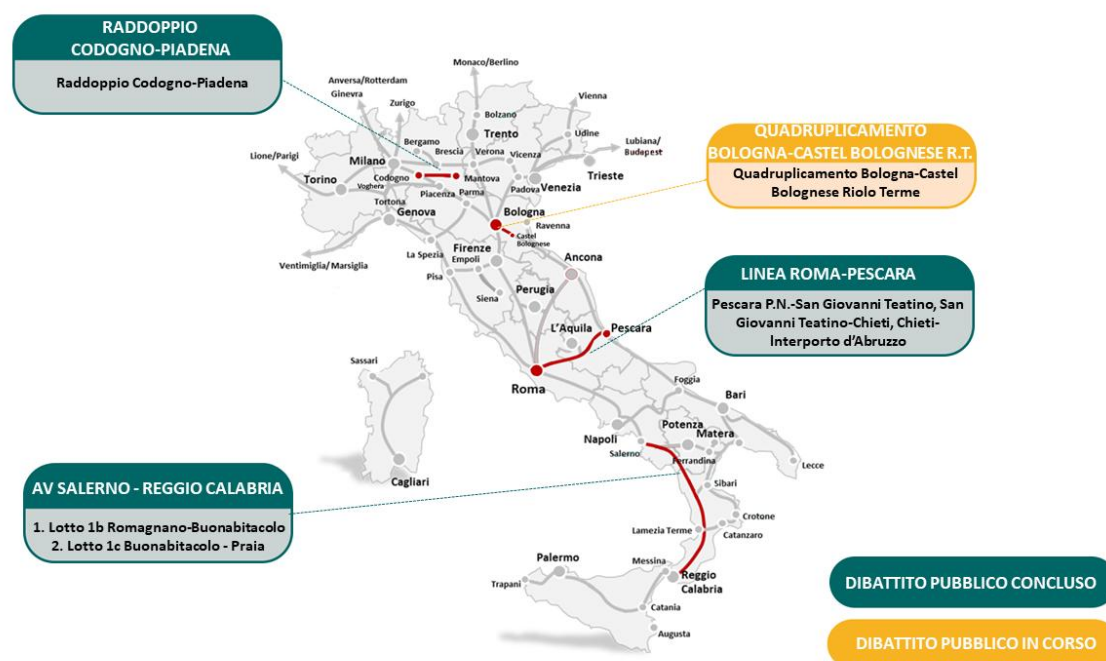
STAKEHOLDER RELATIONS

RFI operates and deals with a structured ecosystem of stakeholders, which are current or potential recipients of its services, on an ongoing basis. In all areas of interaction RFI promotes in its relations with stakeholders a careful, proactive and transparent approach. The main categories of stakeholders with whom the Company interacts directly and indirectly, as well as the main channels of communication and engagement, are described below.



In the area of planning, in order to make choices more efficient, and generate synergies with all stakeholders involved, work continued on the "Technical team for listening to, and collecting requests for infrastructure improvement, efficiency and development" in 2024, in line with the provisions of the Network Statement, convened on an annual basis for continuous dialogue between RFI, MIT, Regions and Autonomous Provinces, licensed Railway Undertakings, and Framework Agreement holders.

With regard to infrastructure investments, RFI promoted additional stakeholder engagement initiatives in 2024 to ensure the maximum inclusion of all stakeholders, which were aimed at more effectively managing the relations with citizens, associations, and local bodies concerned, making them participate in the significance of the interventions to be carried out, and involving them from the earliest stages with a view to achieving the "right project", thus creating a participatory ecosystem. During 2024, four public debates were conducted for the interventions shown in the image below:



In 2024, as part of the Climate Change Adaptation Plan (CCAP), RFI promoted operational synergies with key institutional stakeholders on the issue.

Among the main initiatives, RFI joined the Technical Team set up between the Department for Cohesion Policies and the South (DpCOE), and the Ministry of Environment and Energy Security (MASE) following the issuance of the guidelines for the climate proofing of infrastructure projects. The aim of this panel is to define an unambiguous national method for the drafting of climate vulnerability analyses, through laying down standardised technical and procedural criteria in accordance with the European Commission's Guidance.

RFI has also strengthened its collaboration with the District Basin Authorities, with the aim of integrating the safety requirements of the assets with the district planning tools, and the national programmes on hydrogeological instability.

In 2024, RFI continued its work on the survey and stakeholder insight carried out by its "Market Observatory" (hereinafter "MO"), through leading research companies selected through a European tender, in order to increasingly orient business activities towards the legitimate expectations of its third-party stakeholders, and increase the integration of sustainability into business management.

Among the surveys carried out by the MO on an ongoing basis, of particular relevance are the customer satisfaction surveys conducted, in 2024 too, through about 183 thousand interviews with travellers departing from the 760 busiest stations on the network, to find out the levels of satisfaction with the quality of station spaces and services.

INVESTMENTS

NETWORK DEVELOPMENT



With respect to what was reported in the 2023 Annual Report on the subject of NRRP, it should be noted that the new NRRP was approved by the European Council Implementing Decision of 8 December 2023, as amended and supplemented, ratified by a specific MIT MEF Decree of 23 May 2024.

As from August 2024, technical teams were set up between the competent Ministries and FS/RFI on the subject of the status of implementation of the NRRP of Rete Ferroviaria Italiana, and with a specific focus on the projects that were emerging as the most critical to the state of knowledge at the time.

Details of the measures and a brief summary of the progress of the main projects under the NRRP are provided below.

Mission 3 "Infrastructure for a sustainable mobility"

Measure 1.1: High-speed railway connections to the South for passengers and freight

The final June 2026 Target is 119 km, and its achievement will be contributed to by the Frasso-Telese-Vitulano and Apice-Hirpinia lots of the Naples-Bari route, Lots 4b and 5 of the Palermo-Catania route, and the Battipaglia-Romagnano priority lot of the Salerno-Reggio Calabria route, all of which are currently under construction.

- Naples – Bari: works are in progress on all three sections;
- Salerno-Reggio Calabria: for Lot 1a Battipaglia- Romagnano, the takeover of Anticipated Works took place on 15 December 2023, and works are currently in progress; the tender for the technological equipment set-up of the section was then awarded, and the takeover of related works took place on 20 December 2024.
- Palermo-Catania-Messina: works are in progress on both Lot 4b Dittaino-Enna and Lot 5 Catenanuova-Dittaino.

Measure 1.2: High-speed lines in the North connecting to rest of Europe

The final June 2026 Target is 165 km, and its achievement will be contributed to by the interventions on the Single Genoa Hub – Third Giovi Pass Project, Rho-Gallarate section upgrading 1st phase, Milan-Pavia section upgrading 1st phase, Brescia-Verona and Verona-Vicenza Junction sections, all under construction:

- Brescia-Verona-Vicenza: the Brescia-Verona section (roughly 48 km) and the Verona-Vicenza Junction section (roughly 44 km) are under construction;
- Liguria-Alps: the works to bore the Third Giovi Pass tunnels, and at the Genoa Hub are underway, with excavated tunnels of 89% and 100%, respectively. On 10 June 2024, the doubling of the section between Rivalta Scrivia and Tortona was activated for a total of 8.5 km, which contribute to the final target.

For the quadrupling of the Pavia-Milan Rogoredo section (1st phase), the executive design services were delivered as a matter of urgency on 29 May 2023. An Amending Supplementary Deed was signed with the Contractor, which provides for a re-phasing of the work so as to allow the Deadline of 30 June 2026 to be met for the works under the NRRP. In particular, the executive design work was divided into three parts (A, B, C), and the related works for part A were taken over on 11 July 2024 and for part B on 25 October 2024; the work on the executive design of part C is still in progress.

With regard to the upgrading of the Gallarate - Rho line, 1st phase, the executive design services were delivered as a matter of urgency on 23 November 2023. On 9 August 2024, an Amending Supplementary Deed was signed, which provides for a re-phasing of the work so as to allow the Deadline of 30 June 2026 to be met for the works under the NRRP. By way of Judgment no. 3488/2024 the Lombardy-Milan Regional Administrative Court, in upholding some of the grounds stated in the appeal filed by the Civic Committee against the Railway Upgrading of the Rho-Parabiago Section, made provision for the annulment of Order no. 11/2023 with which the Final Design had been approved, mainly due to deficiencies found in the environmental procedure carried out by the MASE. On 6 December 2024 RFI therefore proceeded with the suspension of the works. The judgement was appealed against before the Council of State, which, by a decree dated 21 December 2024, granted the precautionary petition submitted by RFI to a single-member court, with the consequent suspension of the enforceability of the contested judgement, and set the hearing in Chambers on 9 January 2025 for the discussion of the precautionary petition by the collective body. Therefore, the preparatory activities and the works of part A were resumed as from 23 December 2024, the executive design of part B was approved by resolution dated 23 December 2024, and the works were taken over as from 30 December 2024, specifying that the approval of the Executive design of the works of part B was subject - with effect from that time - to the condition subsequent of the outcome of the proceedings pending before the Council of State. On 9 January, the Council of State granted the precautionary petition, and, for this purpose, suspended the enforceability of the contested judgment. The hearing on the merits is set for 26 June 2025.

Measure 1.3: Diagonal connections

The final June 2026 Target is 27 km, and its achievement will be contributed to by the Genga-Serra S. Quirico, PM228-Albacina lots, odd-numbered interconnection with Lot 1a Battipaglia-Romagnano, and the Grassano-Bernalda priority lot:

- Orte-Falconara: for Lot 2 Genga - Serra S. Quirico of the new PM228- Castelplanio connection with the Albacina bypass, in May 2024 the preparatory work was delivered for the parts not subject to the compliance audit procedure by the MASE and the Ministry of Culture (MIC), as was the executive design of part A and the partial delivery of the executive design of part B on the part of the contractor. In the last quarter of the year, the MASE completed the compliance audit procedure relating to part A. On 24 December 2024, there was the takeover of the works of Part A.

With regard to the PM 228 - Albacina Doubling, the call for tenders was published in February 2024 as a result of the delays accrued during the authorisation process concluded with the reasoned Decision no. 2 passed by the Special Committee of the Higher Council of Public Works (CSLLPP) on 19 January 2024. The best bidder was selected on 19 April 2024 while the delivery of the services as a matter of urgency took place on 17 May 2024.

- Battipaglia-Potenza-Metaponto-Taranto: with regard to the Grassano-Bernalda priority lot, the related contract was awarded on 3 January 2024, and signed on 2 April 2024, the executive design work of which is still in progress.

With regard to the interconnection between the new HS SA-RC line, and the existing Battipaglia-Potenza line, the intervention is in the implementation phase, together with Lot 1a Battipaglia-Romagnano line.

In March 2024 it was attested that the European milestone of awarding the works for the Diagonal Connections had been satisfactorily fulfilled.

Measure 1.4: Introducing the European Rail Traffic Management System (ERTMS)

The measure has two targets, an intermediate Target of 1,400 km by June 2025, and a final Target for a total of 2,785 km by June 2026.

Work has been completed on 150 km of ERTMS-implemented lines, and on all basic designs, and application contracts for execution (either total or partial) have been entered into on most of the affected lines.

A total of 124 application contracts have been signed to date between design, execution and advance material supply activities.

It should be noted, in particular, that the authorisation processes for the following interventions had been concluded as at 31 December 2024:

- ERTMS Accelerated Plan Lines - Equipment set-up with ERTMS/ETCS level 2 without signalling on the wayside and of related ground subsystem equipment. Domodossola-Arona section;
- ERTMS Multi-technological Upgrading - Rome lines - Casilina - Campoleone section;
- ERTMS Multi-technological Upgrading - NA-AN-BA lines - Orte - Falconara line;
- ERTMS Accelerated Plan Lines - Equipment set-up with ERTMS/ETCS level 2 without signalling on the wayside and of related ground subsystem equipment. PC Arcola Junction - Viareggio section;

- ERTMS Accelerated Plan Lines - Equipment set-up with ERTMS/ETCS Level 2 without signalling on the wayside and of related ground subsystem equipment. ERTMS multi-technological upgrading Milan – Laveno Control System;
- ERTMS Upgrading San Candido - Fortezza line;
- ERTMS Accelerated Plan Lines – Equipment set-up with ERTMS/ETCS Level 2 without signalling on the wayside and of related ground subsystem equipment. Grosseto - Civitavecchia section;
- ERTMS Accelerated Plan Lines - Equipment set-up with ERTMS/ETCS Level 2 without signalling on the wayside and of related ground subsystem equipment. Rovigo - Chioggia section;
- ERTMS Accelerated Plan Lines - ERTMS Multi-technological upgrading - AN-NA-BA Lines - Bari C.le - Taranto Line - Bari P.N. - Taranto section;
- ERTMS Accelerated Plan Lines - Equipment set-up with ERTMS/ETCS Level 2 without signalling on the wayside and of related ground subsystem equipment. ERTMS Multi-technological Upgrading - Novara Ponte Tanaro - Alessandria Line;
- ERTMS Accelerated Plan Lines – Equipment set-up with ERTMS/ETCS level 2 without signalling on the wayside and of related ground subsystem equipment. ERTMS multi-technological upgrading - Genoa - Turin Lines. Arona - Vignale section.

In addition, it should be noted that the authorisation processes for the following interventions were started as at 31 December 2024:

- ERTMS Accelerated Plan lines - Equipment set-up with ERTMS/ETCS level 2 without signalling on the wayside and of related ground subsystem equipment. ERTMS multi-technological upgrading - Novara Ponte Tanaro - Alessandria Line;
- Messina - Catania - Palermo Railway Line. New Palermo - Catania Link. Technological equipment set-up with ERTMS on the Lercara Junction - Catenanuova Section, New Line and Historic Line, including all the Safety and Signalling, Telecommunications, Power Supply Systems and Technological Rooms, and ERTMS Multi-Technological Upgrading of the Central Computerised Multi-station System (ACCM) of the Bicocca - Catenanuova Section. Technological Buildings on the Historic Line;
- ERTMS Accelerated Plan Lines – Equipment set-up with ERTMS/ETCS Level 2 without signalling on the wayside and of related ground subsystem equipment. Pontassieve - Faenza and Borgo S. Lorenzo - Florence Campo di Marte Lines;
- ERTMS Accelerated Plan Lines. Equipment set-up with ERTMS/ETCS level 2 without signalling on the wayside and of related ground subsystem equipment on the Sardinian Network. Ozieri-Chilivani-Ozieri-Golfo Aranci Section - Technological Building: New Golfo Aranci (SS) Multi-station Peripheral Position (MPP);
- ERTMS Accelerated Plan Lines – Equipment set-up with ERTMS/ETCS Level 2 without signalling on the wayside and of related ground subsystem equipment. Section: Attigliano - Viterbo Porta Fiorentina and Viterbo Porta Fiorentina - Cesano;
- ERTMS Accelerated Plan Lines - Equipment set-up with ERTMS/ETCS level 2 without signalling on the wayside and of related ground subsystem equipment. Rome Ostiense - Fiumicino Airport Section;
- ERTMS Accelerated Plan Lines – Equipment set-up with ERTMS/ETCS level 2 without signalling on the wayside and of related ground subsystem equipment. ERTMS Multi-technological Upgrading - Naples - Battipaglia Line. Naples San Giovanni Barra - Salerno Section.

Measure 1.5: Upgrading metropolitan nodes and key national links

The measure has two targets, the intermediate Target is 700 km by December 2024, and the final Target of June 2026 is 1,280 km of interventions on upgrading the infrastructure and technology of the metropolitan nodes and main lines, which are all in the process of being implemented.

With regard to the Intermediate target, on 13 December 2024 RFI issued a certification to the MIT attesting to the completion of 716 km of upgrades on metropolitan nodes and key national links, ready for the authorization and operational phase.

With respect to the authorization processes, we must note, in particular:

- on 13 March 2024, the Services Conference was convened on the project "Artificial Tunnel necessary for the rehabilitation of the 2nd track of Mele station, including the final arrangement of the slope, and related structural, hydraulic and consolidation works of the pre-existing retaining works";
- on 12 April 2024, the Services Conference was convened on the project "Speeding up the Terni - Rieti - L'Aquila – Sulmona line. Technical-Economic Feasibility Project of the Terni - Rieti Section. Priority Interventions. Lot 1: Stroncone Operating Control Line (PM)";
- on 20 June 2024, the Services Conference was convened for the final project "Genoa-Ovada-Acqui Terme Railway Line: adjustment of the General Zoning Plan (PRG), Campo Ligure-Masone Station";
- on 7 August 2024, by Commissioner's Order no. 12, the process was started for the "Technical and Economic Feasibility Project (PFTE) of the Suppression of the Level Crossing of Via Moroni in the Municipal district of Bergamo, and construction of replacement road system" of the Doubling of Ponte S. Pietro - Bergamo - Montello line - Phase 1: Doubling of Ponte S. Pietro - Bergamo section.

Measure 1.6: Strengthening regional lines

The interventions included in the measure are all currently underway.

Measure 1.7: Upgrading, electrification and improved resilience of railways in the South

The measure has two targets, the intermediate Target of 172 km attested in December 2023, and the final Target of June 2026 is 1,162 km of upgrade and resilience improvement interventions in the South.

Negotiation and implementation of interventions are in progress on the main projects included in the Measure.

Specifically, the authorisation processes for the following interventions were concluded in 2024:

- Technical and Economic Feasibility Project (PFTE) of "Decimomannu - Villamassargia Doubling, Lot 2 Villaspeciosa - Uta - Siliqua" following the Services Conference's final Decision of 30 April 2024, and the reasoned Decision no. 3 passed by the Special Committee of the Higher Council of Public Works (CSLLPP) at the meeting held on 17 May 2024;
- Technical and Economic Feasibility Project (PFTE) of "Augusta rail bypass on the Catania-Siracusa section" following the Services Conference's final Decision of 6 May 2024 and the reasoned Decision no. 4 passed by the Special Committee of the Higher Council of Public Works (CSLLPP) at the meeting held on 27 May;
- Technical and Economic Feasibility Project (PFTE) of "Direct link with the Metaponto - Reggio Calabria and Cosenza - Sibari lines: Sibari slip road" following the Services Conference's final Decision of 17 May 2024;

- Technical and Economic Feasibility Project (PFTE) of "Rail link with the Port of Augusta" following the Services Conference's final Decision of 9 September 2024, and the reasoned Decision no. 6 passed by the Special Committee of the Higher Council of Public Works (CSLLPP) at the meeting held on 19 September 2024.

Measure 1.8: Improving railway stations in Southern Italy

The Target is 38 completed stations, including in "partial" areas of intervention by June 2026.

As at 31 December 2024, the intermediate Target had been achieved with the completion of the rehabilitation of the following 10 stations for the parts financed from NRRP funds:

- Abruzzo: Vasto San Salvo;
- Calabria: Scalea - San Domenica Talao;
- Calabria: Vibo Valentia – Pizzo;
- Campania: Falciano-Mondragone-Carinola;
- Campania: Sapri;
- Puglia: Giovinazzo;
- Puglia: San Severo;
- Sardinia: Macomer;
- Sardinia: Oristano;
- Sicily: Milazzo.

As at 31 December 2024, design work was in progress on 12 stations: Acireale, Acquaviva delle Fonti, Brindisi, Potenza Superiore, Teramo, Bari Centrale, Caserta, Taranto, Naples L2, Monopoli, Trinitapoli-S. Ferdinando di Puglia, and Pescara Centrale.

In addition, again with regard to the parts of intervention financed from NRRP funds:

- construction activities are underway for 14 stations: Reggio Calabria Lido (phase 1 has been concluded, and the authorization process is underway for phase 2), Benevento, Naples Centrale, Isernia, Messina, Potenza Centrale, Lecce, Sarno, Siracusa, Giulianova, Nocera Superiore, Torre del Greco, Marsala, Rosarno;
- application contracts have been signed and/or are in the process of being signed for construction on stations related to Naples L2 and Taranto (partial rehabilitation of the passenger – Railway Police (Polfer) building).

The DNSH (Do No Significant Harm) compliance audit is envisaged for the aforesaid interventions in line with European directives.



Measure 1.9 Inter-regional connections

The new measure provides for the implementation of the following interventions:

- Upgrade and rehabilitation of Orte - Falconara section, under negotiation;
- Upgrade and rehabilitation of Battipaglia – Potenza section, under construction;
- Upgrade and technological enhancement of the Palermo - Catania Historic Line, under construction;
- Upgrade and rehabilitation of Milan – Genoa section, under construction.

The measure includes two targets, an intermediate Target of 70 km by December 2025 and a final Target for a total of 221 km by June 2026.

In addition, it should be noted that, in the second quarter of 2024, authorization processes were started for the following interventions: a) Messina - Catania - Palermo Railway Route (New Palermo - Catania Link); b) Technological Equipment set-up with ERTMS of the Lercara Junction - Catenanuova section related to new line and historic line, including all safety and signalling, telecommunications, power supply systems and technological rooms, and ERTMS upgrading of the Central Computerised Multi-station System (ACCM) of the Bicocca - Catenanuova section, and of the Technological Buildings on the Historic Line. The project was approved by the Services Conference's final Decision of 18 December 2024.

Other Missions

M5C3 – Investment 1.4 – Infrastructure investments for Special Economic Zones (SEZs).

With regard to the New underground station - "ASI Salerno", an Amending Supplementary Deed was signed on 27 June, which was aimed at identifying more phases of work, and at the same time the works of phase 1 were taken over by the contractor.

With regard to the intervention on the "Adriatic Line and Bari-Taranto-Gioia Tauro link", work has been completed on the design of the superstructure section while the design of the other sections will be completed by the first half of 2025. Interventions on superstructure sections, civil works and electric traction are in progress with completion expected in June 2026. Interventions on the telecommunications (TLC), electrical substation (ESS) and signalling and safety systems (SSS) sections will be started in the first half of 2025 with completion expected in June 2026. The European milestone of actual commencement of works was attested in June 2024.

"Measure M5C2 - Investment 2.2 – Integrated Plans MICA – Integrated, Connected and Accessible Milan

Under Measure M5.C2 - Inv. 2.2 Integrated Plans MICA (Integrated, Connected and Accessible Milan), works have been commenced on the interventions at Greco Pirelli station.

Implementation of the interventions under the National Complementary Plan to the NRRP in the territories hit by the earthquake 2009 - 2016. Sub-Measure A4.3 "Upgrading and restyling of railway stations".

RFI is the Intervention Manager (upon identification by the Ministry of Sustainable Infrastructure and Mobility (MIMS)) for the rehabilitation of stations within the scope of the projects under the Complementary Plan to the NRRP in the territories hit by the earthquake 2009 - 2016 Sub-Measure A4.3 "Upgrading and restyling of railway stations", which involves nine stations that fall within several municipalities of Lazio, Marche, Abruzzo and Umbria. At present, works are in progress at the stations of Antrodoto, Ascoli Piceno, Baiano di Spoleto, Spoleto, Fabriano, Macerata, Rieti and Tolentino, and L'Aquila.

M2C2 Sub-investment II. Renewal of fleets of buses, trains and green ships – ships.

With regard to the investments in the navigation sector financed from NCP resources, it appears that the hybridization of the Ship Iginia has been completed with commissioning in 2023 while tender processes have been started for the hybridization of the ferry ship Messina (intervention of about €3 million) and for the implementation of onshore power supply at the piers of Messina (Cold Ironing).

Tourism Lines

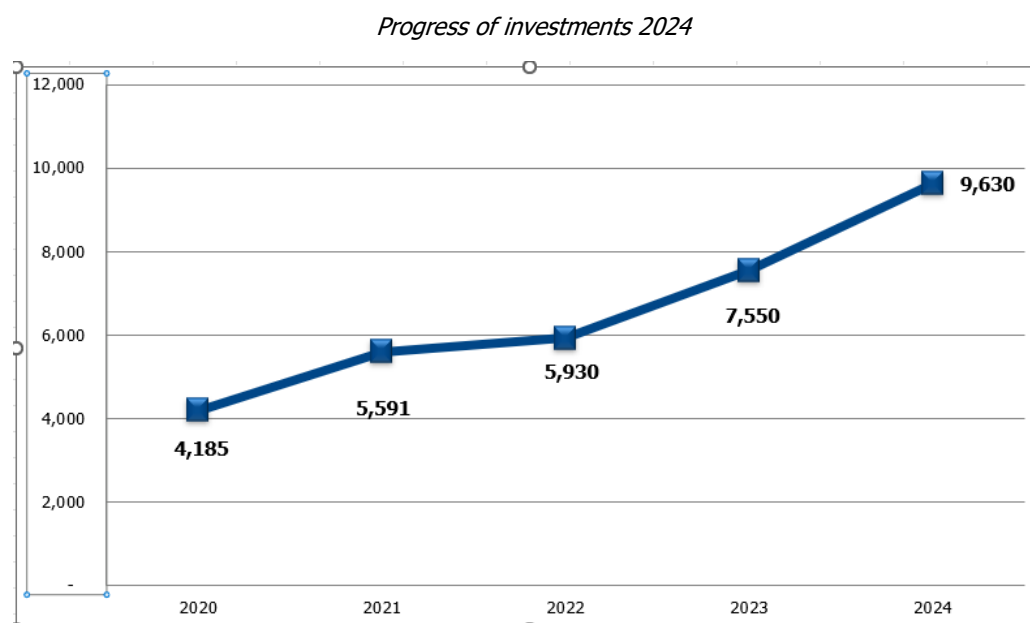
The interventions on the Tourism Lines under the NCP are all found to be underway with expected completion by the scheduled deadline in December 2026.

It should be noted that sustainability studies and reports have been developed for all NRRP projects, which have highlighted the benefits offered by infrastructure projects in terms of economic, environmental, social and tourism development in local areas. Specific assessments were also conducted with respect to the environmental objectives set out in Regulation (EU) 2020/852 (European Taxonomy) for the application of the principle of Do No Significant Harm (DNSH).

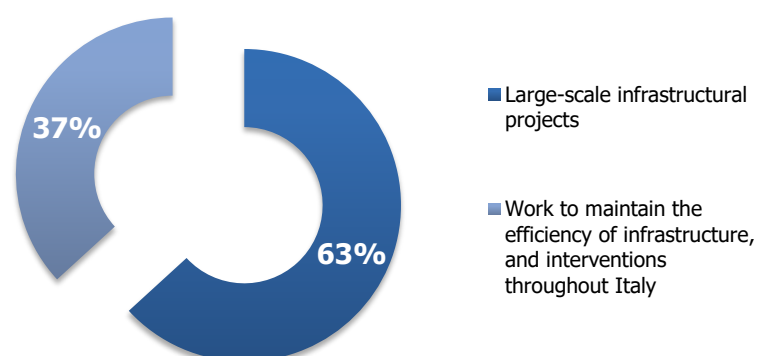
Progress of investments

In 2024, the Company's infrastructural investments totalled €9,630 million, up by €2,080 million (roughly 28%) on the previous year.

Total investments of approximately €6,085 million were allocated to large-scale infrastructural projects, and roughly €3,545 million to the work to maintain the efficiency of infrastructure, including €756 million for technology-related projects.



Breakdown of total volume of investments 2024



Main investments in railway operations

During 2024, work continued on the completion and activation of planned investments in railway operations.

In particular, it should be noted that the TSCS was put into service in the sections S. Zeno Folzano - Visano (km 23.439), Montebelluna - Postioma (km 9.974), Postioma - Treviso Centrale (km 10.09), Agrigento Bassa - Porto Empedocle (km 10.085), Villamassargia - Decimomannu (km 28.552), Buonconvento - Montepescali (km 60.095), Pavia - Torreberetti (km 43.059) and Cervaro-Rocchetta (km 41.371), the latter as part of the modernization of the Potenza-Foggia line.

In December, there was the activation of Rigutino electrical substation (ESS) as part of the Upgrading of the Florence-Rome "Direttissima" line, and of the Multi-station command and control system on the Latina-Formia section.

An Axle-Counter Block (ACB) system was built on the Ambivere Mapello - Ponte San Pietro section (km 3.83).

In April, there was the activation of electrification on the Mercato San Severino-Salerno and Mercato San Severino-Codola-Sarno sections.

There was the activation of the Multi-station Peripheral Position (MPP) of the Torricola stations, as part of the technological upgrading of the Rome hub, and of San Benedetto Sambro Castiglione Pepoli. In the San Benedetto Val di Sambro - Vernio section, the Central Computerised Multi-station System was also activated as part of the performance adjustment and technological upgrading of the Bologna - Prato line, as was that on the Milan G.P. (i) - Monza (i) section, as part of the Turin - Padua technological upgrading, and the Belgium (De Gasperi) Stop of the Palermo Hub.

The Computerised interlocking system of the Genoa Brignole, Sulmona, Assisi, Bastia, Lecce and Caltanissetta Xirbi stations was also activated. In the Genoa Brignole - Genoa PP (km 5.084) and Genoa Brignole - Genoa Marittima S. Limbania (km 3.359) sections, the Coded Current Automatic Block (CCAB) was also implemented.

In Puglia, the Bari-Lecce Computerised traffic control system and the Computerised interlocking system with General Zoning Plan (PRG) in Lecce were activated as part of the General Zoning Plan (PRG) and Central Computerised Multi-station System project on the Brindisi - Lecce section.

In the last quarter, there was the activation of the Bella Muro station as part of the Battipaglia - Potenza line speeding-up, and the Palermo De Gasperi stop while the Florence Cascine - Florence Porta al Prato line and the Florence Porta al Prato stop, which had been commercially suspended from operation previously, were officially discontinued.

Sixty-one level crossings were closed to traffic.

Key projects

In January, work commenced on the Final Designs of the Multi-station command and control system on the Civitavecchia-Fiumicino and Attigliano-Viterbo-Cesano sections, and the Catanzaro Lido-Crotone and Crotone-Sibari sections.

In February, work commenced on the Final Design of the Vicofertile-Osteriazza section.

In March, work was completed on the Final Design for the Bari Nord Hub, and commenced on the Final Design of the addition of the Multi-station command and control system for ERTMS on the Chilivani-Oristano section.

In April, work commenced on the Final Designs of the addition of the Multi-station command and control system for ERTMS for the lines in the district of Agrigento, and the Chilivani-Golfo Aranci, and Chilivani-Porto Torres sections; work was completed on the Final Design of the addition of the Multi-station command and control system for ERTMS on the Terni-Sulmona and Decimomannu-Carbonia sections.

In May, work was completed on the Final Design of the Campo Ligure facility, and commenced on the Final Design of the addition of the Multi-station command and control system for ERTMS on the Alcamo-Trapani via Castelvetro section, which was completed in July.

In June, work commenced on the final design of the TSCS reconfiguration of Lot 1a Battipaglia-Romagnano, which was completed in July.

In July, work was also completed on the final design of the RBC Upgrading within the Rome-Naples HS line, and commenced on the final design of the Multi-station command and control system on the Orte - Falconara section, and the addition of the Villa -Formia section in Multi-station command and control system in the Rome Hub.

In August, work was completed on the final design of the Avigliana-Orbassano line.

In September, work was also completed on the final design of the Hot-box Detector Module for the Computerised interlocking system in Battipaglia.

In November, work was completed on the final designs for the Arcola-Viareggio Multi-station command and control system for the ERTMS of the La Spezia- Pisa Lines and the Grosseto-Civitavecchia Multi-station command and control system for the ERTMS of the Grosseto-Civitavecchia Lines.

STATIONS



Stations have historically evolved in line with mobility trends and changes in their surrounding environment. RFI has worked for years to develop a new concept of a station for its more than two thousand stations as an intermodal hub and focus point for sustainable cities.

This vision puts people's needs at the center, reorganizing outdoor spaces, expanding pedestrian-friendly surfaces, removing fixed obstacles, making routes more fluid, rationalizing the positioning of feeding services according to a priority approach aimed at making door-to-door travel efficient while minimizing the use of private cars.

The goal is to make stations - both indoor and outdoor - more friendly, safe, and pleasant by increasing the level of connectivity with local public transport, sharing mobility, and bicycle and pedestrian mobility, improving accessibility through inclusive and barrier-free design, and enhancing infomobility and wayfinding.

The implementation of this project requires some actions by RFI, as well as RFI's ongoing interaction with Ministries, Regional Governments, and Metropolitan Cities, and Municipal Governments so that national and local planning - particularly PUMS, the Urban Plans for Sustainable Mobility - facilitates the transformation of stations into drivers of the redevelopment of disused, marginal or unattractive areas, and into privileged places of new mobility.

In the area of investment, the Integrated Stations Plan (ISP) has been structured, which is a plan that concerns the redevelopment of more than 600 stations throughout the country; among them are the larger ones where about 90% of users move, but also medium/small-sized stations of particular relevance in relation to the multiple requests expressed by the community, and institutional stakeholders.

Keywords of the ISP

In addition to the ISP, the Hub and metropolitan lines cluster also forms an integral part of the Station Investment Plan, whose programme is aimed at the development and/or the rehabilitation, accessibility and energy efficiency of important stations on the territory, and railway nodes that perform the function of mobility Hub, as well as the construction of new points of access to the network (new stations/stops); the planned interventions are key and functional to improve accessibility to rail transport and with positive repercussions on the territory, often integrated in a broader context of urban regeneration and mobility system.

Interventions in 2024 (improving accessibility) were carried out on 149 stations, and 92 designs were drafted on technical-economic and/or final and executive feasibility.

In addition, the following were carried out:

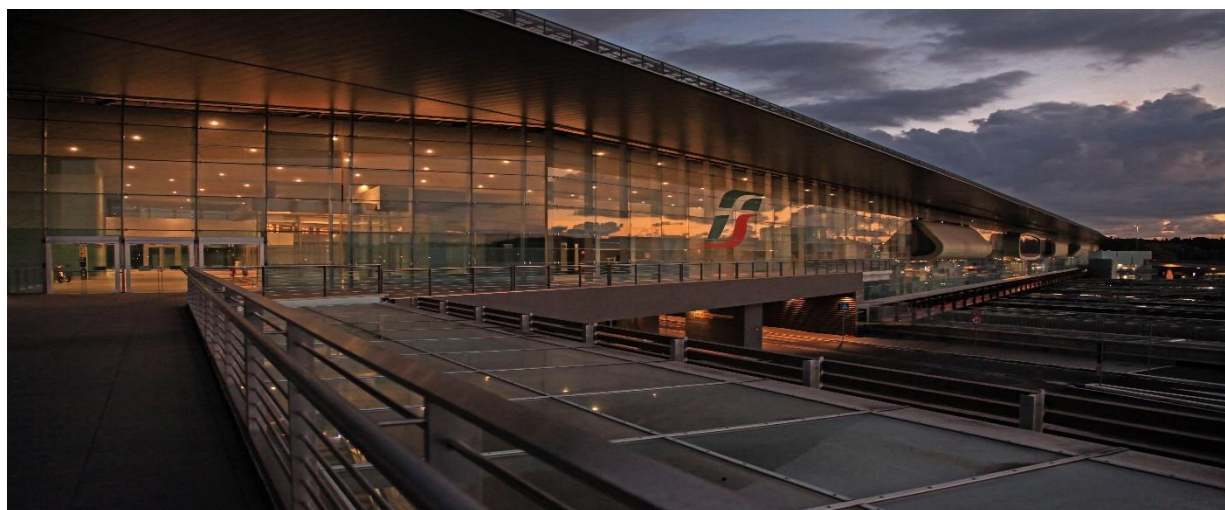
- transport studies that involved the analysis of the accessibility of approximately 45 stations;
- transport accessibility analyses of entire railway lines, preliminary evaluations of new railway connections and/or upgrades, evaluations of reactivation of railway sections or individual stations involving approximately 20 railway lines and/or stations/stops;
- audits of approximately 30 projects of third-party entities concerning station areas.

During the year 2024, new certification programmes were selected and pursued, which had been started in previous years for the various sustainability protocols that are applied to the rehabilitation of railway stations (Envision, GBC HB - Historic Building and LEED for Transit Stations), with a view to setting up well-established procedures in design and site operation that aim at higher standards of environmental, social and economic sustainability for RFI's investments.

A total of twenty stations were registered on the aforesaid portals (some stations have a double protocol).

Finally, the "Stations of the Territory" project was developed in 2024, which was aimed at municipalities with a population of less than 15,000 inhabitants. The objective is to transform stations into multi-functional centres, making part of the passenger buildings and outdoor areas available to citizens with the inclusion of multi-purpose and public utility services.

The first 20 stations included in the project and distributed throughout the country are the gates, for users and travellers, to Italian territories and villages, holders of traditions and witnesses of the local peculiarities of our country. This is an initiative of cultural and economic regeneration with a strong social value: the territory can once again become attractive for the new generations, the elderly and all those who live there, starting from the station.



EU FUNDING OF INVESTMENTS

ERDF resources - 2007-2013 NETWORK AND MOBILITY NATIONAL OPERATING PROGRAMME

The planning is completed and the definitive assignment of the grants is subject to the European Commission's definitive approval of the Final Execution Report, pending the conclusion of checks on reported expenditure by the other beneficiaries of this Programme.

ERDF resources – 2014-2020 INFRASTRUCTURE AND NETWORK NATIONAL OPERATING PROGRAMME

The 2014-2020 Infrastructure and Network National Operating Programme was approved with the EU Decision on 29 July 2015.

RFI has received financing for works to complete the previous 2007-2013 programme, and for new projects entirely covered by the current Programme for total costs for which reimbursement can be claimed of roughly €1,490 million, corresponding to a grant of €1,377 million, net of the Funding Gap (the difference between investment cost and discounted net revenue).

The abovementioned amount was the result of a process of renegotiating the operating programme started in 2023, which resulted in an increase in PON14-20 funding, net of the Funding Gap, equal to about €381 million, of which €120 million related to REACT-EU programme-funded interventions, which aims to repair the social and economic damage caused by the COVID-19 pandemic and prepare for a green, digital and resilient recovery.

In 2017-2024, RFI submitted reimbursement requests for €1,413 million, and the MIT approved an amount of €894 million, leading to receipts of €892 million, €130 million of which was collected in 2024. The remaining amount will be certified by the MIT and collected by RFI during 2025, net of the expenditure not considered eligible and the expected balance at programme closure in 2026.

ERDF resources - 2014-2020 REGIONAL OPERATING PROGRAMME

RFI has been assigned resources of €439 million, net of the Funding Gap, for the regions of Campania, Sicilia, Calabria and Basilicata for thematic objective 7, with a decrease of about €11 million compared to 2023 following the closure of the Campania Regional Operating Programme.

It requested reimbursement of €396 million in 2024.

Connecting Europe Facility (CEF) – Programme for 2014-2020 and 2021-2027

The amount financed to date for the 2014-2020 programme is €134 million.

During the year, RFI received €15.6 million related to the projects on "ERTMS on strategic sections of 3 CNCs", "ERTMS trackside equipment on the Italian section of the ERTMS/Core Network Corridors in compliance with the Breakthrough Program", "Upgrading of the Chiasso – Milano railway line" and "Veneto Region coordinated initiative enhancing core intermodal nodes".

The amount financed to date for the 2021-2027 programme is €217.9 million. During 2024, there was the collection of an amount of €37.4 million.

In September 2023, RFI presented 2 projects as beneficiary and coordinator as part of the CEF Transport 2023 Military Mobility call for tenders. Both projects received positive evaluations, but only one was subject to funding and then to the execution of a Grant Agreement during 2024, due to insufficient budget of the European Agency

CINEA. The grant for the project related to on "Upgrading to Dual Use parameters of the Port Basin of Genoa Sampierdarena - Parco Fuori Muro on the Rhine-Alpine CNC" was equal to a co-financing of €29 million, whose pre-financing of €10.1 million was collected in September 2024.

In January 2024 RFI participated in the CEF Transport 2023 General Envelope call for tenders by applying for 5 projects - 4 as coordinator and 1 as beneficiary partner. All applicant projects received favourable opinions, but those for which the financing agreement was signed were 2, due to limited budget of the European Agency CINEA. The respective Grant Agreements were signed last October, allocating an amount of €137.7 million for RFI. Of this, €24.6 million was collected in December 2024 as pre-financing.

Finally, it should be noted that RFI has successfully completed its work in relation to the project on the "Deployment of 5G in the Fréjus cross-border section between Italy and France" as part of the CEF Digital programme.

In September 2024, CINEA then published an additional CEF Transport 2024 call for tenders, and RFI presented 5 proposals for the General Envelope within the deadline of 21 January 2024. RFI has applied for a grant of €12.5 million.

The results of this latest call will be made public by the first half of 2025.

RAILWAY AND INFRASTRUCTURE OPERATING SAFETY

RFI conducts all business activities that have an even indirect impact on train traffic safety within the framework of the corporate Safety Management System (SMS). After being authorised by ANSFISA (National railway, road and motorway infrastructure safety Agency) in the Safety Authorisation it issued to RFI in June 2014 pursuant to Legislative Decree no. 162/2007, the SMS is one of the three components of the Integrated Safety Management System (ISMS), which also comprises the Environmental Management System (EMS), and the Occupational Health and Safety Management System (OHSMS), certified under the ISO 9001 standard, and ISO 14001 and OHSAS 18001 standards, respectively. With regard to the activities related to the Integrated Safety Management System (ISMS), there was the confirmation of the certificates ISO 14001 and ISO 45001.

In the period from 12 June 2024 to 5 July 2024, the certification body Rina Services S.p.A. carried out the audit for the three-year renewal of the ISMS certification (issued in July 2021) according to UNI EN ISO 9001:2015, UNI EN ISO 14001:2015, and UNI ISO 45001:2018, which, with a commitment of about 50 man/days of audits, involved various head office and local Departments and Production Units. The audit was successfully concluded with the renewal of certifications.

OPERATING SAFETY

Safety targets are monitored for the National Railway Infrastructure that RFI operates by using the indicators identified in accordance with current legislation, and the data stored in its specific database (the "Dangers Database"), and in compliance with the international criteria endorsed by the ERA (European Railway Agency).

The main indicators used to monitor safety performance are as follows:

- Common Safety Targets;
- significant accidents (train collisions, train derailments, accidents at level crossings, fires on board rolling stock, injuries to people involving moving rolling stock, except for suicides and attempted suicides, others);
- rate of total accidents for which RFI is responsible;
- significant accidents for which RFI is responsible;
- typical "UIC accidents."

For some of these indicators, the ERA has prepared and assigned CSTs⁴ at European level and NRVs⁵ at national level, based on historical data.

The table below compares the National Infrastructure Operator RFI's cumulative performance in each risk category and for each indicator defined (measured in FWSI⁶ related to the "Basis of calculation") with the CSTs and specific NRVs for Italy.

⁴ Common Safety Targets.

⁵ National Reference Values: these are, for each of the CSTs considered at European level, the specific value assigned to the railway system in each Member State.

⁶ FWSIs - Fatalities and Weighted Serious Injuries.

Risk category	Units of measurement	Basis of calculation	TARGETS		REPORTED DATA
			CST	NRV	Actual 2024
			MUNICIPALITIES (x10 ⁴)	ITALY (x10 ⁴)	RFI (x10 ⁴)
1. Passenger	1.1 Number of FWSI passengers per year deriving from significant accidents/number of km-train passenger per year	Km-train passengers per year	170.00	38.10	6.34
2. Employee or Contractor	Number of FWSI employees per year deriving from significant accidents/number of km-train per year	Km-train per year	77.90	18.90	2.92
3. Level crossing user	Number of FWSI level crossing users per year deriving from significant accidents/number of km-train per year	Km-train per year	710.00	42.90	16.70
4a. Other person at a platform	Annual number of FWSI persons belonging to the category "other" deriving from significant accidents/number of km-train per year	Km-train per year	14.50	6.70	0.00
4b. Other person not at a platform					
5. Trespasser	Number of FWSI persons per year deriving from significant accidents/number of km-train per year	Km-train per year	2050.00	119.00	191.64

The analysis in the table shows that the only target above the NRV but below the CST was that for people entering or crossing the railway tracks in violation of rules (violation of safety regulations by non-railway system people), being higher than the value in the last year (173.71). In any case, this indicator cannot be considered definitive and could be subject to change based on the findings of the competent Authority in its investigation of suicides/attempted suicides.

Significant accidents⁷ are particularly important given the gravity of their consequences. In 2024, there were 128 events, which, in total, caused (in addition to economic damage to the infrastructure, rolling stock involved, third parties, and rail disruption for more than 6 hours on a main line), 78 deaths, and 37 serious injuries (hospitalization > 24h).

The increase in significant accidents in 2024 (+20 on 2023) was due to a rise in "Injuries to people involving moving rolling stock" (+19), "Accidents at level crossings" (+5), and "Train derailments" (+2); the events relating to "Other" (-4), "Train collisions" (-1) and "Fires involving rolling stock" (-1) showed a decrease. The analysis of causes of accidents shows an increase in "External" causes from 90 to 117. On the other hand, the number of events due to "Internal" causes decreased from 18 in 2023 to 11 in 2024.

CSI accidents (ERA classification)	Accidents (number)	
	2024	2023
Train collisions	5	6
Train derailments	4	2
Accidents at level crossings	10	5
Fires involving rolling stock	0	1
Other	4	8
Injuries to people involving moving rolling stock	105	86
Total	128	108

In addition to being monitored according to the ERA classification, safety performance is also monitored internationally according to the UIC's criteria, which exclusively consider the effects of the railway service and

⁷ The ERA's definition of significant accident: any accident involving at least one rail vehicle in motion, resulting in at least one killed or seriously injured person, or in significant damage to stock, tracks, other installations or environment, or extensive disruptions to traffic. Accidents in workshops, warehouses and depots are excluded.

therefore exclude people being run over, damage to people when they unduly board/deboard moving trains, suicides and attempted suicides.

“Typical” accidents according to the UIC are classified as follows: collisions, derailments, fire on rolling stock, accident involving hazardous freight, and accidents at Level crossings (collisions against obstacles or vehicles). This type of classification is used to measure the safety of railway systems giving less importance to accidents due to misconduct by external people (violations of Presidential Decree no. 753/80).

To boost train traffic safety, RFI is committed to the ongoing protection, maintenance and upgrade of the infrastructure and its technological equipment, as well as the development of new lines and systems, and fine-tuning increasingly effective production and operating procedures.

Annual Safety Report – 2024

In May 2024, the Annual Safety Report for 2023 was prepared and submitted, in accordance with ANSF Guidelines no. 5841/2016 of 25 May 2016, and Decree no. 50/2019, for the “Implementation of Directive 2016/798 of the European Parliament and of the Council of 11 May 2016 on railway safety”.

The Annual Safety Report was sent to ANSFISA by a memo dated 31 May 2024, and includes:

- data on how internal safety objectives and safety plan results are achieved;
- the calculation of national safety indicators and CSIs;
- the findings of the internal safety audits;
- observations on weaknesses and malfunctioning of railway and infrastructure operations that could be of concern to ANSFISA;
- the data and information that ANSFISA requests on an ongoing or occasional basis;
- the application of the Common Safety Methods.

Safety authorisation

In the first half of 2024, RFI obtained the renewal of RFI's Safety Authorization (due to expire on 20 June 2029), issued by ANSFISA with the specific order issued on 21 June 2024, at the end of the documentation evaluation process conducted by the Agency in accordance with Art. 11 of Legislative Decree no. 50/2019, “Implementation of Directive (EU) 2016/798 of the European Parliament and of the Council of 11 May 2016 on railway safety”, and with Commission Recommendation (EU) 2019/780 on practical arrangements for issuing safety authorisations to infrastructure managers.

In the second half of 2024, in anticipation of the takeover of the operation of the regional concession rail infrastructure Udine - Cividale, a request was made, by a memo dated 16 December 2024, to update the current Safety Authorisation, in accordance with the provisions of the “Guidelines for the issue of safety authorisations and certificates of fitness for operation” issued by ANSFISA on 19 September 2024.

SAFETY AND RESILIENCE OF INFRASTRUCTURE

Tunnel safety

During 2024, work continued on activities for the issue of Emergency and Rescue Plans (ERPs) for tunnels that are more than 1,000 metres long. As at 31 December 2024, 271 of the 357 tunnels concerned were usable.

In addition, an audit was carried out to check for compliance of the safety documentation, prepared in accordance with the Ministerial Decree of 28 October 2005 "Safety in railway tunnels", in relation to the following tunnels:

- Monte Aglio of the 1st Functional Lot Canello - Frasso Telesino of the doubling of the Canello - Benevento section, Naples - Bari route;
- Casalnuovo of the Canello - Naples Line Variant, Naples - Bari route;
- S. Antonio of the new Avigliana - Orbassano section of the new Turin - Bussoleno line;
- Terni of the doubling of the Terni - Spoleto section of the Orte - Falconara line upgrade;
- Colombo and S. Tomaso of the Voltri - Brignole infrastructural upgrading of the Genoa Hub;
- Serravalle of the Pistoia - Montecatini Terme section of the doubling of the Pistoia - Lucca - Pisa S.R. line.

Seismic vulnerability, hydro-geological risk and areas subject to landslides

Seismic vulnerability testing on infrastructure works along major railway lines pursuant to article 2.3 of Prime Minister's Order no. 3274 of 2003, and work to improve the management of seismic risks entailed the following:

- completion of inspections on 165 bridges, in addition to the 2,767 inspected in previous years, and 25 buildings, in addition to the 101 already inspected in previous years;
- performance of general inspections on 107 bridges (604 spans) in accordance with the procedure for "Inspections of bridges, tunnels, and other railway infrastructure works";
- completion of seismic improvement works on 190 bridges with work underway for another 44 bridges.



In addition to the mapping already carried out for the mitigation of **hydro-geological risks** and the prioritisation of projects to protect the railway track bed:

- design activities continued for hydrogeological risk mitigation measures at approximately 60 sites;
- roughly 13 hydrometric monitoring stations were installed at as many railway crossings;
- the first 52 rain gauge stations were installed, and work continued on the surveys on other sites with related plant engineering design.

The work carried out on the alarm netting for **falling rocks** continued in 2024 in Lombardy on rockfall warning systems, and in Calabria on plant and systems.

Finally, construction activities continued for **wind barriers** in the areas of Bologna and Naples.

Other work to improve safety and regularity

With regard to the development activities of the analysis of impacts of weather and climate on the railway infrastructure, work continued in 2024 on the collaboration in the "Climate Change" working group; specifically:

- there was the enhancement of the oversight process on climate risk, and adaptation measures;
- a working group was formed to draft a methodology for the quantification of climate change adaptation actions in investment projects;
- information and data analysis were provided for the preparation of a natural disaster insurance policy.

INTEGRATED TECHNOLOGIES

They are developed according to the plans set forth with the Government to improve infrastructure performance in terms of safety, speed, capacity, punctuality, the quality of services provided to transport companies and passengers, railway technologies encompass all electromechanical, electronic and automated plants and systems controlled by ground and on-board operators, and help ensure traffic safety throughout the network, while also supporting and increasing the efficiency of all other processes for railway operation, line maintenance, public information, network electrification, and remote monitoring of proprietary assets.

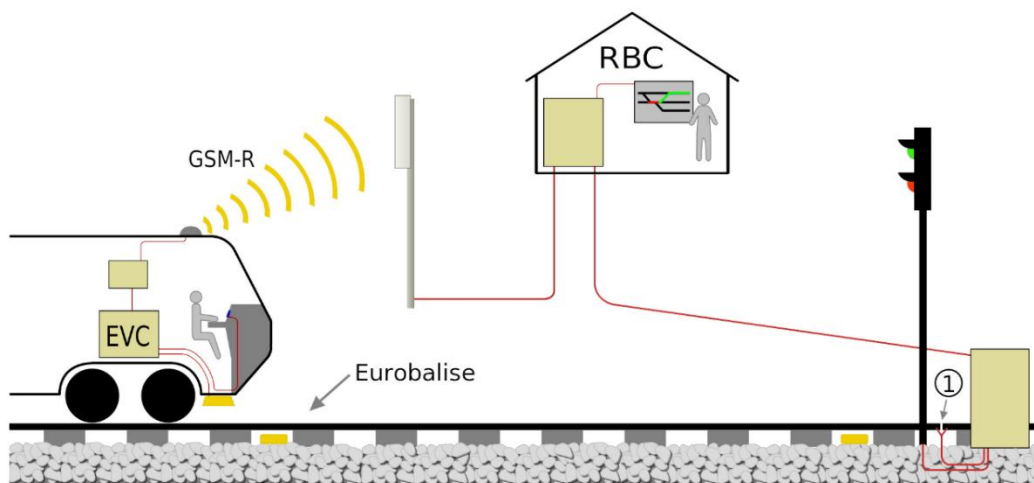
In January 2024, in preparation for the ERTMS National Implementation Plan (NIP), the MIT established, in compliance with Regulation (EU) 2023/1695 of 10 August 2023 (on the technical specification for interoperability relating to the control-command and signalling subsystems - CCS TSI), three thematic sub-panels (on-board-freight, on-board-passenger and trackside-managers) coordinated by RFI with freight and passenger RUs, signalling suppliers and ANSFISA, in order to jointly discuss and explore technical, financial and organizational issues related to the proposed ERTMS planning and seek shared solutions. In light of what emerged in the meetings, RFI's ERTMS NIP was formally sent to the MIT on 25 November, which will be used, as appropriately integrated with information from Railway Undertakings and other Infrastructure Managers, to notify the European Commission of the Italian ERTMS National Implementation Plan.

The ERTMS NIP has been uploaded to the RFI "MobiLAND" platform (an evolution of the "StationLAND" platform). In addition, an integrated visualization dashboard of Regulation (EU) 2024/1679 obligations on the national infrastructure was developed to enable the progress of ERTMS implementation on the TEN-T and Off-TEN network to be observed on the MobiLAND application, thus being able to discriminate the differences that have occurred between freight and passenger corridors.

At the European level, work continued on the ERTMS L2/L1 deployment program, launched in 2018 in compliance with Regulation (EU) 2017/6, in overlapping mode with the national train running control system on priority sections of the four core network corridors (Mediterranean Corridor, Rhine-Alpes Corridor, Scandinavian Mediterranean ERTMS Corridor, and Baltic-Adriatic ERTMS Corridor). This program will connect the cross-border sections with Switzerland, Austria and Slovenia with the main logistics areas in northern Italy. In addition, the connection with France will also be made.

Technological Network Plan

In 2024, too, the commitment remained constant in supporting and monitoring the installations relating to the Safety Interventions of the Technological Network Plan, in which reference standards are listed for the design and



construction of Technological Systems and Products that are currently available, or that are being built on all lines and Hubs, in order to meet design requirements with respect to Safety, Capacity, Regularity, Faster speeds, Obsolescence, Technological Integration, and Interoperability.

RESEARCH AND DEVELOPMENT

In collaboration with universities and research institutions, RFI is engaged on an ongoing basis in the development of new technologies, as well as the study and definition of new industrial processes.

Research and technological development are key to exploring innovative solutions, and long-term scenario analysis. The real challenge is to grasp the trend in the variables affecting mobility in order to design interventions adapted to long-term transport needs, either by following industry innovations on the global scene, or by finding new solutions applicable to the domestic environment.

Research

The following are some of the flagship projects that were carried out during 2024.

Unmanned Railway Vehicle (URV) project

This project was born in 2018 and has as its goal the creation of an autonomously driven railway vehicle, capable of performing monitoring and surveillance of the infrastructure of HS rail lines. During 2024, the project was given a definite boost with the creation of a prototype that was tested at the Bologna San Donato Test Circuit and the results were communicated through the FS Group's social channels.



URV vehicle being tested at the Bologna San Donato Test Circuit in October 2024

IoT sensors for railway infrastructure

With respect to what was reported in the 2023 Annual Report, it should be noted that in 2024:

- the activities of the Smart Rail Research Project led to the realization of the phase 2 demonstrator at the Bologna San Donato Test Circuit: a track of about 25 meters was equipped with the sensors designed and built to evaluate the deformation detection capabilities when a rolling stock passes;
- for the Low Power Switch Research Project, the final experimental campaign of the complete system was carried out at the Bologna San Donato Test Circuit in early 2024;



Low Power Switches Sensor Demonstrator

- the Low Power TE research project was launched, which aims to monitor, through newly developed, low-power and integrated sensors, the TE line in order to indirectly determine contact wire wear, up-lift value and other useful quantities to diagnose the health of the electrical infrastructure.

Transportable Terrestrial Drone (ROBIN)

The project stems from the need to study a technological upgrade to the “Ultralight Medium for Minimum Obstacle Profile Verification” demonstrator, known as ROBIN (Railway Obstacle and Barrier Inspection Navigator).



ROBIN drone on display at INNOTRANS 2024

The abovementioned demonstrator consists of a railway vehicle (a transportable terrestrial drone) capable of performing automatic supervision along specific sections of railway line, under interruption.

The need is to provide an aid for line inspection, capable of verifying whether rail tracks are clear according to the Minimum Obstacle Profile (MOP) after the end of site works, or before the line is reactivated to traffic. In case of detecting objects/materials in the gauge, the Drone notifies the escort agent to enable their immediate removal, in addition to identifying their progressive mileage.

In 2024, documentation for HW and SW was drafted, and work commenced on the intellectual property protection procedures through filing of the application for patenting the model.

Technological developments

In 2024, spending for investments in innovation was equal to approximately €16.2 million. The table below shows the amount of spending broken down by the main operating segments:

millions of euro

Operating segment	2024	2023	2022	2021	2020	2019
Safety technologies	14.0	13.6	9.2	9.0	14.7	20.9
Innovative diagnostics	0.1	2.7	-	-	-	-
Studies and tests on new parts and systems	0.9	1.1	2.2	4.7	5.1	3.1
Environmental friendliness	1.2	0.9	0.2	0.2	0.1	0.6
Other	-	-	-	-	-	-
TOTAL	16.2	18.3	11.6	13.8	19.9	24.6

Spending for technological developments varies over time due to the very nature of the interventions, which may enter production, or because additional pilots are carried out for a limited number of locations/categories/systems.

In 2024, work continued on development projects launched in previous years, including:

-
- "Research and Development technology demonstrators", with the aim of creating a centre of excellence where RFI's expertise is concentrated in all technological areas relating to railway signalling and telecommunications;
 - "Hardware and Software Platform Development", which involves the development of RFI's hardware and software platforms, and work on information systems to support analytical services for traffic;
 - structural monitoring systems on railway bridges and viaducts; in 2024, reference standards were identified, an analysis was carried out to define the optimized cluster of works to be monitored without the need for discontinuance of operations;
 - IT platform I.O.D.A. (Artwork Inspection) for the management, storage and visualization of data acquired during inspections on works of art belonging to the railway network, including with the help of Remotely Piloted Aerial Systems (RPAS - drones);
 - surveying of tunnel defects with the mobile laser-camera diagnostic system;
 - experimentation with the "Use of train-facing cameras" for infrastructure monitoring and diagnostics;
 - activities for the "Definition of a ranking of intervention priorities for sections of railway line exposed to floods, based on the assessment of the speed of the phenomenon and damage", according to a semi-automatic geomorphological analysis procedure in a Geographic Information System (GIS) environment.

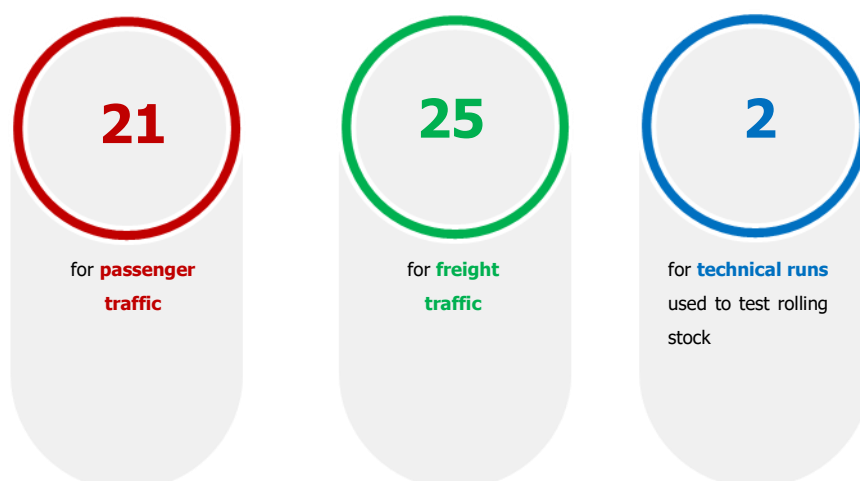
CUSTOMER RELATIONS

General information

As national railway infrastructure operator pursuant to Legislative decree no. 112/2015, RFI operates on a market that consists of Railway Undertakings (RUs) and applicants. The latter, in addition to the railway undertakings, Regions and autonomous provinces, also include “the competent authorities under the European Parliament and Council regulation no. 1370/2007, loaders, shipment agents and combined transport operators, with a public service or business interest in acquiring infrastructure capacity for the purposes of providing railway transport services (article 3 of Legislative decree no. 112/2015).” The contract concerns, in the case of the former, standard hours and services - Infrastructure use contract with a term not exceeding the validity of a schedule, and in the case of the latter, the infrastructure’s capacity in general terms or overall volumes, rather than in detail - Long-term master agreement.

Infrastructure use contracts

In 2024, the market consisted of 41 RUs (39 from 15 December 2024) with operational railway licences issued by the MIT, and 48 infrastructure use contracts were signed, broken down as follows:



Network Statement (NS)

In 2024 there was the publication of an extraordinary update to the NRI’s 2025 NS (March 2024 edition), two extraordinary updates of the 2025 NS of the Piedmont Regional Railway Infrastructure (IFRP, 1st and 2nd editions of April 2024), and an extraordinary update of the 2025 NS of the Umbrian Regional Railway Infrastructure (IFRU, April 2024 edition).

The main changes introduced by the aforementioned edition of the 2025 NS concern the inclusion of the reference to the “Change Request Error Correction” required to circulate on the NRI, with the provision through the ePIR portal of the relevant documentation, and the addition of a new paragraph, related to the ERTMS ground-to-board integration process, in compliance with the Commission Implementing Regulation (EU) 2023/1695.

The publication of the “IFRP 2025 NS - 1st edition April 2024” took place following the Deed of Transfer of business unit of Gruppo Torinese Trasporti S.p.A. (GTT) to RFI (File no. 69245, Register no. 36049 of 29 December 2023), whereby the latter assumed the role of Infrastructure Manager of the “Canavesana” and “Turin-Ceres” lines.

Through the aforementioned publication, RFI proceeded to reconcile the contents of GTT's 2025 NS, published in December 2023, with the provisions of RFI's 2025 NS for the National Railway Infrastructure. Among other new elements, the structure of the document, published by the previous Manager, has been adapted to the European harmonization criteria set out in the RNE Network Statement Common Structure, and the capacity allocation process described in Section 4.2 has been adapted to the procedures of RFI, which, as noted above, assumes the role of IM and no longer that of Allocation Body for the Piedmont network.

The publications of the "IFRP 2025 NS - 2nd edition April 2024" and "IFRU 2025 NS - April 2024 edition" follow the requirements of the ART in Resolution no. 51/2024 of 18 April 2024, and are aimed at the inclusion of tariffs for the year 2025, adopting the related levels applied in 2024, as increased by the planned inflation rate of 1.1%, as stated in the Economic and Financial Document resolved upon by the Council of Ministers' meeting held on 9 April, with reference to both the values of fees for MAP and tariffs related to non-MAP services.

On 28 June 2024, in accordance with the provisions of Article 14 of Legislative Decree 112/2015, RFI published on its website:

- a) the first draft of the 2026 NS and the related accompanying report;
- b) the first draft of the IFRP 2026 NS and the related accompanying report;
- c) the first draft of the IFRU 2026 NS and the related accompanying report.

During the second half of 2024, the following were published:

- a) a 2nd version of the 1st draft of the 2026 NS (July 2024 edition);
- b) an ordinary update of the NRI 2026 NS (December 2024 edition);
- c) an extraordinary update of the NRI 2025 NS (December 2024 edition);
- d) an ordinary update of IFRP 2026 NS (December 2024 edition);
- e) an ordinary update of IFRU 2026 NS (December 2024 edition).

The ordinary updates included the preparatory publication of their final drafts on 30 September 2024, following consultations that took place with stakeholders.



SERVICES PROVIDED BY THE INFRASTRUCTURE OPERATOR

The following is intended to give precise evidence, albeit in summary form, of the services provided by the infrastructure operator, broken down as per Article 13 of Legislative Decree no. 112/2015 while living indications of the economic performance for the year 2024 compared to the previous year.

Minimum access package (MAP)



Fees

Right to use assigned capacity, use of the railway infrastructure, and control and regulation of train traffic. Provision of all necessary information to deliver or operate the service for capacity granted. Use of the electrical system for train traction.



Sea rail link to/from Sicilia and Sardinia

A sea rail link to/from Sicily (Villa S. Giovanni - Messina) and Sardinia (Villa S. Giovanni/Messina - Golfo Aranci) is made available to the RUs.



Infrastructure connecting to the service facilities

Ensuring RUs the right to use the railway infrastructure to access the connected facilities owned by entities other than RFI.

Revenue from fees arising from traffic volumes in 2024 showed a slight increase on the previous year, which was attributable to greater train-km volumes, and the effect of the price change, mainly of the tariff increase brought about by the ISTAT (National Statistics Institute) revaluation of 1.4%, with a positive impact on prices.

Ferrying revenue remained in line with the previous year.

Facilities with guaranteed access and related services



Passenger stations, with respect to facilities for travel information systems, adequate spaces for ticketing, and other facilities that are functional and necessary for railway operations

Station spaces related to self-service ticketing kiosks (BSS), mobile information desks, non-self-service ticketing kiosks, reception and assistance services, ticket machines, and premises and technical areas functional to the aforementioned spaces are made available to RUs.



Freight terminals

Accessing and making terminals intended for cargo loading and unloading available to RUs, for non-exclusive use, for which RUs may use the Facility Operators working at the terminal.



Train shunting and composition areas, including shunting areas

Accessing and making areas intended for combining and splitting trains, by using at least two tracks, available to RUs, for non-exclusive use.



Areas, facilities and buildings for parking, shelter and storage of rolling stock and freight, and areas for fuel supply

Tracks are made available for non-exclusive use by RUs, and with no obligation on RFI to store rolling stock, for a period of time equal to or exceeding 1 hour, for RUs operating passenger services, and 2 hours for RUs operating freight services.

Use of areas for parking, which are also used for self-supply of fuel by Railway Undertakings, through the use of tankers, or fixed installations owned by them.



Maintenance centres, except for heavy maintenance centres reserved for high-speed trains, and other types of rolling stock that require specialist centres

Areas (buildings, and covered and uncovered areas), and related functional equipment therein are made available for non-exclusive use, and without any obligation of custody of equipment owned by RUs.



Washing bays

Secondary track bundles equipped with slab tracks, washing water drainage and purification system, functional for washing rolling stock, are made available for non-exclusive use. The provision of the service assumes the use of stabling tracks; therefore, the RU that uses the washing bay service also uses the stabling service in an indispensable manner.



Infrastructure clearance

Equipped rescue wagons, or other suitable/equipped vehicles are made available in order to clear the railway line in case a train is unable to run.



Wastewater discharge

The undertakings operating in rail passenger transport services are provided with:

- specific functional areas for the installation by the Company of tanks for the storage of sewage to be collected from the trains by means of trolleys equipped with special tanks for emptying train tanks;
- specific tracks where there is a drainage system directly connected to the sewage system, where the Railway Undertakings may carry out drainage operations, without resorting to specific equipment.

In 2024, revenue showed an increase for all these services, mainly due to the combined effect of:

- higher revenue from freight terminal service by about 45.0% compared to 2023 due to the "Freight Terminal Project" put in place by the Company, following talks with the Transport Authority, to minimize tariff evasion by the RUs, and which allowed all those accesses not previously regulated by contract/scheduled to be recovered in reporting;
- higher revenue from the fixed installation Wastewater Discharge service with a 51% increase over 2023, mainly due to the resolution of system malfunctions which occurred during the first half of 2023;
- higher revenues from the Wastewater Discharge Areas service, which recorded a 70% increase compared to 2023, due to the delivery of new areas with regular delivery report.

Additional services



Pre-heating, air-conditioning, and use of REC power for maintenance and cleaning of passenger trains

Power for on-board equipment, through an Electric Wagon Heating (REC) column, to be used for climatic treatment of the material, the performance of maintenance operations that can be carried out on stationary tracks, and internal cleaning of the material.



Water supply

Fixed installations, and functional water supply to feed on-board water systems of rolling stock are made available to RUs, for non-exclusive use.



Traffic control for trains transporting freight classified as hazardous

RFI's monitoring of the movement of trains transporting freight classified as hazardous in the PIC WEB computer system, and coordination and implementation of such contingency plans as may be necessary, even at the request of the RU.



Traffic assistance with special trains

- Preparation of the routing schedule of trains carrying exceptional freight, and issuance of authorization for the movement of such freight;
- Monitoring the movement of the freight, as well as, where required, technical escort of the trainset with RFI staff;
- Operations, if necessary, to adapt the infrastructure to allow the circulation of the special train.



Shunting service

Shunting service is provided by RFI at the Villa S. Giovanni and Messina facilities.



Assistance to people with disabilities and reduced mobility (PRM)

Assistance operations at stations, and during boarding on/disembarking from the train, including through the provision of wheelchairs, to persons with reduced mobility, referred to in Regulation (EU) 2021/782 (formerly Regulation (EC) No 1371/2007).



Parking

Power for on-board systems, via pantograph slides, for a period of time of 1.5 hours or more, with the activation of the "parking" mode.



Fast track

A train access gate is made available, for exclusive use, which is additional to the gates used for ordinary security checks, with dedicated staff and utilities functional to the delivery of the service.



Supply of electrical energy for traction

Supply of electricity for traction of rolling stock, both on 25kV and 3kV powered grids.

The most significant change in revenue from complementary services was attributable to the service for Traction Current Supply, and to Electric Services (Parking and Preheating/Cooling).

For the reporting period, revenue from Railway Undertakings showed an increase, consistent with the related cost, resulting from:

- volume effect due to higher traffic, and therefore electricity consumption, compared to the same period in the previous year;
- price effect mainly attributable to the stabilization of the purchase price of energy compared to the trends observed during 2023. This effect was also attributable to the valuation of the grant provided by the Special Tariff Regime (3kV grid), in line with the performance of the gross cost.

The positive variance for revenue from electric services was also mainly attributable to the phenomenon related to the above-mentioned price.

The Persons with Reduced Mobility - PRM service has now reached full effectiveness with the new computer system ReteBlu, which allows all Railway Undertakings circulating on the national network to proceed with real-time consultation of the files generated by the Blue Rooms Operators and their state of progress (planned, closed, and cancelled). Railway Undertakings, through this system, can also plan assistance services, following direct contact with disabled and reduced mobility travellers, by accessing the system directly from the Internet network.

Revenue from this service showed a 10% increase over the previous year.

For all other Complementary Services, revenue showed no significant differences compared to the previous year.

Auxiliary services



Provision of complementary information

Loudspeaker announcements and provision of supplementary posters, in addition to the supply of utilities for the use of information systems made available to RFI.



Access to the GSM-R telecommunications network for ground/train service links

Access to the functional radio network for phonics and data communication in support of railway operations, and work of maintenance, operation, at freight yards and terminals and stations, command and control of train operations, and control and diagnostic supervision of railway equipment.

Revenue from auxiliary services recorded an increase from the previous year, mainly attributable to the Provision of Information due to increased market demand for information utilities.

PUNCTUALITY

Train punctuality is the key indicator of the quality of service provided to Customers by RFI.

Real punctuality was used to measure punctuality performance in 2024, as it measures the performance perceived by Customers directly.

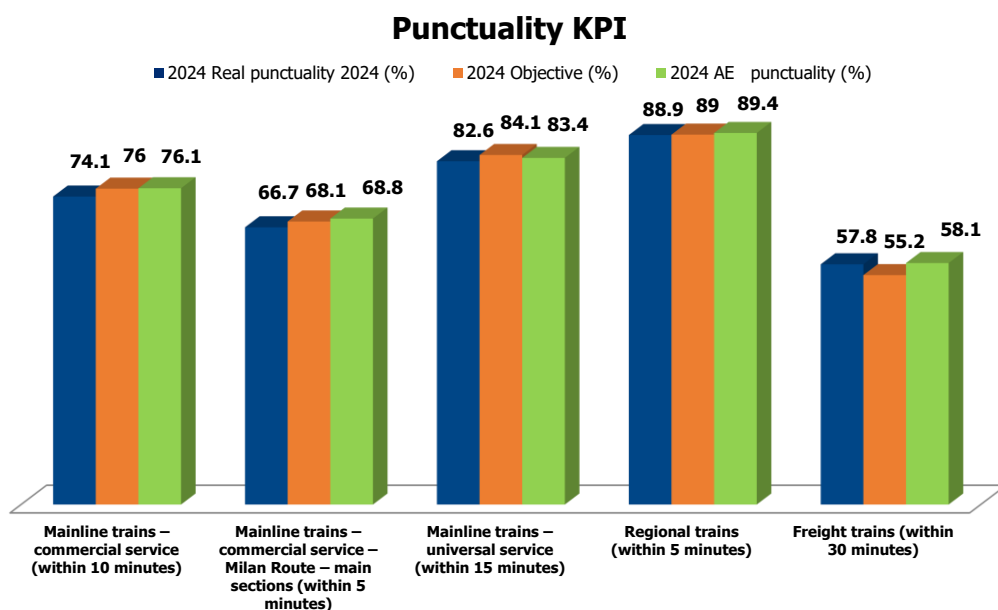
Real (or perceived) punctuality is the ratio of the number of trains that arrived within the punctuality threshold selected and the total number of trains in circulation (where NP is the number of trains that arrived within the threshold, NC is the number of trains in circulation and real punctuality is equal to $NP/NC \times 100$).

The punctuality KPIs are defined as the ratio of trains that arrived within the punctuality threshold (based on pre-set parameters) and the total number of trains in circulation for a given segment.

Therefore, the punctuality figure must also be considered in relation to the related traffic volumes: in this regard, it should be noted that during 2024 the traffic volumes of the Market segment and the Regional Transport segment showed an increase compared to 2023 while there was a decline in the traffic volumes of the Universal Service Mainline Trains, and the traffic volumes of the Freight segment, due in particular to a reduction in transport to/from abroad, due to the prolonged unavailability of the crossings (Frejus pass, where circulation is still suspended, and Saint Gotthard Pass, which was fully reopened to traffic in September).

RFI sets the punctuality targets at the beginning of each year, pursuing continuous improvement.

The 2024 punctuality KPIs were as follows:



The AE (Anomalous Events) punctuality ratio does not take into account, unlike the real punctuality one, exogenous events that have adversely affected the operation's circulation, such as:

- weather events due to climate change (e.g., atmospheric precipitation with significant hydrogeological consequences, severe heat waves with fire spread);
- people run over by trains;
- presence of strangers on the line;
- seismic events;
- cultural events with high social interest (e.g., regional transport trains of the "5 Terre Express" train run).

COMMITMENT TO SUSTAINABLE DEVELOPMENT OR SUSTAINABILITY AND ENVIRONMENT

In view of the key role that mobility, and in particular the rail sector, plays in the pursuit of the UN Agenda 2030 for Sustainable Development Goals (SDGs), and the guidelines outlined by the European Green Deal, RFI is concretely committed to pursuing an integrated model of infrastructure development, thus strengthening an increasingly systemic and multidisciplinary approach to integrate sustainability into all infrastructure operation processes, and related investments.

Infrastructure works are a concrete opportunity to support the sustainable development of local areas and communities concerned, not only in relation to their ability to offer a new scenario of sustainable mobility, but in a broader sense of social cohesion, accessibility, attractiveness of places, reduction of gaps, increase in the quality of life and ecosystem services and, more generally, of economic, social, cultural and tourist growth attentive to the environmental and landscape context.

RFI aims to be an active part of the ongoing transition to a model of sustainable development consistent with European and national guidelines through the definition of sustainability policies and strategies and the development of actual operational synergies with key Stakeholders for the pursuit of common objectives for the country's growth. The dimensions, and areas of activity in which RFI operates, with the entire FS Group, are closely related to needs that drive many of the 17 SDGs of the United Nations 2030 Agenda, including: the right to mobility of people, the livability of cities for the improvement of the quality of life, the creation of new connections, and the optimization of logistics to support production, the raising of accessibility and connection of territories to overcome inequalities, the reduction of climate-altering emissions, and the fight against climate change.

Within this framework, for RFI sustainability is the driver that directs business strategies, and accompanies the planning, implementation and management of the infrastructure system, thus contributing to the pursuit of Group and corporate ESG objectives and targets, including through the involvement of the entire value chain.

RFI's strategic vision of Sustainability is vertically implemented in business processes, including through the definition of specific lines of action that promote the construction of infrastructures that are increasingly resilient to climate change, the reduction of climate-altering emissions, and the consumption of natural resources with a view to the circular economy, the protection and enhancement of biodiversity and ecosystems, and the inclusion and development of communities for a social commitment in line with the principles of just transition.

In addition, RFI is engaged in the promotion and implementation of a culture of safety on an ongoing basis, and in the development of an increasingly efficient, interconnected and inclusive infrastructure system, which integrates new modes of transport, rehabilitation and regeneration of stations and urban spaces, and enhancement of the landscape and historical-cultural heritage through the reuse of decommissioned lines, and the reactivation of lines for tourist use. These lines of action find their place within the 2025-2029 Business Plan, enhancing with a cross-cutting approach the operational and industrial initiatives planned by RFI and the FS Group.

Finally, the Company recognizes the importance of stakeholder engagement in the development of sustainable infrastructures, promoting moments of institutional dialogue but also specific initiatives of listening, involvement, shared planning, and development of operational synergies. For more details on this area, please refer to the paragraph on "Stakeholder Relations."

ESG Governance

In order to improve the sustainability profile of the Company and of its value chain, RFI is committed to gradually refine its ESG governance models and tools, following an iterative programme that aims to increase the integration and measurability of sustainability in all its business processes. The purpose is to ensure, in line with the Group's vision, the definition of sustainability policies and strategies, and the governance of related planning, implementation, monitoring and reporting processes aimed at achieving the sustainability objectives of RFI and the FS Group, which are defined by taking into account national and European targets and stakeholder expectations. To this end, during 2024, some of the main activities developed in RFI involved:

- the development of RFI's Climate Change Adaptation Plan (CCAP), a planning tool to increase the resilience of rail infrastructure through structured management of measures and actions aimed at strengthening its adaptive capacity in a changing climate context, in line with the FS Group's Climate Resilience Framework, and the guidelines of the National Climate Change Adaptation Plan (NCCAP) approved by the Ministry of Environment and Energy Security (MASE);
- the 2024 materiality analysis, conducted in accordance with the new principles laid down under Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive), for the identification of impacts, risks and opportunities related to the most material ESG topics, on the basis of



which to direct both the reporting and the strategic and operational sustainability planning of RFI and the FS Group;

- the evolution of the sustainability strategy as part of the 2025-2029 Business Plan;
- the drafting of the Sustainability Manifesto, as a statement of RFI's commitments to the ESG transition;
- the updating of the Environmental Policy as part of RFI's Integrated Security Policy, in line with what is set out in the FS Group Environmental Policy and with the commitments defined in Agenda 2030;
- the adaptation of accountability processes to the new European Sustainability Reporting Standards (ESRS), intended to feed at a consolidated level the FS Group's first Integrated Report (which will replace, supplementing them, the Annual Report, including the Non-Financial Statement, and the Group Sustainability Report), a strategic choice that falls within the broader framework of the regulatory amendments laid down under Legislative Decree no. 125/2024 in implementation of the Corporate Sustainability Reporting Directive (2022/2464/EU - CSRD);
- the corporate contribution to the Parent Company for the issuance of green bonds for rail projects;
- the adoption, as part of the 2024 incentive policy, of a common goal for the entire population involved in the Management By Objective (MbO) process, which measures, through a specific indicator, the Group's commitment to combating climate change.

In addition, with the 2024 update of the 2022-2026 Programme Contract - Services and Investments - by virtue of the collaboration with MIT and MEF for the definition of sustainable infrastructures, which was started as part of the common commitment to the NRRP - the value of sustainability structurally connected to the investments envisaged by the two Contracts was highlighted with the special Appendix 11 "MIT-RFI Programme Contracts and Sustainable Development." In line with the new approach that sees the infrastructure system as a pivotal element in the promotion of an inclusive, resilient and sustainable development model capable of making a substantial contribution to the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, Appendix 11 shows for all types of investment the SDGs to which each of them makes a contribution, as well as any related quantitative targets.



Sustainability accountability and the Service Charter

Reclassification of environmentally sustainable activities

As part of the numerous commitments related to the application of Regulation (EU) 2020/852 and related delegated acts ("EU Taxonomy"), RFI has pursued – including for the purpose of the reporting requirements under the aforementioned CSRD - the reclassification of RFI's economic activities, identifying environmentally sustainable activities and the related shares of turnover (Turnover), operating costs (OpEx) and capital expenditure (CapEx) realized in 2024.

The Taxonomy provides for the conditions that an economic activity must meet in order to be considered environmentally sustainable. Specifically, the Regulations define environmentally sustainable activities as those that contribute substantially to at least one of the following six environmental objectives:



and which, simultaneously:

- do not cause any significant harm to any of the environmental objectives (DNSH - Do No Significant Harm);
- are carried out in compliance with minimum safeguards, in line with the OECD Guidelines and the UN Guiding Principles on corporate accountability for human rights, workers' rights, etc..

The assessment carried out by RFI showed that, for the 2024 financial year, about **86.8%** of revenues (Turnover), **83.3%** of operating costs (OpEx), and **91.4%** of investments (CapEx) are related to environmentally sustainable activities, which contribute in particular to the goals of climate change mitigation, and climate change adaptation.

RFI's sustainability reporting and contribution to the Groups' Integrated Report

Sustainability reporting is becoming increasingly central to our Companies and stakeholders. With a view to fostering sustainable investments aimed at achieving the European Union's climate and sustainability objectives, it has in fact become essential to have clear and reliable data from undertakings: the entry into force of the Corporate Sustainability Reporting Directive (2022/2464/ EU - CSRD) - transposed into Italian law by Legislative Decree no. 125 of 6 September 2024 - responds to this need, expanding and strengthening transparency and reporting obligations on sustainability information.

In line with the new regulatory obligations, and in coordination with the Parent Company, RFI has actively contributed, as from 2024, to the preparation of the first Group Integrated Report, which includes in the Financial Report the information needed to understand the Group's impacts, risks and opportunities related to sustainability

issues, as well as any information needed to understand how sustainability issues affect the Group's performance and results.

The new sustainability reporting requirements find application in a Group and corporate environment that is already provided with robust, structured processes geared toward continuous improvement, formalized in corporate procedures and integrated into the operational processes of organizational structures that contribute to reporting activities.

The 2024 sustainability reporting process then began in autumn 2024 also involved the Subsidiaries Grandi Stazioni Rail S.p.A., Blujet S.r.l. and Infrarail S.r.l., coordinated by RFI.

With a view to continuous improvement of sustainability accountability, which, in line with the aforementioned legislation, provides for an expansion of the information subject to reporting, the scope of qualitative and quantitative indicators (KPIs) relating to the environmental, social and governance performance of RFI and its Subsidiaries has been expanded for 2024 reporting.

The main RFI results in **energy** and **environment** for the last two years are reported below.

In the **energy** area, the 2024 results show, compared to the previous year:

Energy				
	UM	2024	2023	Change
Electricity*	GWh	501	486	15
- of which from Guarantee of Origin	%	36	42	(6)
Diesel	litres	17,516,980	18,278,931	(761,951)
Natural gas	Smc	6,940,293	7,051,378	(111,085)

*It includes MV/LV (Medium and Low Voltage) electricity, as well as HV (High Voltage) used by diagnostic trains and other working vehicles of RFI;
it does not include HV electricity absorbed by the trains of railway companies that operate on the network managed by RFI

- for **electrical energy** for "internal use", whose total consumption stands at about 501 GWh, an almost constant trend (+3%);
- the overall consumption of **diesel** stood at about 17.5 million litres, a reduction of about -4% attributable to the combined effect of:
 - a decrease in consumption for railway traction (-723 thousand litres) and shipping activities (-684 thousand litres, due to greater use of more efficient vessels, and two vessels stopped for non-routine work);
 - an increase in the consumption of diesel to power company vehicles (+599 thousand litres) and for heating (+46 thousand litres, due to colder temperatures recorded in the winter months in some locations in northern Italy where there are company sites);
- for **natural gas**, whose consumption amounted to approximately 7 million smc, an almost constant trend (-2%).

Of note is a slight increase of about 2% in traction electricity, totalling about 5,912 GWh, due to the increase in the year in traffic volumes on electrified lines.



In the **environment area**, the 2024 results showed, compared with the previous year:

Water				
	UM	2024	2023	Change
Water withdrawn	litres	11,328,678	10,806,355	522,323
- of which for civil use	litres	10,898,490	10,433,925	464,565
- of which for industrial use	litres	430,189	372,430	57,759

- for **water**, whose withdrawal stands at about 11.3 million cubic metres, an overall increase of about 5%, mainly attributable to the assessment of some losses.

Waste				
	UM	2024	2023	Change
Special waste	ton	216,060	254,155	(38,095)
- of which non-hazardous waste	ton	195,814	226,753	(30,939)
- of which hazardous waste	ton	20,246	27,402	(7,156)

- for special waste, the total generation of which is approximately 216 thousand tons, a reduction compared to the previous year (-15%), due to a decrease in both special non-hazardous waste, mainly related to the completion and termination of worksite activities that generated substantial amounts of waste in 2023 (including cement and prestressed concrete, iron and steel sleepers), and special hazardous waste (-26%), mainly related to a decrease in the share sent to recovery of wooden sleepers due to gradual lower use of this type of sleepers along railway lines.

Both the proportion of non-hazardous waste (91%) to hazardous waste (9%), and the share of special waste sent for recovery, equal to about 99%, remained substantially unchanged over the two-year period, confirming the Company's ongoing commitment to proper waste management.

The Service Charter

In 2024, RFI published its Service Charter (as per the Prime Minister's directive and Prime Minister's decree dated 27 January 1994 and 30 December 1998, respectively) on its website, which officially reports the 2023 results, and 2024 targets for the quality of the services provided to the public in the areas identified by legislation (the quality factors), based on the characteristics of the Company.

The Service Charter contains 14 indicators representing the Company's various action and focus areas that are priorities for the public, the 2024 targets were all met for both **delivered quality** (which is assessed through internal/third party monitoring) and **perceived quality** (measured in customer satisfaction surveys conducted by the Market Observatory), through more than 180 thousand interviews with departing travellers at the network's 760 stations, which alone collect nearly 94% of total travellers.

In relation to the **service quality**, the following objectives were achieved:



sustainability: where RFI has made a concrete path to build an integrated model of sustainable infrastructure development, thus strengthening an increasingly systemic and multidisciplinary approach to integrate sustainability at all stages. Targeted objectives have been identified for 2024 to strengthen the (strategic and operational) ESG-oriented steering tools of management and investment projects. In particular, two objectives have been achieved: on the operational level, the sustainability certification of its projects through Sustainability Protocols, and, on the strategic level, the development of its own Climate Change Adaptation Plan (RFI CCAP) in line with the National Climate Change Adaptation Plan (NCCAP) as a planning tool to manage in a structured way the uncertainty of future climate prospects, systematize and put in place measures and actions aimed at strengthening the adaptive capacity of the railway infrastructure in a changing climate context.



traffic safety: which also saw the target for 2024 achieved of keeping the ratio of the total number in the year of "fatalities and serious injuries" to the total number of train Km travelled on the RFI network below the NRV (National Reference Value) assigned to Italy for the "society as a whole" rail risk category.



assistance to PRM: with a view to continuous improvement of the quality of PRM assistance service, the Blue Room circuit was expanded, making the free assistance service dedicated to travellers with reduced mobility and disabilities available to an additional 22 stations (pre-set obj 10) during 2024; furthermore, the goal of implementing at least 70 projects to improve accessibility at stations (specifically through the opening of moving-elevator systems to the public). The objective was achieved in relation to the definition of technical specifications on "Furniture in railway stations" inspired by the principles of inclusive design to ensure the use of environments and services to all users of the station, different from each other in perceptual, motor and cognitive abilities.

With regard to **perceived quality**, the MO results for 2024 showed:

- for satisfied travellers (scores of 6-9), there is, at the whole-network level, a substantial stability of percentages, which stand at above 95%; the exception is the IaP experience indicator, which stands at about 90%, confirming the 2023 values;
- for fully satisfied travellers (scores 7-9), at the whole-network level, there is an overall positive trend. Specifically, travellers fully satisfied with the station overall stands at 91.4%, showing an increase of nearly 1 p.p. compared to 2023. A significant increase from the previous year was mainly recorded in security (85.9%), followed by cleanliness (91.3%) with an increase of 2.5 p.p. and 2.1 p.p., respectively. The other macro-factors remained substantially stable while a slight increase was recorded by maintenance and decorum (88.1%, +1.7 p.p.) and ease of arrival at the station (95.4%, +1 p.p.) The Iap indicator under critical conditions stands at a percentage of fully satisfied travellers of 75.3%, still recording an increase of about 1 p.p. over the previous year. After considering the detail by network, the Large Stations recorded a higher percentage of fully satisfied travellers than that found for the RFI network (95.7% compared to 89.7%). The positive increases in security and cleanliness are also confirmed for these two networks. In the RFI network, it is the 100RFIs that record the highest percentage of fully satisfied travellers at 90.9% followed by the 500RFIs with 89.1%. The other RFIs stand at 87.6% of travellers fully satisfied with the station as a whole.

On the survey front for the Blue Room services, the long-established values of excellence continue to be confirmed, with the percentage of "fully satisfied travellers" for the service as a whole, standing at 98.2% in the first eleven months of the year. During 2024, work was completed on the activities related to workers surveys and disability focus groups with a view to continuous improvement of the service provided.

Sustainable worksites

To implement an integrated model of sustainable infrastructure development at all stages of investment management, during construction RFI promotes "sustainable worksites" by adopting solutions, actions and interventions aimed at reducing impacts on the environment, promoting circular economy processes, and safeguarding biodiversity and ecosystems.

Environmental design plays a crucial role in improving interaction with the reference territory and the populations involved. In this regard, specific design documents - such as the Worksite Environmental Project (PAC) and Environmental Monitoring Project (PMA) - are generally developed to identify the significant environmental issues related to construction site work, as well as the mitigation measures and environmental monitoring activities necessary to ensure proper environmental supervision of the worksite.

In addition, RFI promotes operational synergies to implement and enforce sustainability policies at worksites, and stimulate sustainable choices on the part of the entire supply chain, with specific regard to new infrastructure works.

Specifically, RFI's commitment to build sustainable worksites passes through the integration of contractual requirements in order to require a concrete commitment from companies, suppliers, and manufacturers of construction materials in the adoption of sustainability policies at worksites, oriented towards environmental

protection, efficient use of resources in a circular economy perspective, reduction of the Carbon Footprint of the work, and protection and enhancement of cultural, landscape, environmental and biodiversity assets. In addition, contract agreements require the on-site application of environmental management systems in accordance with UNI EN ISO 14001.

Among the projects that are already underway are the integration of the Tender specifications with a view to providing award criteria in order to require Contractors to make a concrete commitment to sustainability policies with specific regard to the procurement of sustainable materials with a lower environmental footprint according to a Life Cycle Assessment approach, certified with Type III environmental product labels ("Environmental Product Declaration" - EPD under ISO 14025).

ENVIRONMENTAL MANAGEMENT

During the year, RFI carried out numerous environmental protection and enhancement activities as part of its Environmental Management System (EMS), integrated into the Integrated Safety Management System described in the paragraph on "Our Company", and applied in the governance of both the activities performed directly by Company staff, and those carried out through contractors.

On this basis, all the company's production units involved in managing environmental issues have environmental specialists who handle the preparatory and preliminary work, gather and process data and provide assistance for the performance of the environmental protection duties assigned to them.

Environmental specialists also provide technical and operational support in the management of all environmental aspects relating to their respective units, such as waste, water discharge, issues connected with the noise created by line maintenance, water withdrawals, atmospheric emissions in connection with thermal plants, the use of hazardous



substances for processing, the use of herbicides along the railway line, etc.. In addition to ensuring the proper management of environmental variables in compliance with regulations, the internal management system and the environmental policy, this type of organisation enables the Company, which applies it extensively throughout its operating contexts, to maintain constant discussion and collaboration with all its key stakeholders at all levels, starting with government bodies for the land and environment, encourage coordination in this respect with other group companies, raise environmental awareness among RFI's personnel as much as its suppliers', and promote dialogue with associations and bodies representing passengers and the community.

During the year, new Procedures for the Environmental Management System (EMS), and the Occupational Health and Safety Management System (OHSMS) were issued regarding the "Protection of sites from pollution", "Environmental issues in asset disposal and acquisition", and "Management of fire prevention issues."

The Lists of RFI's regulatory compliance obligations were also issued with regard to environmental protection and occupational health and safety.

LITIGATION AND DISPUTES

Introduction

This section details the most significant court and criminal proceedings pending at the reporting date and which entailed developments in the year. Unless otherwise indicated, up to the date of preparation of this report, no information had arisen that would indicate that the Company is exposed to contingent liabilities or losses of any amount, nor is any information known with a potentially material impact on the Company's financial position, financial performance or cash flows. Furthermore, where necessary, the Company has joined the criminal proceedings as a civil party.

In 2024, following criminal proceedings initiated by the public prosecutors against former or current Company representatives, except for those described below, there were no definitive rulings against senior management (Company officers or General Managers) for any of the following:

- particularly serious crimes with wilful intent entailing substantial damage to the Company or leading to the application of restrictive measures;
- fraudulent crimes covered by Legislative decree no. 231/2001;
- additional fraudulent crimes covered by Law no. 190/2012.

Litigation and significant proceedings pending with employees, third-party service providers and/or contractors, the tax authorities, regions, etc., for which, where the relevant conditions are met, accruals have been made to specific provisions for risks and charges, are detailed in the notes to the financial statements, to which reference should be made, as for information on contingent assets and liabilities.

Reference should be made to the corresponding section of the 2023 Annual Report for information on proceedings and disputes that did not change during the year.

Litigation pursuant to Legislative Decree no. 231/2001

It is reported that there were no developments regarding the criminal proceedings under no. 4309/2023 of the General Register of Crimes before the Public Prosecutor's Office at the Court of Ivrea relating to the railway accident that occurred on 30 August 2023, at approximately 11.50 p.m., along the Turin-Milan railway line, near the Brandizzo station, when a train not in commercial service ran over 5 workers of a subcontractor carrying out maintenance work on the infrastructure, causing their death. The Ivrea Public Prosecutor's Office brought criminal proceedings against 4 legal entities, and 11 natural persons. Specifically, with regard to legal entities, RFI S.p.A., two third-party companies belonging to the Temporary Business Grouping (RTI) holding the framework agreement to perform maintenance work, and a subcontractor company for the works are under investigation for the administrative offence referred to in Article 25-*septies* of Legislative Decree no. 231/2001.

With regard to natural persons, the RFI S.p.A. employee in charge of the interruption, and the site manager of the sub-contractor firm are under investigation for the crimes of manslaughter (Article 575 of the Italian Criminal Code), and railway disaster in the malicious sense (Article 430 of the Italian Criminal Code).

In addition, a manager and an employee of RFI S.p.A. and representatives of the aforesaid third-party companies involved are under investigation for the crimes of multiple culpable homicide with violation of the regulations on the prevention of accidents at work (Article 589, paragraphs 1, 2 and 5 of the Italian Criminal Code), and of culpable railway disaster (Article 449 of the Italian Criminal Code).

The criminal proceedings are at the preliminary investigation stage.

Criminal proceedings under Legislative Decree no. 231/2001, which reported developments during the year, and newly-reported proceedings, are described below.

Developments

With regard to criminal proceedings under no. 1430/2014 of the General Register of Crimes RGNR – brought by the Public Prosecutor's Office of the Court of **Gela** following the fatal accident in which three maintenance workers from RFI were run over by regional train 12852 coming from Gela and bound for Caltanissetta, and which occurred on 17 July 2014 near km 217+728 between the Falconara and Butera stations - following the appeal, which took place in 2022, of the judgment (regarding the acquittals of the accused company pursuant to Legislative Decree no. 231/2001, the *pro tempore* CEO, the Head of the Local Production Unit of Palermo, the Head of the Local Unit of Caltanissetta, and of the Plant Chief of the Agrigento Works Department) by the Public Prosecutor, and by the convicted employees, the Appellate Proceedings were held before the Caltanissetta Court of Appeals, which were settled by a ruling on 10 May 2023. In confirming the acquittal of the Company, and of the executives and employees acquitted in the first instance, and the conviction of the Central Operations Manager, the Court issued an acquittal ruling for the head of their division, who had been convicted in the first instance. The ruling was filed on 29 November 2023, and became irrevocable against all defendants and the Company on 1 March 2024.

Criminal proceedings under no. 3651/2018 of the General Register of Crimes were registered with the Milan Public Prosecutor's Office following the train accident that occurred on 25 January 2018, in Località Seggiano di **Pioltello**, which involved regional train no. 10452 of the railway undertaking Trenord S.r.l. (in commercial service on the section between Cremona and Milan Porta Garibaldi Station), causing the death of three passengers and the injury of others.

After having dismissed, as a result of the preliminary investigations, the positions of the suspects referable to ANSF, now ANSFISA (*pro-tempore* Director and an official), and those referable to Trenord, the Judge of the Preliminary Hearing of the Court of Milan ordered, on 21 June 2021, the committal for trial of the 9 defendants referable to RFI in relation to all the crimes charged (culpable railway disaster, culpable homicide and culpable injuries aggravated by the violation of accident prevention regulations, wilful omission of precautions against accidents at work), as well as against the Company, for the administrative offence referred to in Article 25-*septies* of Legislative Decree no. 231/2001.

During the course of the trial, one of the defendants (RFI construction site specialist) settled his position with an agreed sentence of 4 years' imprisonment.

The trial at first instance was concluded at the hearing on 25 February 2025, with the Court of Milan's ruling the acquittal in favour of RFI, for the indictment pursuant to Legislative Decree no. 231/2001, on the grounds that the predicate offense did not exist since the aggravating circumstance of violating accident prevention regulations was excluded, and of all the defendants, except for the Head of the Brescia Maintenance Unit, who was sentenced to 5 years and 3 months' imprisonment, with disqualification from public office for the duration of 5 years.

In terms of compensation, the ruling ordered the only person convicted, jointly and severally with the civil defendant RFI, to pay compensation for the damage caused by the rail disaster to the parties appeared in court in civil proceedings, ordering the payment of provisional damages in excess of €1 million in favour of the injured parties,

and settling, on an equitable and final basis, the amount of €10,000 in favour of one of the aforesaid parties in civil proceedings, and €50,000 thousand in favour of FILT CGIL Lombardia.

The Court reserved the right to set a 90-day term for the filing of the grounds.

Other significant criminal proceedings

The developments reported in 2024 in other significant criminal proceedings, and those pending against RFI personnel in which RFI appeared in court as liable under civil law, and for which no insurance coverage is in place, are described below.

Developments

Criminal proceedings under no. 524/2020 of the General Register of Crimes with the Public Prosecutor's office at the Lodi Court, related to the Company's alleged administrative liability for the derailment of the HS train 9595 in **Livraga** on 6 February 2020 as a result of which two train drivers lost their lives:

- a) abbreviated procedure: in relation to the position of two RFI employees (workers) convicted in first instance on 3 July 2023, it is reported that the appellate proceedings were initiated on 15 November 2024;
- b) ordinary procedure: trial is pending for the then Director of Production, and four other employees of ALSTOM for whom committal for trial had been ordered.

With regard to criminal proceedings under no. 6305/2009 of the General Register of Crimes concerning the accident that occurred in **Viareggio** on 29 June 2009, the grounds for judgment no. 30805 were filed on 26 July 2024; the judgment had been handed down on 15 January 2024 by the Supreme Court after the conclusion of the appeals formalized by the defence counsels to the individuals involved, and the civil defendants, as well as, for civil statutes, by the association Medicina Democratica Onlus against the ruling of the Florence Court of Appeals of 30 June 2022. In particular, the Supreme Court, having found that the responsibility for the events that occurred in Viareggio had been definitively established against the *pro tempore* CEO of RFI, and, then, the *pro tempore* CEO of FS, the *pro tempore* CEO of RFI, the *pro tempore* CEO of Cargo Chemical S.r.l., including in the capacity as *pro tempore* Head of the Chemical Industry and Environment BU of FS Logistics, as well as all the defendants from outside the FS Group, ordered the annulment of the judgment handed down against them by the Florence Court of Appeals with referral to another division of the same Court "*limited to the amount of the reduction in sentence for the general mitigating circumstances*", and, therefore, exclusively for the purpose of redetermining the sentence. On the other hand, all the grounds of appeal were rejected which had been submitted in the interests of the *pro tempore* CEO of Trenitalia, for whom, therefore, the finding of liability, and the sentence imposed within the previous instance of trial.

It should be noted that, for the defendants of the FS Group, the sentences were determined as follows upon the conclusion of the previous trial: i) 5 years' imprisonment for the *pro tempore* CEO of RFI and the *pro tempore* CEO of FS; ii) 4 years, 2 months and 20 days' imprisonment for the *pro tempore* CEO of RFI; iii) 4 years' imprisonment for the *pro tempore* CEO of Cargo Chemical S.r.l., including in the capacity of *pro tempore* Head of the Chemical Industry and Environment BU of FS Logistica; and iv) 4 years, 2 months and 20 days' imprisonment for the *pro tempore* CEO of Trenitalia.

With regard to the civil statutes and court costs, the Judging Court rejected the appeals filed against the Court of Appeal's judgment by the civil defendants FS, RFI, Trenitalia, and the companies outside the FS Group, condemning them, jointly and severally with the defendants referred to them, to the reimbursement of the representation and defence costs incurred by the aggrieved parties in civil proceedings in the Supreme Court proceedings. The appeal submitted by the Medicina Democratica Onlus association was also rejected.

As a result of the aforementioned referral ordered by the Supreme Court, new appellate proceedings before the Florence Court of Appeals were scheduled on 18 March 2025.

RFI, in its capacity as civil defendant, and two *pro tempore* CEOs of the same Company, filed an appeal before the European Court of Human Rights against the aforementioned ruling of the Supreme Court.

Other investigations

Developments

Proceedings A436 – Arenaways S.p.A./RFI – FS.

Following what is indicated in the previous reports to which reference should be made for additional details, on 6 September 2021, RFI filed an appeal with the Supreme Court against the Council of State's judgment no. 1101/2021, as did Trenitalia. The proceedings were settled by order No. 4291/2023, which dismissed the appeals filed by RFI and Trenitalia, confirming the Council of State's judgment under which RFI would remain only half liable (i.e., €50,000) to pay the fine.

For completeness of information, after conclusion of the above-mentioned proceeding on the Anti-Trust Authority's measure, the Council of State's ruling no. 146 of 10 January 2022 also settled the appeal filed by Arenaway's liquidators as part of the proceedings for URSF (the office that regulates railway service) measure no. 589/10. RFI filed its appeal for the rejection of this ruling on 11 April 2022 while Trenitalia presented its appeal to the Supreme Court on 7 July 2022, which was declared to be inadmissible by order of 4 May 2023. By judgment no. 5058 of 5 June 2024, the Council of State declared the appeal for rejection brought by RFI as being inadmissible. The proceedings were dismissed.

ART Decision no. 96/2015 "Criteria for determination of charges for access and use of the railway infrastructure" – Extraordinary appeal with the President of the Italian Republic

In referring to previous reports for more information, it should be noted that, by Decision no. 175 of 16 December 2021, the ART concluded the procedure that had been initially initiated against ART Decision no. 96/2015, establishing that the difference between component B) of the fee that RFI had set for the International Open Access segment and that for the national Open Access Basic segment was unjustified, with consequent requirements to be met by RFI.

The aforesaid Decision no. 175/2021 was challenged by Trenitalia S.p.A., whose proceedings were concluded with Piedmont Regional Administrative Court ruling no. 694/2023 of 18 July 2023, which declared the matter in dispute to have ceased with regard to the first ground of appeal - following RFI's payment of an adjustment in favour of Trenitalia, with respect to what the latter had already invoiced, due to the redetermination of the fee - and dismissed them for the remaining grounds, and by Italo-Nuovo Trasporto Viaggiatori S.p.A. for which the Piedmont Regional Administrative Court rejected the appeal by ruling no. 432/2024 of 3 May 2024.

ART Decision no. 26/2018

The proceedings relate to the litigation brought by RFI against ART and against Trenitalia for the annulment of ART Decision no. 26/2018 on "Conclusion of the proceedings initiated by Decision no. 78/2017 against RFI - Adoption of the sanctioning measure for violation of Article 37, paragraph 14.c, of Legislative Decree no. 112 of 15 July 2015, on "Implementation of Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012, establishing a single European railway area" on the lack of information, by RFI, with respect to some of the requests for information made by the ART as part of a fact-finding investigation it had promoted with previous Decision no. 127/2016 and aimed at analysing the impact of the introduction of innovative ways of operating trains on the retail market of passenger transport services falling within the so-called Open Access Premium market segment.

The fine imposed has already been paid by RFI.

By Judgment no. 211/2025, published on 24 January 2025, the Piedmont Regional Administrative Court granted the appeal brought by RFI and ordered ART to pay the litigation costs. The time limits for filing an appeal have not yet expired.

ART Decision no. 147/2022

We are referring to the ART Decisions nos. 126 and 127 of 27 July 2023 whereby the Authority concluded the sanctioning procedure - started under Decision no. 147/2022 for the violation of Article 23.3 of Legislative Decree no. 112/2015 as regards the limits on the assignment of framework capacity as per paragraph 4.4.2.1 of the 2023 Network Statement (NS). Specifically, the Authority alleged that RFI had entered into master agreements for capacity above the 85% threshold of total capacity for each section, and time slot provided for in the Network Statement.

Following specific evaluations conducted also with the help of the appointed third-party legal counsel, RFI deemed it appropriate to challenge the above-mentioned measures before the Piedmont Regional Administrative Court. The public hearing, set for 5 June 2024, was then adjourned until 24 October 2024 (to comply with the limits and criteria for assigning the cases).

The appeal was settled by judgment no. 1092/2024 of 28 October 2024 for which the time limits for filing an appeal have not yet expired.

ART Decision no. 187/2023

By ART Decision no. 187 of 30 November 2023, the Authority declared the non-compliance with the new regulatory model set forth in ART Decision no. 95/2023 - which revised the criteria for the determination of fees for access to and use of the railway infrastructure approved under the previous Decision no. 96/2015 – of some aspects of the proposal submitted by RFI for the definition of the new tariff system for the period 2024-2028 for the Minimum Access Package (MAP) to the national railway infrastructure, as well as for Services other than the Minimum Access Package provided. On 29 January 2024, RFI appealed against the above-mentioned measure before the Piedmont Regional Administrative Court. On 13 May 2024, RFI filed an appeal on Additional Grounds, also valid as a stand-alone appeal, against the subsequent ART Decision no. 38/2024, by which the Authority declared the non-

compliance of the additional proposal submitted by RFI for the definition of the tariff system for the period 2024-2028 and set the consequent decisions for the tariff period 2025-2029.

Following the hearing on the merits held on 4 February 2025, the Board reserved its decision.

Appeal to the Lombardy Regional Administrative Court (General Register no. 1366/22) - RFI v. ARERA for the cancellation of the note of 11 May 2022 concerning the "Special tariff regime in favour of RFI - application for supply for uses other than traction".

On 11 July 2022, RFI served on the abovementioned Authority and the other parties concerned an appeal filed with the Lombardy Regional Administrative Court for the annulment of the memo dated 11 May 2022, concerning the Special Tariff Regime in favour of RFI – application to supply for uses other than traction, as well as for the annulment of the Authority's report no. 212/2022/I/Com of 17 May 2022 reporting the use of resources earmarked to mitigate the effects of the price rises in the electricity and natural gas sectors, with specific regard to paragraph 3.2.2.

In particular, objections were raised against Arera's measure according to which, pursuant to Art. 29, paragraph 1, of Decree Law no. 91 of 24 June 2014, as converted with amendments into Law no. 116 of 11 August 2014, as amended by Law no. 167 of 20 November 2017, the Special Tariff Regime, for which RFI is eligible pursuant to Presidential Decree no. 730 of 22 May 1963, would be limited to energy for traction and, hence, energy "for uses other than traction" is excluded from this Regime.

The appeal was served on Arera, and Cassa per i servizi energetici e ambientali (CSEA), as well as on the other parties identified as co-interested parties (MIT, Trenitalia S.p.A. and ITALO S.p.A.).

After CSEA retained, in execution of the aforesaid Arera memo, the alleged credit amount relating to the offset component for "uses other than traction" for the years 2015 – 2019 from the amount relating to the offset component adjustment for "traction use" for the year 2021 against RFI, the latter proceeded with serving, on 10 February 2023, a notice of additional grounds with suspension for the annulment of the relevant measures of CSEA. By judgment no. 2874/2023, the Lombardy Regional Administrative Court rejected RFI's defence arguments. RFI challenged the ruling before the Council of State. The hearing on the merits was held on 17 December 2024. The Council of State, before which the case is pending, has retained it for decision; we are therefore waiting for the publication of the judgment.

On 26 February 2024, RFI filed an appeal before the Lombardy Regional Administrative Court against ARERA and Cassa per i Servizi Energetici e Ambientali (CSEA), challenging ARERA Resolution no. 618/2023/R/COM of 27 December 2023 (and the subsequent amending ARERA Resolution no. 45/2024/R of 20 February 2024), in the part in which, under Art. 36.1 of Annex A, excludes that the Special Tariff Regime under Presidential Decree no. 730/1963 applies to consumption for uses other than those related to rail transport services performed on the national railway infrastructure, with the exception of passenger services carried out on the lines specifically built for high-speed trains, and powered at 25 kV alternating current. The case is still pending.

REMUNERATION OF DIRECTORS THAT HAVE BEEN GRANTED DELEGATED POWERS

The remuneration of the chairwoman of the board of directors and of the CEO are established by the board of directors in compliance with the "Directive regarding the adoption of the criteria and methods for the appointment of members of the board of directors and the remuneration policies for senior managers of companies directly or indirectly controlled by the MEF" dated 24 June 2013.

Chairman of the Board of Directors		Annual fees for the mandate
Fixed remuneration:		80,000
Member of the Control, Risks and Sustainability Committee (30% of the Chairman's remuneration)		24,000
Chief Executive Officer and General Manager		Annual fees for the mandate
Fixed remuneration:	fees for position as CEO under Article 2389.3 of the Italian Civil Code	65,000
Fixed remuneration:	General Manager employment relationship	330,000
Variable remuneration:	General Manager employment relationship	170,000

DISCLOSURES REQUIRED BY ARTICLE 2497-TER

During the year, the Company's board of directors adopted the following decision in accordance with management and coordination acts of its sole Shareholder Ferrovie dello Stato Italiane S.p.A.: plan for the demerger of RFI S.p.A.'s 100% quota in Terminali Italia S.r.l. to the benefit of Mercitalia Logistics S.p.A..

RFI also adopted and implemented, as a result of the management and coordination activities carried out by FS, the following acts:























- Anti-Corruption Framework;
- Technology Innovation & Digital Governance Model;
- Internal Audit Model on the detection, measurement, management and control of fiscal risks;
- Act of acknowledgement of the Infrastructure Business Unit - Procurement Governance Model;
- Act of acknowledgement of the Infrastructure Business Unit - Guidelines for the application of Legislative Decree no. 231-2001;
- Act of acknowledgement of the Infrastructure Business Unit - Internal Control and Risk Management System (ICRMS) Model;
- Act of acknowledgment of the Infrastructure Business Unit - Anti-Corruption Policy;
- Act of acknowledgement of the Infrastructure Business Unit - Antitrust Policy;
- Act of acknowledgement of the Infrastructure Business Unit - Guidelines for the preparation and implementation of the Anti-Corruption Management Model;
- Act of acknowledgment of the Infrastructure Business Unit - Internal Audit Governance Model (Audit Charter).

With regard to the management and coordination activities carried out by RFI as the Parent Company of the Infrastructure Business Unit, it should be noted that in 2024 the "Infrastructure Business Unit Corporate Committee" adopted the following acts of management and coordination:

- LG no. 03 v.01 Construction site safety and worker risk prevention with process engineering and digital BIM innovation;
- LG no. 04 v.01 Integrated management process of Emergency and Operations Rooms;
- LG no. 5 V.01 Integrated investment planning and management process of 6 December 2024;
- LG no. 06 v.01 of 20 December 2024, "Alignment of Specifications and Price Lists".

RISK FACTORS

In carrying out its risk management activities, RFI adopts, in accordance with the guidelines of the parent company FSI, the following taxonomy divided into 4 macro-categories (Strategic, Operational, Compliance, ESG), which group together specific types of risk:

 <p>Risks linked to market changes, macroeconomic shocks and unexpected investment fluctuations</p>	 Market	Risks arising from market changes which can compromise or reduce the capacity of creating added value and profitability
	 Macroeconomic	Risks which reflect macroeconomic shocks that can affect a country, a continent or have a worldwide impact
	 Financial	Risks involving unexpected investment fluctuations (exchange rate, interest rate, liquidity)
 <p>Risks linked to the business, the network and the infrastructure, the technology systems, the supply chain, the organisation, health and safety, project and brand management</p>	 Business & Development	Risks affecting the capacity of creating added value, maintaining and developing business
	 Infrastructure & Means	Risks affecting the management and development of the network and of the (road and rail) infrastructure as well as the fleet (trains, buses, vessels)
	 Technology & Digital	Risks linked to the digital transition process, the development and management of IT systems
	 Supply Chain	Risks linked to the supply chain (suppliers' qualification, negotiation process, contract management)
	 People and Organisation	Risks arising from the lack of internal skills, inadequacy of training programmes, of the turnover planning process and inefficacy of the recruitment and retention policies
	 Security	Risks linked to the physical and logical security of people, business, assets and proprietary information or under the responsibility of the FS group
	 Safety	Risks connected with environmental protection activities, workplace and operational safety
	 Design and Implementation	Risks connected with the design and implementation of job contract works, projects and programmes
 <p>Risks linked to the infringement of laws and regulations, changes in the regulatory framework and issue of unfavourable acts, contract non-performance and disputes</p>	 Compliance	Risks of infringement of laws and international and/or national regulations
	 Regulatory	Risks anticipating an adverse change to the regulatory framework and the issue of unfavourable acts/provisions
	 Legal and Contractual	Risks around dispute management and contract non-performance
 <p>Risks linked to the environment and the climate change, to social and governance issues</p>	 Environmental	Risks connected with the climate change and a policy for a transition to low-carbon economy
	 Social and Human Rights Protection	Risks connected with social tensions and failure to respect or low respect for human rights
	 Governance	Risks connected with corporate governance rules and with the process of assignment of delegated powers
	 Ethics	Risks deriving from intentional incorrect or corruptive behaviours put in place by persons inside and outside the Group in order to obtain improper or illicit advantage

The main events to which RFI is potentially exposed, and an indication of the main management actions adopted, are briefly and not exhaustively described below, with the clarification that:

- with regard to financial risks (credit, liquidity, and interest rate and exchange rate), please refer to the Notes to the Financial Statements for a more detailed discussion, in line with the relevant accounting standards;
- with regard to Safety analyses and actions, please refer to the dedicated sections of this Directors' Report (Our Company, Railway Operations Safety, Infrastructure Safety and Resilience, and Environmental Management).



Strategic risks

	Risk	Management actions	Opportunities
Macroeconomic	<ul style="list-style-type: none"> Global or macro-area geopolitical instability Unfavourable macroeconomic environment Commodity and raw material price volatility Economic and financial crisis in business-relevant sectors 	<ul style="list-style-type: none"> Continuous monitoring of trends in key macroeconomic indicators and commodity and energy price trends Energy efficiency of both fleet and industrial facilities including through self-generation of renewable energy Access to funds for expensive materials Direct contracting for specific supplies subject to prior authorisation where necessary Synergies through European benchmarking on railway equipment purchasing centres 	
Financial	<ul style="list-style-type: none"> Inadequate disbursement of public grants or funds 	<ul style="list-style-type: none"> Rescheduling of available funding to cover priority projects Recourse to temporary self-financing to ensure the continuity of services provided and ongoing construction sites Search for alternative forms of financing 	



Operational risks

	Risk	Management actions	Opportunities
Business & Development	<ul style="list-style-type: none"> Critical issues in the definition, implementation and updating of strategies 	<ul style="list-style-type: none"> Proposals for the reallocation of funds between investment projects in compliance with preset targets Activation of replacement services on lines subject to priority investment Market monitoring and engagement of all stakeholders to develop projects that meet their expectations/needs 	
Infrastructure & Means	<ul style="list-style-type: none"> Inadequacy or obsolescence of rail infrastructure Unavailability of rail infrastructure Obsolescence of the fleet (trains, buses, ships, logistics and technical vehicles) 	<ul style="list-style-type: none"> Fleet renewal Capacity upgrading of the rail network and enhancement of stations and related services Advanced diagnostics and predictive maintenance Contingency Plan 	
Technology & Digital	<ul style="list-style-type: none"> Critical issues in the design, development, upgrading and implementation of technology and digital architecture and infrastructure Unavailability of infrastructure and technology and digital tools Inadequacy or obsolescence of infrastructure and of technology and digital tools New vulnerabilities related to the introduction of technological and digital tools 	<ul style="list-style-type: none"> Training and awareness initiatives Upgrading of the Cyber Security Operation Center (C-SOC) 	New digital (Artificial Intelligence) and technological (Quantum Computing) tools

	Risk	Management actions	Opportunities
Supply Chain	<ul style="list-style-type: none"> Inadequacy of manufacturing organisations Difficult availability of goods and services Inadequate performance of the supplier/contractor Dependence on critical suppliers or contractors 	<ul style="list-style-type: none"> Insourcing of critical processes Periodic monitoring of the procurement plan and any related updating of the requirements plan Definition of flexible contractual instruments Opening up the market through international tenders Long-term contracts Increased purchase of materials to guarantee investments Cooperation with other railway authorities Gradual development and full operation of the subsidiary Infrarail Agreements through Italian (Assifer) and European (UNIFE) industry associations 	
People and Organisation	<ul style="list-style-type: none"> Changes in personnel expectations (e.g. work-life balance) Shortage of professionals with specialised or emerging skills (key people) Inadequate staff sizing Inadequate remuneration policies Critical issues in relations with trade unions 	<ul style="list-style-type: none"> Talent Performance Development system Reskilling and Retention Remuneration, training and job diversification policies Development and optimization of tools and methodologies to support selection and training processes Diversity&Inclusion plan and interventions to support the Group's company people (internal caring, social policies, engagement) Signing of agreements and understandings related to labour organisation Enhanced recruitment plan Agreements and talks with trade unions 	<p>Greater Group's attractiveness on the labour market</p> <p>Development of new capabilities/skills resulting from the adoption of digital technologies (e.g. AI, automation, natural language processing, virtual reality simulations)</p>
Security	<ul style="list-style-type: none"> Destruction, damage or theft of company assets and property Cyber attacks Loss of confidentiality, integrity or availability of data 	<ul style="list-style-type: none"> Updating of technological and organisational security measures Definition of procedures and adoption of tools for crisis management Upgrading of the Cyber Security Operation Center (C-SOC) 	
Design & Implementation	<ul style="list-style-type: none"> Critical issues/delays in the construction of infrastructure works Critical issues in the coordination of job orders, projects and programmes Changes in progress 	<ul style="list-style-type: none"> Monitoring the physical, economic and financial performance of infrastructure measures Risk-based approach (Project Risk Management) FS-NRRP steering committee Re-engineering and optimisation of processes Repository extension for input compatibility (HR, materials, infrastructure availability) on scheduled processing on the network 	



Regulatory risks

	Risk	Management actions	Opportunities
Compliance	<ul style="list-style-type: none"> Non-compliance with regulations, rules and standards Lack of/late detection of changes in regulations, rules and standards 	<ul style="list-style-type: none"> Training/information initiatives Monitoring of legislative and regulatory developments 	
Regulatory	<ul style="list-style-type: none"> Changes in legislation, regulations and standards Unfavourable or late acts/measures Critical issues in relations with institutional stakeholders 	<ul style="list-style-type: none"> Monitoring of legislative and regulatory developments Training/information initiatives Ongoing dialogue with Public Authorities and other institutional stakeholders and new ways of engagement Enhanced regulatory control model 	Sharing RFI proposals on pricing and the use of government operating grants



ESG risks

	Risk	Management actions	Opportunities
Environmental	<ul style="list-style-type: none"> Extreme weather and climate events and chronic climate change Critical issues in the definition, implementation and updating of adaptation or transition plans Counterparty's failure to comply with the Group's environmental sustainability principles 	<ul style="list-style-type: none"> Implementation of the Climate Change Adaptation Plan Vulnerability assessment of assets and territories Real-time monitoring of climate phenomena, assets and territories Planning of asset-specific adaptation interventions Design and implementation of natively climate-resilient assets Scenario analysis for assessing business impacts and resilience Contractual/insurance clauses for environmental risk coverage Sustainable Supply Chain Management project Diversification/plurality of suppliers Integration of criteria and contractual clauses in terms of sustainability Steering committee and cyclical monitoring and updating of Plans 	Access to capitals through sustainable finance instruments
Social issues and protection of human rights	<ul style="list-style-type: none"> Critical issues in stakeholder relations Counterparty's failure to comply with the Group's social sustainability principles 	<ul style="list-style-type: none"> Group Code of Ethics Internal and external training, information and communication campaigns Diversity&Inclusion initiatives Stakeholder engagement initiatives Sustainable Supply Chain Management project Diversification/plurality of suppliers Integration of contractual criteria and clauses in terms of sustainability 	

TREASURY SHARES

The company does not hold any of its treasury shares or those of its Parent Company, either directly or through trust companies or third-party persons, pursuant to Article 2357 of the Italian Civil Code.

OUTLOOK

In 2025 estimates of global economy performance indicate that world trade is expected to expand by a little over 3%, despite the outlook for international trade, which could be adversely affected not only by heightened geopolitical tensions in the Middle East and Eastern Europe, but also by the announced tightening of US trade policy declared by the newly elected President Trump.

At the European level, GDP is slowing down while the average level of inflation is fluctuating around 2%. In fact, expansion in the Eurozone eased at the end of 2024. Manufacturing performance remains weak, particularly in Germany. Growth in the area will gradually increase over the course of the year, averaging above 1% over the three-year period 2025-2027; inflation will stabilise around the 2% target. In Italy growth is still weak. The slow recovery in manufacturing is accompanied, as in the rest of the area, by a slowdown in services while in the business volumes in the construction sector continues to expand, mainly supported by the works under the NRRP. According to projections, growth will gain momentum this year, mainly thanks to the acceleration of consumption and exports, averaging around 1% over the three-year period 2025-2027⁸.

In this scenario, the Company will be engaged in the coming years in the implementation of its own "Plan", focused on maximising the full potential of its core business through the enhancement of the quality of service, both on lines and at stations, the improvement of the accessibility of the territories, and through a safe network, increasingly modern, connected and sustainable, in support of the country's development.

The role played by the Group companies involved in the investment process is particularly important for the achievement of these objectives. In particular, it is necessary to strengthen skills and improve operational efficiency in order to support RFI's productivity and objectives through the evolution of the role of Italferr and Infrarail.

Italferr, the Group's flagship engineering company in Italy and abroad, for which a plan is currently being drawn up whose evolutionary lines envisage the maximisation of operating synergies with RFI, including through the definition of a new organisational structure, will be strongly focused on design and works management activities, and will have the task of supporting the company in completing the main investments envisaged, especially those under the NRRP. Infrarail, a construction company for the railway infrastructure, has launched a challenging plan for growth and specialisation in the execution of works commissioned by RFI in order to ensure a share of the production volumes of the Plan of RFI itself.

The Company will also continue with the plan aimed at the in-house production of electric power oriented at supplementing market demand, particularly for traction, in favour of railway undertakings. At the same time, it is also pursuing industrial actions to contain energy consumption, both in the short-, and in the medium-to-long-term, by regulating the power supply voltage of the electric traction lines, defining an efficient driving support system, and continuing to install LED lights on shelters, underpasses and light towers at train stations.

Law no. 213 of 30 December 2023 (Budget Act 2024) introduces compulsory insurance against natural disasters for Italian companies; the discussions currently underway with institutional stakeholders will make it possible to define, during 2025, the economic impact on the Company's Financial Statements, which, based on the analyses currently underway, could prove to be significant.

⁸ Source: Bank of Italy's Economic Bulletin.

In 2025 and more generally over the ten-year period of the Business Plan, in a context of strong uncertainty and volatility of markets and supply chain production capacity, it will be crucial to activate all possible levers to ensure the resilience and availability of the Company's Business Plan enablers, both internal and external to the company. Particular attention will have to be devoted to talks with the chain of suppliers to ensure production factors, and with that of institutional stakeholders, aimed at ensuring the timely disbursement, both on an accruals and cash basis, of the financial resources necessary for the implementation of the substantial investment plan, of which the NRRP is a pivotal element.

The financial resources stated in the Programme Contracts - Services (PC-S), and Investments (PC-I) constitute, in fact, the point of reference for the detailed planning of the interventions already started/financed, from which the main returns are expected in the short term, in terms of increasing the performance of regularity, and the level of safety of the infrastructure, improving the quality of services, and developing traffic volumes.

In the course of 2025, the approval process of the 2025 update of the PC-I 2022-2026 is expected to be completed, which will enable the operations of €2,254 million provided for in the Budget Act 2025, which will be allocated to the interventions with non-deferrable needs indicated in this update. This allocation partially covers the needs reported by the Company, amounting to €16 billion, of which €7 billion of non-deferrable needs for the continuation of ongoing works and programmes.

In 2025, the approval process of the third supplementary deed to the GPC-S 2022-2026 is expected to be completed, which will allow the operation of €1,334 million, enabling the completion of the coverage of the requirements of non-routine maintenance for the year 2025, and the partial coverage of the requirements for the 2026 year.

In this context, talks continued with the competent Ministries to identify ways to cover non-deferrable requirements on the GPC-I investment plan, and residual requirements for non-routine maintenance for the year 2026

With regard to additional sources of financing, the Company is continuing its activity to find alternative financial coverage, actively participating in the identification of interventions that can be financed through the 2021-2027 Development and Cohesion Fund, as well as for interventions that can be financed through the 2021-2027 EU programming.

To this end, talks are continuing with central and local authorities to secure the financing of investment needs included in the programs co-financed by the European Union, such as the National Operational Programs (NOPs), and Regional Operational Programs (ROPs), as well as the TEN (Connecting Europe Facility) networks financing Program, for which RFI's participation in the "General Envelope" call for tenders issued in September 2024 is particularly noteworthy, and the outcome of which is expected in the course of 2025.

With regard to the extraordinary need for resources intended for interventions on the railway network, resulting from higher prices of construction materials, fuels and energy products, work will continue on submitting applications for the financing of works in progress under the legislative instruments provided for by the Government, such as the Price Adjustment Fund (provided for in Article 1-*septies*, paragraph 8, of Decree Law no. 73/2021), and the Fund for the continuation of public works (provided for in Article 7, paragraph 1, of Decree Law no. 76/2020).

From the point of view of financial management, we note the recent issuance of the MEF implementing decree of 6 December 2024 on "Criteria and procedures for the activation of transfers of NRRP resources", which provides for a set of measures to ensure the disbursement of NRRP and FOI (Fund for non-deferrable works) resources

within 30 days. This measure is expected to optimise financial management in 2025, thus reducing the need to resort to short-term borrowing compared to 2024, which is currently used by the company to cope with the time mismatch between payments and the collection of the related resources to cover them from the financing entities.

For the Board of Directors

The Chairman



FINANCIAL STATEMENTS AT 31 DECEMBER 2024

INCOME STATEMENT

			euros
	Note	2024	2023
Revenue and income		3,019,450,144	2,867,549,752
Revenue from sales and services	(4)	2,877,373,192	2,713,145,722
Other income	(5)	142,076,952	154,404,030
Operating costs		(3,036,943,495)	(2,617,479,450)
Personnel expense	(6)	(1,893,063,332)	(1,674,672,798)
Raw materials, consumables, supplies and goods	(7)	(1,145,369,941)	(889,756,963)
Services*	(8)	(1,180,690,775)	(1,061,577,855)
Other operating costs*	(9)	(141,029,411)	(99,650,547)
Internal work capitalised	(10)	1,439,251,016	1,279,607,830
Amortisation and depreciation, provisions and impairment losses	(11)	(116,041,052)	(171,429,117)
Total operating costs		(17,493,351)	250,070,302
Net financial income (expense)		(81,584,688)	(54,002,314)
Financial income	(12)	10,609,441	12,136,600
Financial expense*	(13)	(92,194,129)	(66,138,914)
Pre-tax profit		(99,078,039)	196,067,988
Income taxes	(15)	–	–
Profit from continuing operations		(99,078,039)	196,067,988
Profit (loss) from assets held for sale, net of taxes		–	–
Profit (Loss) for the year		(99,078,039)	196,067,988

* For more proper reporting of the data shown in the comparative figures for the year 2023, bank fees and charges on current accounts have been reclassified from "financial expense" to "services" (for €117 thousand, and registration taxes from "financial expense" to "other operating costs" (for €4 thousand).

STATEMENT OF COMPREHENSIVE INCOME

			<i>euros</i>
	Note	2024	2023
Loss for the year		(99,078,039)	196,067,988
Items that will not be reclassified to profit or loss			
Actuarial gains (losses)	(28)	52,475	(2,257,417)
Tax effect on actuarial gains (losses)			
Items reclassified to profit or loss	(28)	337,340	3,575,245
Items that will or may be reclassified to profit or loss provided that they meet specific conditions			
Cash flow hedges – effective portion of changes in fair value	(28)	(199,017)	(1,219,751)
Other comprehensive income (expense), net of tax effect		190,798	98,077
Comprehensive loss		(98,887,241)	196,166,065

STATEMENT OF FINANCIAL POSITION

			<i>euros</i>
	Note	31.12.2024	31.12.2023
Assets			
Non-current assets			
Property, plant and equipment	(16)	36,287,792,048	36,012,532,465
Investment property	(17)	1,102,332,237	1,115,362,038
Intangible assets	(19)	151,209,431	153,513,556
Equity investments	(20)	105,553,466	114,791,421
Financial assets (including derivatives)	(21)	136,001,488	144,790,644
Trade receivables and service contracts	(24)	1,714,771	1,593,180
Other assets	(22)	4,240,840,490	4,759,451,304
Total		42,025,443,931	42,302,034,608
Current assets			
Inventories	(23)	1,091,799,278	1,008,913,915
Financial assets arising from service concession arrangements	(25)	14,312,793	4,706,692
Financial assets (including derivatives)	(21)	158,366,438	316,449,542
Cash and cash equivalents	(26)	174,760,763	132,014,561
Tax assets	(27)	810,204	652,748
Trade receivables and service contracts	(24)	702,390,575	651,052,918
Other assets	(22)	4,448,728,689	2,853,860,087
Total		6,591,168,740	4,967,650,463
Assets held for sale and disposal groups		—	—
Total assets		48,616,612,671	47,269,685,071
Equity and liabilities			
Equity			
Share capital	(28)	31,528,425,067	31,528,425,067
Reserves	(28)	50,854,731	50,086,160
Retained earnings	(28)	2,431,842,201	2,345,577,613
Profit (Loss) for the year	(28)	(99,078,039)	196,067,988
Total		33,912,043,960	34,120,156,828
Liabilities			
Non-current liabilities			
Loans and borrowings	(29)	1,978,217,043	2,334,827,600
Employee benefits	(30)	258,293,617	291,390,724
Provisions for risks and charges	(31)	433,029,158	417,202,686
Financial liabilities (including derivatives)	(32)	71,506,083	33,017,402
Trade payables	(34)	19,802,871	16,134,381
Other liabilities	(33)	74,234,809	76,095,920
Total		2,835,083,581	3,168,668,713
Current liabilities			
Loans and borrowings and current portion of non-current loans and borrowings	(29)	4,354,108,062	2,737,535,820
Financial liabilities (including derivatives)	(32)	20,732,914	10,271,600
Trade payables	(34)	4,438,769,949	3,955,161,373
Other liabilities	(33)	3,055,874,205	3,277,890,737
Total		11,869,485,130	9,980,859,530
Liabilities held for sale and disposal groups		—	—
Total liabilities		14,704,568,711	13,149,528,243
Total equity and liabilities		48,616,612,671	47,269,685,071

STATEMENT OF CHANGES IN EQUITY

(Euros)									
Equity									
		Reserves							
		Reserves	Valuation reserves						
	Share capital	Legal reserve	Cash flow hedge reserve	Actuarial reserve	Other reserves	Total reserves	Retained earnings	Profit (Loss) for the year	Total equity
Balance at 1 January 2023	31,528,425,067	114,373,560	(2,528,661)	(127,635,301)	73,859,072	58,068,672	2,245,760,413	262,965,473	34,095,219,624
Profit (Loss) for the year	–	–	–	–	–	–	–	196,067,988	196,067,988
Profit (Loss) recognised directly at equity	–	–	2,355,494	(2,257,417)	(21,228,861)	(21,130,784)	–	–	(21,130,784)
Comprehensive income	–	–	2,355,494	(2,257,417)	(21,228,861)	(21,130,784)	–	196,067,988	174,937,204
Allocation of profit for the previous year	–	13,148,274	–	–	–	13,148,274	99,817,199	(112,965,473)	–
Dividend distribution	–	–	–	–	–	–	–	(150,000,000)	(150,000,000)
Balance at 31 December 2023	31,528,425,067	127,521,834	(173,167)	(129,892,718)	52,630,211	50,086,161	2,345,577,612	196,067,988	34,120,156,828
Balance at 1 January 2024	31,528,425,067	127,521,834	(173,167)	(129,892,718)	52,630,211	50,086,161	2,345,577,612	196,067,988	34,120,156,828
Profit (Loss) for the year	–	–	–	–	–	–	–	(99,078,039)	(99,078,039)
Profit (Loss) recognised directly at equity	–	–	138,323	52,475	(9,225,626)	(9,034,828)	–	–	(9,034,828)
Comprehensive income	–	–	138,323	52,475	(9,225,626)	(9,034,828)	–	(99,078,039)	(108,112,867)
Dividend distribution	–	–	–	–	–	–	–	(100,000,000)	(100,000,000)
Allocation of profit for the previous year	–	9,803,399	–	–	–	9,803,399	86,264,589	(96,067,988)	–
Balance at 31 December 2024	31,528,425,067	137,325,233	(34,844)	(129,840,243)	43,404,585	50,854,731	2,431,842,201	(99,078,039)	33,912,043,960

STATEMENT OF CASH FLOWS

		<i>euros</i>	
	Note	31.12.2024	31.12.2023
Profit / (Loss) for the year		(99,078,039)	196,067,988
Income taxes		–	–
Net financial income (expense)	(12)(13)(14)	81,584,688	54,122,900
Amortisation and depreciation	(11)	141,474,283	139,760,932
Accruals to provisions and impairment losses	(11)(13)(30)(31)	101,012,776	46,325,055
Losses on sales	(5) (9)	(98,945,951)	(107,538,302)
Change in inventories	(23)	(82,885,363)	(151,770,960)
Change in trade receivables	(24)	(51,459,249)	258,644,656
Change in trade payables	(34)	486,554,366	505,272,094
Change in other assets and liabilities	(22) (33) (27)	(1,384,366,004)	(4,035,619,132)
Utilisation of the provisions for risks and charges	(31)	(82,019,174)	(63,927,617)
Payment of employee benefits	(30)	(41,614,219)	(45,672,135)
Financial income collected/(financial expense paid)	(12)(13)	(71,682,509)	(36,994,355)
Taxes (paid)/collected	(15)	–	–
Net cash flows generated by (used in) operating activities		(1,101,424,395)	(3,241,328,876)
Increases in property, plant and equipment	(16)	(10,562,035,586)	(10,265,173,439)
Investment property	(17)	(5,598,841)	(11,250,769)
Increases in intangible assets	(19)	(3,352,734)	(1,829,462)
Increases in equity investments	(20)	(93,622,800)	(132,680,338)
Investments, before grants		(10,664,609,961)	(10,410,934,008)
Grants for property, plant and equipment	(16)	10,230,930,431	9,666,140,797
Grants for investment property	(17)	–	–
Grants for intangible assets	(19)	–	–
Grants for equity investments	(20)	93,622,800	140,433,900
Grants		10,324,553,231	9,806,574,697
Decreases in property, plant and equipment	(16)	103,565,067	116,737,275
Decreases in investment property	(17)	3,357,470	2,308,097
Decreases in intangible assets	(19)	1,400,000	253,823
Decreases in equity investments and profits	(20)	9,237,955	21,228,861
Decreases		117,560,492	140,528,056
Net cash flows used in investing activities		(222,496,238)	(463,831,255)
Disbursement and repayment of non-current loans	(29)	(589,729,161)	491,907,322
Disbursement and repayment of current loans	(29)	1,831,000,000	1,800,000,000
Grants related to assets (for loans)	(21)	10,000,000	10,000,000
Lease liabilities	(32)	(22,537,005)	(13,094,689)
Change in financial assets	(21)	(2,710,402)	(7,711,080)
Change in financial liabilities	(32)	–	(172,348)
Change in financial assets arising from service concession arrangements	(25)	(9,606,101)	2,097,421
Dividends	(28)	–	–
Changes in equity and cash from non-recurring transactions	(28)	(9,237,954)	(21,228,861)
Net cash flows generated by financing activities		1,207,179,377	2,261,797,765
Total cash flows		(116,741,256)	(1,443,362,366)
Opening cash and cash equivalents		438,156,683	1,881,519,049
Closing cash and cash equivalents	(21) (26)	321,415,427	438,156,683
<i>of which: intragroup current account</i>		<i>146,654,666</i>	<i>306,142,125</i>

NOTES TO THE FINANCIAL STATEMENTS

BASIS OF PREPARATION

1. Introduction

Rete Ferroviaria Italiana (the “Company” or “RFI”) is a company set up in accordance with Italian law and is based in Italy. Its registered office is in Rome.

It is managed and coordinated by Ferrovie dello Stato Italiane S.p.A. (“FS Italiane S.p.A.”).

The directors approved these financial statements on 5 March 2025 and they will be made available to the shareholder for approval and subsequent filing within the terms established by law. The shareholder has the power to make changes to these financial statements.

The Company opted not to prepare consolidated financial statements in accordance with the exemption allowed by IFRS 10. The consolidated financial statements are prepared by FS Italiane S.p.A. which is RFI’s direct parent. This Company has its registered office in Piazza della Croce Rossa 1, Roma, and the consolidated financial statements can be obtained at the above address in accordance with the terms and methods set out in the current regulations.

PricewaterhouseCoopers S.p.A. was appointed independent auditor for the 2023-2025 three-year period.

2. Basis of preparation

These financial statements for the financial year ended 31 December 2024 have been prepared in accordance with the IFRS (which include the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 and in effect at the reporting date (“IFRS”). Specifically, the Company consistently applies the IFRS to all periods presented in these financial statements.

Furthermore, these financial statements have been prepared on the basis of the best knowledge of the IFRS and considering best practices in this respect. Any future guidance and interpretations will be applied in future years, as established by the standards over time.

The financial statements have been prepared and presented in Euro, which is the Company’s functional currency, i.e., the currency of the primary economic environment in which it operates. Unless otherwise stated, all amounts included in the tables and comments of the following notes are expressed in thousands of euros.

These financial statements comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and the notes thereto. Specifically:

- the statement of financial position has been prepared by classifying assets and liabilities as “current/non-current”, with the specific separation of assets/liabilities held for sale or included in a disposal group;
- the income statement has been prepared by classifying operating costs by nature, indicating the profit (loss) from continuing operations separately from any profit (loss) from discontinued operations;

- the statement of comprehensive income includes the profit (loss) for the year and other changes in equity attributable to transactions that are not carried out with owners in their capacity as owners;
- the statement of changes in equity shows the profit (loss) for the year separately from any other changes not through profit or loss;
- the statement of cash flows has been prepared by presenting cash flows from operating activities using indirect method.

The annual report also includes the directors' report accompanying the Financial Statements.

These financial statements have been prepared on a going-concern basis, as the directors established that there are no financial or operational indicators or any other indications of critical issues about the Company's ability to meet its obligations in the foreseeable future and, specifically, in the next 12 months, without prejudice to the principle of the Operator's economic and financial balance under Article 16 of Legislative Decree no. 112/2015. Reference should be made to note 35 - Financial risk management for a description of the Company's financial risk management procedures.

The financial statements have been prepared on the historical cost basis, except for those items which are measured at fair value, as required.

Furthermore, "current" refers to the 12 months immediately after the reporting date, while "non-current" refers to periods more than 12 months after the reporting date.

These financial statements have been prepared using the same accounting policies applied when drawing up the financial statements at 31 December 2023, except for that set out below.

3. Significant accounting policies

The most significant information on accounting standards and policies applied to the preparation of these financial statements is described below.

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, net of accumulated depreciation and impairment losses, if any. The purchase or production cost includes any charges that are directly incurred to make assets available for use, as well as dismantlement and removal charges, if any, that will be incurred as a result of contractual obligations that require the asset to be returned to its original conditions. Any financial expense that is directly attributable to the acquisition, construction or production of qualifying assets is capitalised and depreciated on the basis of the useful life of the asset to which it refers. It is no longer capitalised when all operations to bring the asset in the conditions necessary to ensure its use have been completed. Leasehold improvements or costs to upgrade and transform property, plant and equipment are recognised under assets.

Any charges incurred for ordinary maintenance and repairs are directly taken to profit or loss when incurred. Costs to upgrade or replace an existing part or for extraordinary maintenance are capitalised as a direct increase in the

asset. Where inspections or replacement of parts at regular intervals are planned, the related charges are capitalised.

Depreciation begins when the asset becomes available for use and is calculated based on the cost of the asset, net of the residual amount, being the estimated recoverable amount of the infrastructure at the end of the concession.

Depreciation is charged systematically and on a straight-line basis at variable rates based on train-km production volumes. "Train-km" means the total number of kilometres travelled by trains on a railway infrastructure expressed in millions/year. Specifically, depreciation is calculated based on the ratio of quantities generated in the year to total production expected throughout the concession term, applied to the depreciable cost of the infrastructure at the reporting date, and considering future investments which guarantee a sufficient efficiency and security level of the infrastructure equal to that of the current year (in particular, extraordinary maintenance and renewals), being fully covered by grants and therefore economically borne by the government. Consequently, future investments are considered in the calculation of the infrastructure's total production capacity, and, accordingly, with an impact on the calculation of the depreciation rate. If there are no government grants, the depreciation of the network is calculated based on the ratio of quantities generated in the year to total production expected throughout the concession term, without considering those related to the future costs necessary to ensure the efficiency of the infrastructure in the same period (in particular, extraordinary maintenance and renewals).

The depreciable cost of investments is the sum of all costs incurred not yet amortised, including any interest expense accrued during or for the development of assets, net of grants related to assets, excluding the expected residual carrying amount of the railway infrastructure at the end of the concession, in order to consider the related transferability against consideration.

Property, plant and equipment which, together with intangible assets and investment property, make up the railway infrastructure, comprise seven lines as shown in the table below.

For each line, RFI uses the number of train-km actually sold during the year and resulting from the Company's specific monitoring system as the indicator of the quantity generated during the year.

The depreciation rates applied in 2024 and 2023 are as follows:

	Production indicators	
	2024	2023
Po valley line and international transits (Line A)	2.45%	2.47%
North Tyrrhenian line and confluent lines (Line B)	2.32%	2.54%
Backbone and confluent lines (Line C)	2.33%	2.45%
South Tyrrhenian line (Line D)	2.31%	2.48%
Adriatic line and Apennines cross-rails (Line E)	2.62%	2.52%
Complementary network (Line F)	2.50%	2.47%
HS/HC network (Line G)	2.54%	2.62%

The depreciation rates and the residual carrying amount are revised and updated where necessary at each year end. Land is depreciated only in respect of capitalised reclamation costs.

Property, plant and equipment are derecognised when they are sold or when no more future economic benefits are expected from their use or disposal. Any gain or loss (calculated as the difference between the disposal amount, net of sale costs, and the carrying amount) is recognised in profit or loss in the year the asset is derecognised.

Leased assets

i. Identification

At the inception date of the lease (i.e., the earlier of the date of a lease agreement and the date of commitment by the parties to the principal terms and conditions of the lease) and, subsequently, the Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed. In particular, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract, which are accounted for in accordance with other standards.

The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee. It is determined by assessing the length of the non-cancellable period of a lease, i.e., the period in which the contract is enforceable, including any rent-free periods provided to the lessee by the lessor. In addition to this term, the Company considers:

- the period covered by the option to renew the lease if the Company is reasonably certain to exercise the renewal option;
- periods after the termination option if the Company is reasonably certain not to exercise the option.

Options to terminate the lease held only by the lessor are not considered.

The Company has opted not to recognise short-term leases (i.e., those with a term of 12 months or less), or contracts for low-value items (i.e., assets that, when new, are worth €10,000 or less or leases with a contractual value of €10,000 or less) in accordance with IFRS 16. The Company recognises the lease payments associated with these types of leases as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

ii. Subsequent measurement

At the commencement date of a lease, the Company recognises the right-of-use asset under the relevant non-current assets caption depending on the nature of the asset subject to the lease contract and the lease liability in current and non-current financial liabilities. The right-of-use asset is initially measured at cost, including the amount of the initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date, plus any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The Company measures the lease liability at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or

the lessee's incremental borrowing rate if it cannot. The lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate, any residual value guarantees, the exercise price of a purchase option (if the Company is reasonably certain to exercise that option), the exercise price of an extension option (if the Company is reasonably certain to exercise that option) and payments of penalties for terminating the lease (if the lease term reflects the lessee exercising an option to terminate the lease).

The right-of-use asset is subsequently depreciated on a straight-line basis over the entire term of the contract, unless the contract provides for the transfer of ownership at the end of the lease or the cost of the lease reflects the fact that the purchase option will be exercised. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are calculated using the same depreciation requirements as those for the relevant intangible assets or property, plant and equipment. Furthermore, the right-of-use asset is recognised net of any impairment losses on the cash-generating unit (CGU) and is adjusted to reflect the remeasurement of the lease liability.

The lease liability is subsequently measured at amortised cost using the effective interest method and is remeasured whenever there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, a change in the amount that the Company expects to be payable under a residual value guarantee or when the Company changes its assessment of an option to purchase the underlying asset or extend or terminate the lease. If the lease liability is remeasured, the Company adjusts the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, any remaining amount is recognised in profit or loss.

In the statement of financial position, the Company includes right-of-use assets within the same captions as that within which the corresponding assets would be presented if they were owned, and the lease liabilities in other financial liabilities. In the income statement, interest expense on the lease liability is a component of financial expense and is presented separately from the depreciation charge for the right-of-use asset.

Investment property

Investment property is property held to earn rentals and/or for capital appreciation rather than for sale in the ordinary course of business. Furthermore, investment property is not used in the production or supply of goods or services or for administrative purposes. This caption is recognised using the criteria applied to property, plant and equipment.

If a property development project is launched to be subsequently sold, the properties are reclassified to inventories following the change in use. Their carrying amount at the date of the change in use is considered a cost for subsequent recognition under inventories and depreciation is suspended.

Transfers to, or from, investment property are made only when there is a change in use. In and of itself, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Intangible assets

Intangible assets are identifiable, non-monetary assets without physical substance, that can be controlled and can generate future economic benefits. They are recognised at purchase and/or production cost incurred to make the asset available for use, net of accumulated amortisation and impairment losses, if any. Interest expense, if any, that accrues during and for the development of intangible assets, is considered part of the purchase cost. Amortisation begins when the asset is available for use and is calculated using the criteria applied to property, plant and equipment.

Intangible assets comprise: development expenditure; concessions, licences, trademarks and similar rights; assets under development and payments on account.

Research expenditure is recognised in profit or loss when incurred, while development expenditure is recognised under intangible assets when all the following conditions are met:

- the project is clearly identified and any costs referred thereto are identifiable and can be measured reliably;
- the technical feasibility of completing the project can be demonstrated;
- the intention to complete the project and to sell the generated intangible assets can be demonstrated;
- there is a potential market or, in case of internal use, it is demonstrated that the intangible asset is useful for the production of the intangible assets generated by the project;
- technical and financial resources are available which are necessary to complete the project.

If the research phase of an identified internal project to create an intangible asset cannot be distinguished from the development phase, the expenditure on that project is fully charged to profit or loss as if it had been incurred in the research phase only.

The gain or loss arising from the derecognition of an intangible asset is equal to the difference between the net disposal proceeds and the carrying amount of the asset. It is recognised in profit or loss when the asset is sold.

Service concession arrangements

Service concession arrangements, where the grantor is a public sector entity and the operator is a private sector entity (public-to-private) fall under the scope of IFRIC 12 only when the requirements for service regulation and control of the residual interest are met. This interpretation is applied when the infrastructure is essential to provide the public with services and the arrangement establishes that the grantor:

- controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- controls - through ownership or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

The Company does not recognise infrastructure for concessions under the scope of IFRIC 12 as property, plant and equipment but rather recognises at fair value either alternatively or jointly: the intangible asset, if the operator has the right to charge users of the public service for the construction or upgrading of the infrastructure; and the financial asset when its construction or upgrade generate an unconditional contractual right to receive cash from or at the direction of the grantor and the grantor has little, if any, discretion to avoid payment. The operator recognises revenue and costs in line with the contractual terms and the stage of completion as provided by construction contracts. Revenue from the prices paid by users continues to be recognised in line with that set out

in the paragraph on revenue recognition. Any intangible assets are amortised over the concession term using a method that reflects the estimated consumption of the economic benefits embedded in the right and the manner of consumption. Accordingly, amortisation is calculated considering the concession term. Provisions for concession commitments include accruals made for the operator's obligation to restore the infrastructure to a specified condition or replace the infrastructure to return it to its normal state of use. They are made when the concession arrangement includes these obligations and the grantor does not receive additional financial benefits.

Investments in subsidiaries, associates, joint arrangements and other investments

Investments in subsidiaries, associates and joint arrangements are measured at cost, including directly-attributable costs, adjusted for impairment.

The Company's investments in companies that are neither subsidiaries nor associates or joint arrangements, which are not listed in an active market and for which the use of an appropriate measurement model is not reliable, are in any case measured at cost which is deemed to reflect the best estimate of fair value.

Impairment losses on investments measured at cost are recognised in profit or loss. If the reasons for an impairment loss no longer apply, the carrying amount of the investments is reserved up to its original cost. Impairment gains are recognised in profit or loss.

Subsidiaries

An investor controls an investee when it is (i) exposed, or has right, to variable returns, and (ii) has the ability to affect those returns through its decision-making power over the relevant activities of the investee. The existence of control is verified whenever facts and/or circumstances indicate a change in any of the above qualifying elements of control.

Associates

An associate is an entity over which the investor has "significant influence" over its management. If an investor holds 20% or more of the share capital, it is presumed that the investor has significant influence unless the contrary can be clearly demonstrated; conversely, where the investor holds less than 20% of the share capital, it is assumed that there is no significant influence in management unless such influence can be clearly demonstrated.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and available bank deposits, and any other forms of short-term investment, with an initial maturity of three months or less, net of impairment losses calculated in accordance with IFRS 9. At the reporting date, current account overdrafts are classified in the statement of financial position as loans and borrowings under current liabilities. Cash and cash equivalents are measured at fair value, which usually corresponds to the nominal amount, through profit or loss.

Financial instruments

i. Classification and measurement of financial assets

The Company's financial assets are classified and measured considering both the business model used to manage such assets and the characteristics of their cash flows. The Business model determines whether cash flows will flow to the Company from collecting contractual cash flows, selling financial assets or both of them. The Company performs SPPI (Solely Payment of Principal and Interest) tests on each instrument to determine whether these contractual cash flows are solely payments of principal and interest (in which case the SPPI test is passed).

Financial assets are classified in one of the following categories at initial recognition:

- at amortised cost (AC)
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortised cost

This category includes all financial assets that meet both of the following conditions:

- the financial asset is held solely to collect contractual cash flows (HTC - Held To Collect - business model); and
- the contractual cash flows are solely payments of principal and interest (SPPI test passed).

In this category, financial instruments are initially recognised at fair value, inclusive of transaction costs, and subsequently measured at amortised cost. Interest, calculated using the effective interest method, impairment losses (impairment gains), exchange gains (losses) and gains (losses) on derecognition are recognised in profit or loss.

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

This category includes all financial assets that meet both of the following conditions:

- the asset is held to collect not only contractual cash flows but also the cash flows generated from its sale (HTC&S model); and
- the contractual cash flows are solely payments of principal and interest (SPPI test passed).

In this category, the financial assets are initially measured at fair value, inclusive of transaction costs. Interest (calculated using the effective interest method), impairment losses (impairment gains), exchange gains (losses) and gains (losses) on derecognition are recognised in profit or loss. Other fair value gains or losses are recognised in OCI. Upon derecognition, all cumulative gains or losses previously recognised in OCI are reclassified to profit or loss.

For information about equity instruments which fall under the scope of IFRS 9, reference should be made to the paragraph on Investments in subsidiaries, associates, joint arrangements and other investments.

(c) Financial assets measured at fair value to profit or loss (FVTPL)

This category includes all financial assets not classified as measured at amortised cost or fair value through other comprehensive income.

They are initially and subsequently measured at fair value. Transaction costs and fair value gains and losses are recognised in profit or loss.

ii. Classification and measurement of financial liabilities

Loans and borrowings, trade payables and other financial liabilities are initially recognised at fair value, net of directly-attributable costs, and are subsequently measured at amortised cost, applying the effective interest method. When there is a change in the estimated expected cash flows, the carrying amount of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and of the effective internal rate as initially determined. Loans and borrowings, trade payables and other financial liabilities are classified under current liabilities, except for those with a contractual term of more than 12 months after the reporting date and those for which the Company has an unconditional right to defer their settlement for at least 12 months after the reporting date. Loans and borrowings, trade payables and other financial liabilities are derecognised when repaid and when the Company has transferred all risks and charges related to the instrument.

iii. Classification and measurement of derivatives

The Company has opted to continue applying hedge accounting to derivatives, as permitted by IAS 39 until the IASB completes the macro-hedging project to simplify the accounting treatment of hedges.

The Company uses derivatives as part of its hedging strategies to mitigate the risk of fair value gains or losses on recognised assets or liabilities or firm commitments (fair value hedges) or changes in cash flows expected from firm commitments or highly probable transactions (cash flow hedges). The effectiveness of hedges is documented and tested since the inception of the transaction which is periodically (at least at each annual or interim reporting date) measured by comparing the fair value gains or losses on the hedge to those on the hedged item (dollar offset ratio) or, with respect to more complex financial instruments, through statistical analyses based on risk changes.

Fair value hedges: fair value gains or losses on derivatives designated as fair value hedges and which qualify as such are recognised in profit or loss, similarly to fair value gains or losses on hedged assets or liabilities attributable to the hedged risk.

Cash flow hedges: fair value gains or losses on derivatives designated as cash flow hedges and which qualify as such are recognised, only to the extent of the "effective" portion, in other comprehensive income in the hedging reserve. They are subsequently reclassified to profit or loss when the underlying hedged item affects profit or loss.

Fair value gains or losses related to the ineffective portion are immediately recognised in profit or loss. Should the underlying transaction no longer be considered highly probable, the related portion of the hedging reserve is immediately reclassified to profit or loss. Conversely, should the derivative be sold, expire or no longer qualify as an effective hedge of the risk for which the transaction was created, the related portion of the hedging reserve is maintained until the underlying item affects profit or loss. Recognition of the hedge as a cash flow hedge is discontinued prospectively.

iv. Subsequent measurement: impairment losses

The Company applies the expected credit loss (ECL) model to determine impairment losses, which entails a significant assessment level of the impact of the changes in economic factors on the ECL, which are probability-weighted.

Loss allowances are measured using the general deterioration method and the simplified approach. Specifically:

- under the general deterioration method, the financial instruments are to be classified in three stages which reflect the level of deterioration from the moment the financial instrument is acquired and provide for a different ECL calculation method;
- under the simplified approach, some simplifications may be applied to trade receivables, contract assets and lease assets so that the entities are not required to monitor credit risk changes, as required instead by the general approach. Under the simplified approach, lifetime expected credit losses are recognised, therefore, no stage allocation is necessary. Losses are calculated over the residual life of the asset or receivable, which does not generally exceed 12 months.

As mentioned earlier, when the general deterioration method applies, financial instruments are classified into three stages based on the deterioration of credit quality between initial recognition and the measurement date.

In order to identify the methodological approach to be applied to the assets that are in scope of the impairment requirements and, specifically, the correct probability of default, the Company defined a conventional cluster segmentation based on counterparty:

- Public administration: all loans and trade receivables with the government, regions, provinces, municipalities, the EU or related bodies;
- Intragroup: all intragroup loans and trade receivables;
- Deposits: all deposits with banks;
- Amounts from third parties: loans and trade receivables other than those above, with non-financial companies, producers and consumers.

Furthermore, the Company opted to apply the low credit risk exemption allowed by IFRS 9 to assets other than trade receivables that are rated investment grade (between AAA and BBB-). Accordingly, there is no stage allocation: in fact, these assets are directly allocated to Stage 1 with a one-year provision.

Therefore, the application of the impairment model entails the following main steps:

- Separation between loans and trade receivables: this distinction isolates the scope of the assets subject to the stage allocation criteria, i.e., all loans. Conversely, these criteria do not apply to trade receivables following the application of the simplified approach whereby expected credit losses are always classified on a lifetime basis;
- Calculation of expected credit losses - loans: the expected credit loss is calculated for each cluster, once the relevant stage has been identified;
- Calculation of expected credit losses - trade receivables: for each cluster, trade receivables are broken down by due date (specifically, falling due, past due up to one year, past due up to two years, past due by more than two years). The expected credit losses are then calculated accordingly.

The impairment model developed in line with the requirements of IFRS 9 is based on the determination of expected credit loss (ECL) by using a forward-looking approach.

Fair value measurement

The fair value of instruments quoted on an active market is calculated based on the bid price at the reporting date, while that of instruments not quoted on an active market is determined using financial valuation techniques:

specifically, the fair value of interest rate swaps is measured by discounting expected cash flows, while that of currency forwards considers closing rates and the expected differentials of the relevant currencies. Financial assets and financial liabilities measured at fair value are classified using the following three levels of the fair value hierarchy, based on the relevance of the inputs used to determine fair value. Specifically:

- Level 1: financial assets and financial liabilities whose fair value is calculated based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: financial assets and financial liabilities whose fair value is calculated based on inputs other than quoted prices included within Level 1 that are observable directly or indirectly;
- Level 3: financial assets and financial liabilities whose fair value is calculated based on unobservable inputs.

Inventories

Inventories are recognised at the lower of purchase and/or production cost and net realisable value. Cost is calculated using the weighted average cost method. The net realisable value of finished products and property is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of raw materials, consumables and supplies is replacement cost.

Purchase cost includes additional charges, while production cost comprises directly-attributable costs and a portion of indirect costs that are reasonably attributable to the products.

Obsolete and/or slow-moving inventories are written down to reflect their estimated possible use or future sale, through the recognition of a specific allowance for inventory write-down. The write-down is derecognised in subsequent years if the reasons therefor no longer apply.

Employee benefits

Short-term benefits

Short-term benefits comprise wages, salaries, related social security contributions, holidays paid and incentives paid out in the form of bonuses payable in the 12 months after the reporting date. These benefits are accounted for as personnel expense components in the period in which the employees provide their service.

Defined benefit plans and defined contribution plans (Post-employment benefits and Free Travel Card)

The Company has both defined benefit and defined contribution plans in place. The defined contribution plans are managed by third-party fund managers, in relation to which there are no legal or any other obligations to pay additional contributions if the fund does not have sufficient assets to meet the commitments with employees. With respect to the defined contribution plans, the Company pays contributions, either voluntarily or as required by contract, into public and private insurance pension funds. Contributions are recognised as personnel expense on an accruals basis. Advance payments for contributions are recognised as an asset that will be repaid or offset against future payments, if due.

A defined benefit plan is a plan that cannot be classified as a defined contribution plan. Under defined benefit plans, the amount of the benefit to be paid to the employee can be quantified only after the termination of the employment relationship, and is linked to one or more factors, such as age, years of service and remuneration. Therefore, defined benefit obligations are determined by an independent actuary using the projected unit credit method. The present value of defined benefit plans is determined by discounting future cash flows at an interest rate equal to that of (high-quality corporate) bonds issued in the foreign currency in which the liability will be settled and that takes account of the term of the related pension plan. Actuarial gains and losses are fully recognised in profit or loss in the relevant year, taking account of the related deferred tax effect.

Specifically, the Company manages a defined benefit plan that consists of post-employment benefits (Italian "TFR"). Italian companies are required to accrue a provision pursuant to article 2120 of the Italian Civil Code, which is treated as deferred remuneration and is based on employees' duration of service and the remuneration they receive during that time. Starting from 1 January 2007, Law no. 296 of 27 December 2006, the "2007 Finance Act" and subsequent Decrees and Regulations, introduced significant amendments to TFR regulations, including the employees' right to choose to transfer the TFR being accrued either to supplementary pension funds or to the "Treasury Fund" managed by INPS (the Italian Social Security Institute). Consequently, the obligation to INPS and the contributions paid into supplementary pension funds are now treated, pursuant to IAS 19 - Employee benefits, as defined contribution plans, while the amounts recognised under post-employment benefits at 1 January 2007 are still treated as defined benefit plans.

The Company also has a defined benefit pension plan in place, the "Free Travel Card" that gives current and retired employees and their relatives, the right to use – free of charge or, in some cases, for an admission fee – the trains operated by Trenitalia.

Consequently, in accordance with the above-mentioned actuarial techniques, a provision is recognised which reflects the discounted charge for retired employees entitled to benefits, and the benefits accrued for employees in force to be disbursed at the end of the employment. The same accounting treatment is applied to the Free Travel Card benefits and the effects arising from actuarial gains and losses as for post-employment benefits.

Provisions for risks and charges

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount and/or due date is unknown at the reporting date. A provision is recognised when there is a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. The provisions are stated as the best estimate of the expenditure required to settle the obligation. The discount rate used to determine the present value of the liability reflects the current market value and considers the risk specific to each liability.

Where the effect of the time value of money is material and the settlement dates of obligations can be estimated reliably, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Risks for which a liability is only possible are disclosed in the specific section on contingent liabilities without accruing any provisions.

Revenue from contracts with customers

i. Initial recognition and subsequent measurement

The Company recognises revenue in order to depict the transfer of the promised goods and/or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised using the five-step model, which entails: i) identifying the contract with the customer, ii) identifying the performance obligations in the contract, iii) determining the transaction price, iv) allocate the transaction price to the performance obligations in the contract and v) recognising revenue.

Revenue is measured considering the contract terms and the commercial practices usually applied to transactions with customers. The transaction price is the amount of consideration (which may include fixed amounts, variable amounts, or both) to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. Control refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset (good/service). The total consideration of contracts for the provision of services is allocated among all services based on the selling prices of the related services as if they had been sold separately. For each contract, the reference element for the recognition of revenue is the single performance obligation. For each performance obligation, the Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. For performance obligations satisfied over time, revenue is recognised over time, assessing the progress towards complete satisfaction of the performance obligation at each reporting date. The Company measures progress in accordance with an input method (cost-to-cost method). Accordingly, revenue is recognised based on the inputs used to satisfy the obligation up to the reporting date, compared to the total inputs assumed to satisfy the entire obligation. When the inputs are distributed consistently over time, the Company recognises the corresponding revenue on a straight-line basis. In some circumstances, when the Company is unable to reasonably measure the outcome of a performance obligation, revenue is recognised only to the extent of the costs incurred.

The nature and timing of performance obligations and the significant terms for the satisfaction of performance obligations are summarised below for the Company's main contracts with customers:

Products and services	IFRS 15 recognition Nature and terms of performance obligations, significant terms of payment
Sale of goods and services and construction contracts (standard)	<p>Under IFRS 15, revenue is measured considering the contract terms and the commercial practices usually applied to transactions with customers. The transaction price is the amount of consideration (which may include fixed amounts, variable amounts, or both) to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. Control refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset (good/service). The total consideration of contracts for the provision of services is allocated among all services based on the selling prices of the related services as if they had been sold separately.</p> <p>Under IFRS 15, for each contract, the reference element for the recognition of revenue is the single performance obligation. For each separately-identified performance obligation, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.</p> <p>For performance obligations satisfied over time, revenue is recognised over time, assessing the progress towards complete satisfaction of the performance obligation at each reporting date. The group measures progress in accordance with an input method (cost-to-cost method). Accordingly, revenue is recognised based on the inputs used to satisfy the obligation up to the reporting date, compared to the total inputs assumed to satisfy the entire obligation. When the inputs are distributed consistently over time, the group recognises the corresponding revenue on a straight-line basis. In some circumstances, when the group is unable to reasonably measure the outcome of a performance obligation, revenue is recognised only to the extent of the costs incurred.</p>
Fees	<p>They are the amount paid to use the train paths necessary to carry out the long- and short-haul domestic passenger rail transport and for freight transport (chapter 5 of the Network Prospectus) which reflect the individual performance obligations (POs).</p> <p>The fee is calculated as the sum of components A and B:</p> <ul style="list-style-type: none"> - component A relates to the wear and tear of the infrastructure; - component B relates to the market segments' ability to pay. <p>Revenue is calculated every month with progress bills based on the contractually-agreed amounts.</p> <p>Adjustment takes place every quarter based on the actual number of trains in operation. This figure is calculated for each train by pricing the train paths under the contract and those actually used by each railway company.</p>
Ferrying services	<p>This service relates to the transport of trains by ferry and is part of the minimum access package ("MAP").</p> <p>Although it also comprises shunting, boarding and disembarking services, this service is considered a single performance obligation.</p> <p>The tariff is governed by chapter 6 of the Network Statement and is calculated</p>

	<p>by multiplying the market segments' ability to pay by the km travelled.</p> <p>Revenue is recognised and progress bills are issued.</p> <p>Adjustment takes place every quarter based on the actual number of trains transported.</p>
Electric traction (traffic-related services)	<p>Chapter 5 of the Network Statement includes the supply of electrical energy for traction under additional services.</p> <p>The fee for this service is calculated in accordance with the Ministry of Economic Development decree dated 22 December 2015 and set out in chapter 6 of the Network Statement. It is equal to the sum of the fee for the indirect supply costs and the unit cost of energy, multiplied by electric km.</p> <p>Revenue is recognised every month based on progress billing with quarterly adjustments. The actual cost of electrical energy for traction is calculated within the following year and the billed cost is adjusted with the railway companies.</p>
Other traffic-related services (excluding electric traction)	<p>This contract refers to the traffic-related services covered by chapter 5 of the Network Statement (e.g., parking, water supply, washing sidings, pre-heating, shunting services, fast track, parking, etc.), excluding those covered by the MAP and electric traction.</p> <p>The tariffs for each service are listed in chapter 6 of the Network Statement. Each traffic-related service is considered an individual performance obligation. Consequently, each fee refers to a single PO.</p> <p>Revenue is recognised monthly, while invoices are issued every three months based on the amounts calculated for each railway company and each service.</p>
Health services	<p>The group's Health department offers many different health services to FS Italiane group companies and companies, transport public bodies and accredited private bodies and private parties. These services include fitness assessments for various types of driving licences, checking the mental and physical soundness of transport workers, specialist check-ups, etc..</p> <p>Once the service has been provided and completed, it is entered into the WEB VINE system which will transfer the relevant data necessary for revenue recognition and to issue the related invoice.</p>
Revenue from GSM-R	<p>This contract governs the service that RFI provides to telephone operators, granting non-exclusive access to the GSM frequency band inside railway tunnels, and the maintenance of the related systems. The consideration paid by the above operators is invoiced in accordance with the terms and conditions of the relevant contract.</p>
Processing for third parties	<p>This usually covers long-term contracts for the execution of a work or a group of closely interrelated works. These are contract works performed in accordance with the customer's technical specifications and are not carried out for the protection or safety of the railway operations. This category also includes the services generally related to the construction of an asset, agreed as a single item as per the customer's specific instructions. When the agreement is signed with the customer, an "Internal contract" is created which comprises the figures related to the works necessary for revenue recognition purposes. Invoices are issued after reporting, unless in the case of contract advances.</p>
Sale of materials	<p>These contracts cover the sale of "new" materials (mainly technological materials) and "serviceable" materials (mainly superstructure materials). New materials are sold at the more favourable price between the standard and the purchase price,</p>

while the sale price of serviceable second-hand materials is usually based on the price of new materials, reduced by a percentage discount to reflect certain variables (e.g., consumption, type, exclusion of transport, etc.). For each delivery of materials, the Site Manager prepares a delivery report, a copy of which is sent to the person in charge of issuing the sale order and the related invoice.

ii. Variable consideration

If the consideration promised in a contract includes a variable amount (e.g., because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or because the consideration is contingent on the occurrence or non-occurrence of a future event), the Company estimates the amount of consideration to which it is entitled. The Company estimates variable considerations consistently for similar items, using the expected value or the most likely amount method. They subsequently include in the transaction price the amount of variable consideration estimated, only to the extent that it is highly probable.

iii. Existence of a significant financing component

When a significant financing component exists, revenue is adjusted, both when companies are financed by their customer (advance collection) and when they finance it (deferred collection). The existence of a significant financing component is identified when the contract is signed by comparing expected revenue against the payments to be received. It is not recognised if the period between when the entity transfers a promised good or service and when the customer pays for that good or service is one year or less.

iv. Incremental costs of obtaining a contract and costs to fulfil a contract

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission), which it expects to recover. If no contract is obtained, they are recognised provided that they are explicitly chargeable to the customer. The Company recognises the costs incurred to fulfil a contract only when they relate directly to a contract, generate or enhance resources that will be used in satisfying performance obligations in the future and are expected to be recovered.

Cost recognition

Costs are recognised when they relate to goods and services acquired or consumed in the financial period, or on accruals basis over the financial period.

Dividends

They are recognised in profit or loss when the shareholder's right to receive payment thereof arises. The latter usually coincides with the shareholder's resolution approving dividend distribution. Dividends distributed to the Company's shareholder are presented as a change in equity and recognised under liabilities when their distribution is approved by the shareholder.

Government grants

Government grants, when formally assigned and, in any case, when the right to their disbursement is deemed definitive as it is reasonably certain that the Company will comply with any conditions attached to the grant and that the grants will be received, are recognised on an accruals basis.

Grants related to assets

They refer to amounts paid by the government and other public authorities to the Company for the implementation of initiatives aimed at the construction, reconditioning and expansion of property, plant and equipment. They are recognised as a direct reduction in the cost of the assets to which they refer and decrease the depreciation rates.

Grants related to income

They refer to amounts paid by the government or other public authorities to the Company to offset costs and charges incurred. They are recognised under Revenue from sales and services, as a positive component of income.

Income taxes

When the conditions set out by IAS 12 are not met, no current or deferred taxes are recognised. For more details, please refer to note no. 15.

NEW STANDARDS**First-time adoption of standards, amendments and interpretations**

The following new standards are effective for annual periods beginning on or after 1 January 2024.

Lease liability in a sale and leaseback (Amendments to IFRS 16)

On 22 September 2022, the IASB issued Lease liability in a sale and leaseback (Amendments to IFRS 16) which clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements of IFRS 15 to be accounted for as a sale.

The application of the aforementioned amendments, where applicable and due to their very nature, has not resulted in any significant impact on this Report.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-Current

On 23 January 2020, the IASB issued amendments to IAS 1 Presentation of financial statements: classification of liabilities as current or non-current which clarify how to classify payables and other liabilities as current or non-current. The amendments were initially meant to go into force as from 1 January 2022, but the IASB postponed the effective date to 1 January 2024 with the issue of a second document on 15 June 2020. Subsequently, on 31 October 2022 the IASB published an additional amendment on "Non-current Liabilities with Covenants (Amendments to IAS 1)" to clarify how conditions that an entity must meet within 12 months of the balance sheet date affect the classification of a liability.

The application of the aforementioned amendments, where applicable and due to their very nature, has not resulted in any significant impact on this Report.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

On 25 May 2023, the IASB published an amendment to IAS 7, which aims to add disclosure requirements and instructions within existing disclosure requirements, requiring entities to provide qualitative and quantitative information on supplier finance arrangements.

The application of the aforementioned amendments, where applicable and due to their very nature, has not resulted in any significant impact on this Report.

Accounting standards, amendments and interpretations endorsed by the European Union but not yet applied

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

On 15 August 2023, the IASB published the amendment to IAS 21 with the aim of specifying when a currency is exchangeable into another currency, how to determine the exchange rate when a currency is not exchangeable into another currency, and in the latter case the disclosures to be made. These amendments are effective from 1 January 2025, and an assessment of any impact their application might have on the financial statements is underway.

Standards, amendments and interpretations not yet endorsed by the European Union

For those newly-issued amendments, standards and interpretations that have not completed the process for endorsement by the European Union, but which deal with matters currently or potentially present in the FS Group, the assessment of the possible impacts that their application could determine on the financial statements is underway, taking into consideration the effective date of their effectiveness. In particular, these include:

- **Amendments to the Classification and Measurement of Financial Instruments**

In May 2024, the IASB published the document which made amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. In detail, the IASB amended the requirements for: (i) settlement of financial liabilities by using an electronic payment system; (ii) assessing the contractual cash flow characteristics of financial assets, including those with features related to environmental, social and governance (ESG) factors; (iii) disclosures related to investments in equity instruments designated at fair value through other comprehensive income; and (iv) additional disclosures for financial instruments with contingent features that are not directly related to the underlying risks and costs of borrowing. The amendments shall apply from 1 January 2026, and an assessment of any impact their application might have on the financial statements is underway.

- **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB published a new accounting standard, which will replace IAS 1 Presentation of Financial Statements, to improve the reporting of financial performance. IFRS 18 will improve the quality of financial reporting through requirements on: (i) subtotals shown in the income statement; (ii) disclosure of management-defined performance measures; and (iii) adding new standards for aggregating and disaggregating information. IFRS 18 shall become effective from 1 January 2027, and an assessment of any impact its application may have on the financial statements is underway.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

On 9 May 2024, the IASB issued a new accounting standard to simplify reporting systems and processes for companies, reducing the cost of preparing financial statements of eligible subsidiaries while maintaining the usefulness of those statements to their users. IFRS 19 shall become effective from 1 January 2027, and an assessment of any impacts that its implementation may have on financial statements is underway.

USE OF ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors applied standards and methods, which in some circumstances rely on difficult and subjective valuations and estimates based on past experience and on assumptions that are from time to time considered to be reasonable and realistic depending on the circumstances. Therefore, the actual amounts of certain financial statements captions calculated according to the above estimates and assumptions may differ in the future, even materially, from those reported in the financial statements, because of the uncertainty that characterises the assumptions and conditions on which the estimates are based - including the crisis between Russia and Ukraine, the crisis in the Middle East, and the macroeconomic situation, which could lead to widely disparate potential future scenarios with many different effects. Estimates and assumptions are reviewed periodically and the effects of any changes are recognised in profit or loss when they affect the year only. If the revision affects both current and future years, the change is recognised in the year the revision is made and in future years.

Therefore, actual results may differ, even materially, from these estimates following possible changes in the factors considered in the determination of such estimates.

It should be noted that RFI does not conduct the impairment assessment due to the (immanent) principle of the Operator's economic and financial balance pursuant to Article 16 of Legislative Decree no. 112/2015.

The following accounting standards require the most subjectivity from the directors in the preparation of estimates and would have a material impact on the financial figures if there were a change in the conditions underlying the assumptions used:

- **Impairment losses - non-financial assets**

Property, plant and equipment and intangible assets with a finite life are tested for impairment. Impairment losses are recognised when there is evidence that it will be difficult to recover the related carrying amount through the use or sale of the asset. Impairment tests require the directors to make subjective valuations based on the information available within the Company and in the market, as well as from past experience. Furthermore, when a potential impairment loss exists, the Company calculates such loss using suitable valuation techniques. The correct identification of impairment indicators and the estimates for calculating them depend on factors that may vary overtime, thus affecting valuations and estimates made by the directors.

- **Impairment losses - financial assets**

According to the Company's impairment model, an expected loss is the sum of the expected losses that result from possible default events on a financial instrument over a specific time horizon; this results in the recognition of a loss using both past and present figures and forward-looking information. Determining expected credit losses, especially when there are credit-impaired financial assets or which show objective evidence of impairment requires the directors to make subjective valuations based on the information available within the Company (e.g., estimating expected cash flows) and in the market, as well as from past experience. The correct identification of impairment indicators and the estimates for calculating them depend on factors that may vary over time, thus affecting valuations and estimates made by the directors.

- **Extension/termination options in leases**

For leases that include extension/termination options, at the commencement date of the lease, the Company assesses whether it is reasonably certain to exercise the options and reassesses them whenever a significant event or significant change in circumstances under its control occurs. Assessing the extension option may require the directors to make subjective judgements based on the information available at the lease measurement date and on past experience.

- **Residual value of property, plant and equipment, investment property and intangible assets with a finite useful life**

Under IAS 16, 38 and 40, the depreciable cost of an item of property, plant and equipment, investment property and intangible assets with a finite useful life is calculated by subtracting its residual value. The residual value of the infrastructure and investment property is calculated as the estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of the Concession. The Company periodically revises the residual value and measures its recoverability using the best information available at that date. Periodic updates may cause a change in the depreciation rate for future years.

- **Amortisation and depreciation**

The cost of property, plant and equipment, intangible assets with a finite useful life and investment property is depreciated/amortised based on production volumes, as described in detail in the note to property, plant and equipment. The Company assesses any technological, usage and sector changes to update these volumes on a regular basis. These updates may entail a change in the amortisation and depreciation period and in the amortisation and depreciation rates of future years.

Calculating the amortisation/depreciation of these assets entails a complex accounting estimate that is influenced by a number of factors, including the estimated production volumes expressed as train-km, the estimated residual value and any changes to the regulatory framework.

- **Provisions for risks and charges**

Provisions are accrued against legal and tax risks which represent the risk of a negative outcome, if this risk is deemed probable. The recognised provisions relating to these risks reflect the best estimate made by the directors at the reporting date. This estimate entails the adoption of assumptions that depend on factors which may vary over time and which may have significant effects compared to the current estimates made by the directors for the preparation of the Company's financial statements.

- **Fair value of derivatives**

The fair value of derivatives that are not quoted on active markets is measured using valuation techniques. The Company applies valuation techniques that use inputs that can be observed in the market, either directly or indirectly, at the reporting date, and that are connected to the assets and liabilities being measured. Even if the estimates of the above fair values are considered reasonable, any possible changes in the estimate factors on which calculation of the aforesaid amounts is based may generate different valuations.

NOTES TO THE INCOME STATEMENT

4. Revenue from sales and services

The tables and comments below give a breakdown of revenue from sales and services.

	(€'000)		
	2024	2023	Change
Revenue from infrastructure services	1,360,674	1,241,419	119,255
✓ <i>Service concession</i>	96,131	6,502	89,629
✓ <i>Fees</i>	1,253,926	1,224,927	28,999
✓ <i>Ferrying service</i>	10,617	9,990	627
Other service revenue	446,726	246,719	200,007
Revenue from traffic-related services	258,513	47,359	211,154
Sundry service revenue	64,646	61,153	3,493
✓ <i>Health services</i>	45,995	42,671	3,324
✓ <i>GSM-R revenue</i>	4,452	4,347	105
✓ <i>Other sundry revenue</i>	14,199	14,134	65
Processing for third parties	117,246	134,333	(17,087)
Sale of materials	6,321	3,874	2,447
Revenue from contracts with customers	1,807,400	1,488,138	319,262
Sundry revenue	967,296	1,116,475	(149,179)
✓ <i>Government grants</i>	965,557	1,114,980	(149,423)
✓ <i>EU grants</i>	1,350	1,495	(145)
✓ <i>Freight and other accruals or releases</i>	389	–	389
Revenue from property management	102,677	108,533	(5,856)
✓ <i>Leases</i>	88,736	91,408	(2,672)
✓ <i>Recharging of building expenses and IRE (registration tax)</i>	12,694	11,673	1,021
✓ <i>Sale of advertising spaces</i>	1,247	5,452	(4,205)
Other revenue from sales and services	1,069,973	1,225,008	(155,035)
Total revenue from sales and services	2,877,373	2,713,146	164,227

Revenue from infrastructure services increased by €119,255 thousand as a result of the following factors:

- higher revenue from services under concession for €89,629 thousand, as a result of RFI's takeover of operation of the Turin-Ceres and Canavesana railway lines as from 1 January 2024 for €33,062 thousand (of which €7,916 thousand from operation, and €25,146 thousand from construction/improvement works), and of the improvement works on the Central Umbrian Railway for the remaining part, in line with related costs;
- higher fee revenue for €28,999 thousand, attributable for €22,740 thousand to the increase in tariffs, due to the ISTAT (National Statistics Institute) revaluation of 1.4% (mainly affecting the long-distance and regional transport segments), for €5,822 thousand to the increase in circulated traffic volumes (mainly in the long-distance segment), and for the remainder to the balance of performance regime and circulation penalties;
- ferrying service revenue did not record any substantial changes compared to the previous year.

"Other service revenue" showed an increase of €200,007 thousand, as a result of the following:

- higher revenue from traffic-related services for €211,154 thousand, of which €206,302 thousand are mainly the result of a higher cost of traction electricity that RFI passes on to the RUs (€220,495 thousand), mitigated by higher negative adjustments compared to the same period of the previous year (€14,193 thousand), and a higher value of other transport-related services (€4,852 thousand), in particular parking and preheating. The growth in revenues from the sale of traction electricity (in the same way as the corresponding costs) was attributable, for approximately €218.4 million, to the stabilization of the purchase price of energy with respect to the trends observed during 2023 - this effect was also attributable to the valuation of the grant provided for under the Special Tariff Regime (3kV grid), in line with the changes in the gross cost - and, for the remainder, to a volume effect due to higher traffic and therefore electricity consumption compared to the previous year;
- a slight increase of €3,493 thousand in sundry service revenue, mainly due to a higher turnover arising from health services delivered in the year;
- a decrease of €17,087 thousand in processing for third parties;
- a significant increase in sales of stock materials and material, which were more than doubled (€2,447 thousand).

Sundry revenue decreased by €149,179 thousand, mainly as a consequence of the combined effect of the following factors:

- lower Government grants (-€149,423 thousand), due to two factors:
 - €142,480 thousand decrease in government grants allocated by the Ministry of Economy and Finance under the Government Programme Contract - Services;
 - €6,583 thousand decrease in accruals consisting of non-recurring grants disbursed in the form of a tax credit for the purchase of electricity and natural gas;
- €145 thousand decrease in EU grants;
- higher revenue for rolling stock rentals for €389 thousand.

"Revenue from property management" showed a decrease of €5,856 thousand, partly due to the expiry of the agreement with the concessionaire of advertising space, and partly due to lower positive adjustments referring to previous years (retrocession fees).

Revenue from contracts with customers may be analysed as follows:

(€'000)

	2024	2023
Geographical market		
Italy	1,804,689	1,484,762
EU	1,679	2,492
Non-EU	1,032	884
Total revenue from contracts with customers	1,807,400	1,488,138
Moment of recognition		
At a point in time	46,635	42,873
Over time	1,760,765	1,445,265
Total revenue from contracts with customers	1,807,400	1,488,138
Other revenue from sales and services	1,069,973	1,225,008
TOTAL REVENUE FROM SALES AND SERVICES	2,877,373	2,713,146

With respect to the services listed above, the Company has a single-segment structure.

The table below provides information about contract assets and liabilities:

(€'000)

	31 December 2024	31 December 2023
Contract assets classified under current/non-current trade receivables	394,750	326,266
Contract assets	72,610	49,222
Invoices to be issued	69,775	60,100
Contract liabilities	(19,890)	(42,900)

The table below shows the significant changes in contract assets and liabilities for the year:

(€'000)

	Contract assets	Contract liabilities
Balance at 31 December 2023	109,322	(42,900)
Revenue recognised during the year which was included in the opening balance of contract liabilities		33,246
Increase in contract liabilities net of amounts recognised under revenue during the year		(10,236)
Reclassifications from contract assets recognised at the beginning of the year	(144,906)	
Increases in contract assets due to the provision of services	64,322	
Increases in contract assets due to changes in the evaluation of the state of progress	113,647	
Balance at 31 December 2024	142,385	(19,890)

5. Other income

This caption can be analysed as follows:

			(€'000)
	2024	2023	Change
Other sundry income			
Income and sundry services	42,927	46,817	(3,890)
Gains	99,150	107,587	(8,437)
Total	142,077	154,404	(12,327)

The decrease in other income, equal to €12,327 thousand, was mainly due to the following changes:

- a decrease of €8,437 thousand in capital gains related to the sale of materials removed during maintenance work (€10,419 thousand), partially offset by lower capital gains from sales of properties (€1,982 thousand);
- a decrease of €3,890 thousand in sundry income, mainly related to lower contingent assets recognized in 2024 compared to the previous year.

6. Personnel expense

This caption may be analysed as follows:

			(€'000)
	2024	2023	Change
Employees	1,839,601	1,633,080	206,521
✓ <i>Wages and salaries</i>	1,307,485	1,223,960	83,525
✓ <i>Social security contributions</i>	347,279	326,168	21,111
✓ <i>Other expense for employees</i>	4,292	(6,560)	10,852
✓ <i>Post-employment benefits</i>	87,282	81,817	5,465
✓ <i>Accruals/releases</i>	93,263	7,695	85,568
Consultant and contract workers	105	56	49
✓ <i>Wages and salaries</i>	50	11	39
✓ <i>Social security contributions</i>	55	45	10
Other costs	53,357	41,537	11,820
✓ <i>Temporary workers/seconded personnel and trainees</i>	827	1,679	(852)
✓ <i>Other costs</i>	52,529	39,858	12,671
Total	1,893,063	1,674,673	218,390

In 2024, there was a significant increase in "Personnel expense" compared to the previous year, which was substantially due to an increase in the workforce partially mitigated by the effect of turnover (2,294 entries compared to 1,607 exits in the year under review). The inclusion of various professional staff was mainly related to the application of the new maintenance model, as well as to the need to cope with the increased commitments resulting from the massive investment programme, which generated as a direct consequence the revision of operating volumes.

Specifically, the change of €218,390 thousand in personnel expense was due to the combined effect of higher personnel expense for employees (€206,521 thousand) – mainly attributable to the increase in fixed and ancillary remuneration -, and for consultants and contract workers (€49 thousand), as well as of higher other costs (€11,820 thousand).

The average workforce of the year was as follows:

Average	2024	2023	Change
Managers	346	309	37
Junior managers	6,230	5,835	395
Other	25,807	24,273	1,534
TOTAL	32,383	30,417	1,966

7. Raw materials, consumables, supplies and goods

They can be analysed as follows:

			(€'000)
	2024	2023	Change
Raw materials and consumables	813,117	747,174	65,943
Electrical energy and fuel for traction	223,774	12,434	211,340
Lighting and driving force	103,032	106,391	(3,359)
Accruals/releases	5,447	23,758	(18,311)
Total	1,145,370	889,757	255,613

The total increase of €255,613 thousand in "Raw materials, consumables, supplies and goods" was mainly due to the following factors:

- An increase of €65,943 thousand in costs for Raw materials and consumables, linked to:
 - an increase of €35,609 thousand in costs to purchase stock materials, reflecting the change in their prices;
 - an increase of €6,535 thousand in costs for the purchase of consumables;
 - higher consumption of materials for €23,799 thousand, as a result of:
 - the greater use on investment projects, equal to €29,916 thousand, due to the progress of works, and fully offset by the corresponding capitalisations;
 - the greater use related to income, equal to €33,917 thousand, mainly related to increased needs for the activities of the National Infrastructure Workshops and contract work;
 - higher revenue from work on a time and materials basis, equal to €40,034 thousand, for the output of finished and semi-finished products of frogs, switches, glued insulation joints and equipment by the National Workshops (Bari, Pontassieve and Bologna plants).
- Higher costs for electricity and fuel for train traction, equal to €211,340 thousand, mainly due to the combined effect of a reduction in the average annual price of the cost of energy, and the larger increase in the offset component regulated under the Special Tariff Regime applied by RFI, whose particular

calculation algorithm, as resolved upon by the Electricity Market Regulator (ARERA), is related to retroactive parameters depending on the price of energy;

- Lower costs for lighting and driving force, equal to €3,359 thousand, substantially attributable to a reduction in the average annual price of electricity;
- Fewer requirements for provisions for raw materials, consumables and goods, for €18,311 thousand.

8. Services

This caption can be analysed as follows:

	(€'000)		
	2024	2023	Change
Transport services	20,115	23,990	(3,875)
Shunting services	864	1,399	(535)
Ferrying services	14,305	17,250	(2,945)
Freight transport services	4,946	5,341	(395)
Maintenance, cleaning and other contracted services	601,640	579,545	22,095
Contracted services and work	139,349	81,859	57,490
Cleaning and other contracted services	156,889	156,205	684
Maintenance and repair of immovable and movable property	305,402	341,481	(36,079)
Property services and utilities	125,581	121,171	4,410
Administrative and IT services	157,588	135,770	21,818
External communication and advertising expense	3,412	2,760	652
Use of third-party assets	48,946	41,407	7,539
Other sundry services	223,409	156,935	66,474
✓ Consultancy	3,698	4,187	(489)
✓ Insurance	23,871	11,734	12,137
✓ Professional services	7,000	7,058	(58)
✓ Agencies' fees	5	16	(11)
✓ Group common costs	3,636	4,464	(828)
✓ Other*	185,674	147,657	38,017
✓ Accruals/releases	(475)	(18,181)	17,706
Total	1,180,691	1,061,578	119,113

*For a more correct presentation in 2023, bank fees and charges (€117 thousand) on current accounts were reclassified from "financial expense" to costs for services.

"Services" increased by a total of €119,113 thousand, mainly due to the combined effect of various factors, which are described below.

The termination of the operation of the ferry service, as from October 2023, on the Messina-Reggio Calabria route (while the Messina-Villa San Giovanni route remains active) generated a reduction of €2,945 thousand in related total costs.

Increased improvement works related to the Concessionary Railways (Canavesana, FCU, FUC) are behind the higher costs for services and contract work for third parties amounting to €57,490 thousand.

Costs for cleaning and other contracted services remained stable compared to 2023.

In 2024, there was a reduction in costs for maintenance and repair of movable and immovable property for €36,079 thousand, since the Company, given the nature of interventions related to extreme weather events due to climate change, opted for investments aimed at improving the resilience of the infrastructure by adapting to new standards. The increase in costs for property services and utilities, amounting to €4,410 thousand, was mainly attributable to a higher cost of water utilities, and higher fees for the management of real estate contracts with the affiliated company Ferservizi.

The increase of €21,818 thousand in costs for administrative and IT services was also mainly related to higher fees for continuous IT services to the affiliated company FS Technology.

External communication and advertising costs increased slightly by €652 thousand for sponsorships.

Higher costs for the use of third-party assets for €7,539 thousand related for €3,356 thousand to the rental of mobile phones, €2,793 thousand to service charges for offices occupied by company staff, and the remainder to the rental of other assets.

Finally, the growth in sundry costs for €66,474 thousand derived partly from lower releases of provisions for risks and charges for €17,705 thousand, and partly from higher costs mainly for:

- insurance for €12,138 thousand, following the awarding of the new tender at increasing market rates compared to the previous contract;
- security services rendered at stations by the affiliated company FS Security for €15,968 thousand;
- cybersecurity services to the affiliated company FS Technology for €3,656 thousand;
- service contract with the parent company for €3,571 thousand;
- travel and subsistence, amounting to €3,037 thousand, due to the increase in workforce and accommodation costs.

9. Other operating costs

This caption can be analysed as follows:

	(€'000)		
	2024	2023	Change
Other costs	97,752	60,935	36,817
Local taxes and duties*	43,073	38,755	4,318
Capital losses	204	49	155
Accruals/releases	—	(88)	88
Total	141,029	99,651	41,378

*For a more correct presentation in 2023, registration taxes (€4 thousand) were reclassified from "financial expense" to "other operating costs".

Other operating costs rose by €41,378 thousand, mainly as a consequence of:

- higher other costs for €36,817 thousand, mainly due to the payment of judgments for indemnity reserves for €23,147 thousand in the year, charges related to the sale of the Farini terminal arising from contractual commitments under the 2017 Programme Agreement with the Municipality of Milan for €5,476 thousand, and to higher costs for the Free Travel Card for €4,009 thousand, linked to increased traffic, and increased workforce;
- higher taxes and duties €4,318 thousand, mainly due to higher taxes for waste collection.

10. Internal work capitalised

This caption amounts to €1,439,251 thousand and refers to internal costs for the use of personnel and overheads of €723,006 thousand, and costs for materials used in investments of €716,245 thousand, in line with the use of such materials.

The increase in assets capitalised in 2024 compared to the previous year, equal to €159,643 thousand, is mainly attributable to accounting operations linked to the continuation of investments under the NRRP.

11. Amortisation and depreciation, provisions and impairment losses

This caption can be analysed as follows:

	(€'000)		
	2024	2023	Change
Amortisation of intangible assets	3,772	3,860	(88)
Depreciation of property, plant and equipment	134,557	132,599	1,958
Depreciation of investment property	3,145	3,302	(157)
Net impairment losses on property, plant and equipment	5,890	18,434	(12,544)
Net impairment gains on loans and receivables	3,649	14,073	(10,424)
Net fair value gains (losses) on cash and cash equivalents	28	(839)	867
Provisions	(35,000)	–	(35,000)
Total	116,041	171,429	(55,388)

The increase in depreciation/amortisation charge compared to the previous year was due to the recognition of new contracts subject to the application of IFRS 16.

Write-downs of property, plant and equipment were lower than those carried out in the previous year.

Lower net impairment gains on loans and receivables for €10,424 thousand are attributable to lower write-downs of trade receivables compared to the requirements that emerged in the financial statements as of 31 December 2023.

The analyses during the year of applications for access to the income and employment support fund showed the need to release the fund for €35,000 thousand, since it was found to be excessive compared to what was needed.

12. Financial income

This caption can be analysed as follows:

	(€'000)		
	2024	2023	Change
Other financial income	10,571	12,136	(1,565)
Exchange gains	38	1	37
Total	10,609	12,137	(1,528)

The €1,528 thousand decrease in "Financial income" was mainly due to lower financial income on the IRS derivative held by the Company (€2,145 thousand), offset by higher sundry financial income for €580 thousand, and higher exchange gains for €37 thousand.

13. Financial expense

This caption may be analysed as follows:

	(€'000)		
	2024	2023	Change
Borrowing costs*	90,397	104,560	(14,163)
Impairment losses on financial assets	(104)	(72)	(32)
Exchange losses	38	12	26
Interest expense on lease liabilities	1,863	968	895
Accruals and releases	–	(39,329)	39,329
Total	92,194	66,139	26,055

*For a more correct presentation in 2023, bank charges and fees on current accounts (€117 thousand) and registration taxes (€4 thousand) were reclassified to "costs for services".

"Financial expense" increased by €26,055 thousand, mainly due to the following factors:

- lower borrowing costs for €14,163 thousand, mainly arising from lower interest and other charges to banks and financial institutions for €4,228 thousand, mainly linked to the repayment of three medium/long-term loans, lower Interest Cost charges for €3,037 thousand, lower provisions for financial charges for €5,219 thousand, lower charges to the Parent for €598 thousand, and lower interest expense on derivatives for €1,081 thousand;
- lower accruals and releases for €39,329 thousand, substantially arising from releases which had been made in the previous year, and which did not occur in 2024;
- higher financial expense on lease liabilities for €895 thousand, arising from the application of IFRS 16.

14. Capitalised financial expense

Capitalised financial expense was determined based on the portion of financing allocated to assets under construction and amounts to €166,899 thousand. The increase over last year was due to financial expense on the Loan Agreement financing of €2 million, and from that relating to the use of the short-term credit lines to the Parent

Company, which are necessary to address the time mismatch between the collection of government funds to cover investments, and the related payments to suppliers (advances and works).

15. Current and deferred taxes

The Company's tax burden is nil as a result of higher deductible tax expenses which give rise to a negative tax base (loss). The most significant decrease in this respect consists of fiscally-driven depreciation in excess of depreciation for accounting purposes of Property, plant and equipment, Intangible assets and Investment property.

The following table provides a breakdown of the depreciable cost used for tax purposes which, following the application of the specific IFRS-compliant provisions set out in article 1.86/87 of Law no. 266/2005, is shown gross of the corresponding government grants related to assets given to the railway infrastructure operator.

	(€'000)
	2024
Depreciable cost under Italian Civil Code criteria	4,875,124
Government grants related to assets up to 2024	63,043,675
Government grants related to assets for 2024 extraordinary maintenance	4,055,205
Government grants related to assets up to 2060	55,766,307
Impairment loss as per IFRS, reducing the historical cost	3,567,961
Total depreciable cost under tax criteria	131,308,271
Total fiscally-driven portion	3,213,107

NOTES TO THE STATEMENT OF FINANCIAL POSITION**16. Property, plant and equipment**

The table below shows the opening and closing balances of property, plant and equipment and changes in the year. It also shows changes in Historical cost, Depreciation and impairment losses and Grants. The balance of extraordinary maintenance refers to extraordinary maintenance expense incurred and capitalised and, hence, subject to depreciation.

Placement in service mainly refers to upgrading work on the line and technological work while progress of investments refers to large infrastructure projects, investments in maintaining the efficiency of infrastructure and technological work. For additional information, reference should be made to the "Investments" section of the directors' report.

Depreciation amounts to €134,557 thousand, of which €20,674 thousand relates to right-of-use assets (IFRS 16).

(€'000)

	Land, buildings and railway and port infrastructure	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Extraordinary maintenance	Total
Historical cost	117,320,548	326,298	562,408	1,284,225	374,649	31,750,190	3,854,897	155,473,215
Depreciation and impairment losses	(23,979,119)	(70,786)	(191,266)	(365,435)	(216,206)	(1,588,321)	–	(26,411,133)
Grants	(62,847,941)	(180,488)	(278,698)	(788,314)	(93,272)	(25,005,940)	(3,854,897)	(93,049,550)
Balance at 31.12.2023	30,493,488	75,024	92,444	130,476	65,171	5,155,929	–	36,012,532
Investments	27,753	–	21,197	80	12	8,147,197	2,414,496	10,610,735
Placement in service	3,724,595	4,705	19,487	57,608	4,664	(1,878,084)	(1,932,975)	–
Depreciation	(116,831)	(317)	(9,623)	(3,183)	(4,603)	–	–	(134,557)
Impairment losses	–	–	–	–	–	(2,833)	–	(2,833)
Non-recurring transactions	–	–	–	–	–	474	–	474
Changes in historical cost due to demerger	–	–	–	–	–	474	–	474
<i>Change in grants</i>	<i>(3,682,774)</i>	<i>(4,142)</i>	<i>(19,487)</i>	<i>(57,605)</i>	<i>(4,663)</i>	<i>(5,980,738)</i>	<i>(481,521)</i>	<i>(10,230,930)</i>
<i>Increases for advances</i>	–	–	–	–	–	<i>(7,816,434)</i>	<i>(2,414,496)</i>	<i>(10,230,930)</i>
<i>Placement in service</i>	<i>(3,682,774)</i>	<i>(4,142)</i>	<i>(19,487)</i>	<i>(57,605)</i>	<i>(4,663)</i>	<i>1,835,696</i>	<i>1,932,975</i>	–
Disposals and divestments	(3,716)	–	(3)	(664)	(235)	–	–	(4,618)
<i>Decreases in historical cost due to disposals and divestments</i>	<i>(14,040)</i>	–	<i>(687)</i>	<i>(5,445)</i>	<i>(10,494)</i>	–	–	<i>(30,666)</i>
<i>Decreases in accumulated depreciation due to divestments</i>	<i>3,849</i>	–	<i>705</i>	<i>3,215</i>	<i>8,250</i>	–	–	<i>16,019</i>
<i>Decreases in grants due to other divestments</i>	<i>2,527</i>	–	<i>84</i>	<i>1,391</i>	<i>1,625</i>	–	–	<i>5,627</i>
<i>Decreases in impairment gains/losses due to divestments</i>	<i>3,948</i>	–	<i>(105)</i>	<i>175</i>	<i>384</i>	–	–	<i>4,402</i>
Other reclassifications	20,733	499	–	–	–	15,757	–	36,989
<i>Changes in historical cost due to other reclassifications</i>	<i>(3,957)</i>	<i>5,458</i>	–	<i>1</i>	<i>(2)</i>	<i>197,519</i>	<i>(281,213)</i>	<i>(82,194)</i>
<i>Changes in accumulated depreciation due to reclassifications</i>	<i>14,791</i>	<i>(633)</i>	–	–	–	–	–	<i>14,158</i>
<i>Changes in grants due to reclassifications</i>	<i>4,983</i>	<i>(4,248)</i>	–	<i>(1)</i>	<i>2</i>	<i>(181,762)</i>	<i>281,213</i>	<i>100,187</i>
<i>Changes in impairment gains/losses due to reclassifications</i>	<i>4,916</i>	<i>(78)</i>	–	–	–	–	–	<i>4,838</i>
Total changes	(30,240)	745	11,571	(3,764)	(4,825)	301,773	–	275,260
Historical cost	121,054,899	336,461	602,405	1,336,469	368,829	38,217,296	4,336,418	166,252,777
Depreciation and impairment losses	(24,068,446)	(71,814)	(200,289)	(365,228)	(212,175)	(1,591,154)	–	(26,509,106)
Grants	(66,523,205)	(188,878)	(298,101)	(844,529)	(96,308)	(31,168,440)	(4,336,418)	(103,455,879)
Balance at 31.12.2024	30,463,248	75,769	104,015	126,712	60,346	5,457,702	–	36,287,792

Grants related to assets

In 2024, grants related to assets totalling €10,230,930 thousand were allocated to assets under construction, including €2,354,154 thousand from the European Union and local bodies, and €7,876,776 thousand from the government. They mainly comprise:

- €7,326,479 thousand as advances for grants from the MEF for infrastructure investments;
- €550,297 thousand as advances for grants from the MIT for infrastructure investments.

17. Investment property

The opening and the closing balances of investment property are given below.

	(€'000)			
	Land	Buildings	Assets under construction and payments on account	TOTAL
Historical cost	1,508,118	1,735,364	20,072	3,263,553
Depreciation and impairment losses	(1,017,094)	(803,825)	(288)	(1,821,208)
Grants	(24,494)	(300,985)	(1,506)	(326,985)
Balance at 31.12.2023	466,530	630,554	18,278	1,115,362
Investments/acquisitions	–	98	5,501	5,599
Placement in service	–	11,985	(11,985)	–
Depreciation	–	(3,145)	–	(3,145)
Impairment losses	–	–	(136)	(136)
Changes in grants	–	(10,983)	10,983	–
Disposals and divestments	(1,722)	(1,635)	–	(3,357)
<i>Decreases in historical cost</i>	(10,478)	(5,562)	–	(16,040)
<i>Decreases in accumulated depreciation</i>	–	1,831	–	1,831
<i>Decreases in grants</i>	594	884	–	1,478
<i>Decreases in impairment gains/losses</i>	8,162	1,212	–	9,374
Reclassifications	(2,462)	1,988	(11,517)	(11,991)
<i>Changes in historical cost</i>	(3,193)	11,531	8,728	17,066
<i>Changes in accumulated depreciation</i>	–	(3,198)	–	(3,198)
<i>Changes in grants</i>	12	(746)	(20,245)	(20,979)
<i>Changes in impairment gains/losses</i>	719	(5,599)	–	(4,880)
Total changes	(4,184)	(1,692)	(7,154)	(13,030)
Historical cost	1,494,447	1,753,416	22,315	3,270,178
Depreciation and impairment losses	(1,008,213)	(812,723)	(424)	(1,821,360)
Grants	(23,888)	(311,831)	(10,767)	(346,486)
Balance at 31.12.2024	462,346	628,862	11,124	1,102,332

18. Right-of-use assets

Changes in right-of-use assets in 2024 can be analysed as follows.

(€'000)

RIGHT-OF-USE ASSETS	Land, buildings, railway and port infrastructure	Plant and machinery	Other assets	Total
Historical cost	53,448	176	17,733	71,357
Accumulated depreciation	(16,197)	(125)	(12,655)	(28,977)
Balance at 01.01.2024	37,251	51	5,078	42,380
Investments (new leases)	27,696	21,005	–	48,701
Depreciation	(10,229)	(7,298)	(3,147)	(20,674)
Disposals and divestments	–	–	–	–
<i>Historical cost</i>	<i>(652)</i>	<i>–</i>	<i>(7,194)</i>	<i>(7,819)</i>
<i>Accumulated depreciation</i>	<i>652</i>	<i>–</i>	<i>7,194</i>	<i>7,819</i>
Other changes	20,757	–	–	20,757
<i>Historical cost</i>	<i>9,839</i>	<i>–</i>	<i>–</i>	<i>9,839</i>
<i>Accumulated depreciation</i>	<i>10,918</i>	<i>–</i>	<i>–</i>	<i>10,918</i>
Total changes	38,224	13,707	(3,147)	48,784
Historical cost	90,330	21,181	10,539	122,050
Depreciation and impairment losses	(14,855)	(7,423)	(8,608)	(30,886)
Balance at 31.12.2024	75,475	13,758	1,931	91,164

Lease liabilities and the related changes of the year are shown below.

(€'000)

Changes in lease liabilities	2024
Opening balance	43,218
Recognition of new right-of-use assets	48,701
Recognition of interest expense	1,863
Payments	(22,537)
Other changes	20,820
Closing balance	92,065

The following table shows the impacts on profit or loss.

(€'000)	
Impacts on profit or loss	2024
Depreciation of right-of-use assets	20,674
Interest expense on lease liabilities	1,863
Leases outside the scope of IFRS 16	48,904
Total impacts on profit or loss	71,441

Extension/termination options

Property leases include extension/termination options. At the commencement date of a lease, the company assesses whether it is reasonably certain to exercise that option and reassesses them whenever a relevant event or significant change in circumstances under its control occurs.

Based on this assessment, RFI concluded that it was reasonably certain that the lease of Villa Patrizi would be extended.

The table below shows potential future lease payments:

(€'000)		
Recognised lease liabilities	Potential future lease payments	Rate at which lease extension/termination options have been exercised in the past
92,064,918	25,170,697	50%

Lessor

The table below includes an ageing analysis of payments to be received in future years for assets that the Company has given under operating lease:

(€'000)							
	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	TOTAL
Undiscounted payments to be received for operating leases	102,677	96,764	103,068	105,990	109,455	109,964	627,918

19. Intangible assets

The following is a statement of Intangible Assets at the beginning and end of the period, with the related changes that occurred. For a more correct presentation, work in progress related to design has been reclassified from intangible assets to Property, Plant and Equipment.

				(€'000)
	Development expenditure	Concessions, licences, trademarks and similar rights	Assets under development and payments on account	Total
Historical cost	127,146	684,001	22,317	833,464
Amortisation and impairment losses	(82,104)	(158,310)	–	(240,414)
Grants	(26,489)	(395,582)	(17,465)	(439,536)
Balance at 31.12.2023	18,553	130,109	4,852	153,514
Investments/acquisitions	1,400	–	1,953	3,353
Placement in service	1,856	69,744	(71,600)	–
Amortisation	(457)	(3,316)	–	(3,773)
Impairment losses	–	–	–	–
Changes and grants	(1,856)	(69,744)	71,600	–
Disposals and divestments	(1,400)	–	–	(1,400)
<i>Decreases in historical cost</i>	<i>(1,400)</i>	–	–	<i>(1,400)</i>
Non-recurring transactions	–	–	3,756	3,756
<i>Changes in historical cost</i>	–	–	<i>3,756</i>	<i>3,756</i>
Other reclassifications	–	–	(4,241)	(4,241)
<i>Changes in historical cost</i>	–	–	<i>68,927</i>	<i>68,927</i>
<i>Changes in grants</i>	–	–	<i>(73,168)</i>	<i>(73,168)</i>
<i>Changes in impairment gains/losses</i>	–	–	–	–
Total changes	(457)	(3,316)	1,468	(2,305)
Historical cost	129,002	753,745	25,353	908,100
Amortisation and impairment losses	(82,561)	(161,626)	–	(244,187)
Grants	(28,345)	(465,326)	(19,033)	(512,704)
Balance at 31.12.2024	18,096	126,793	6,320	151,209

20. Equity investments

The opening and the closing balances of equity investments are broken down by category.

		(€'000)
	Carrying amount 31.12.2024	Carrying amount 31.12.2023
Investments in:		
Subsidiaries	57,300	66,537
Associates	48,206	48,206
Other companies	48	48
Total	105,554	114,791

	Carrying amount 31.12.2023	Changes for the year				Carrying amount 31.12.2024
		Acquisitions/ subscriptions	Impairment losses/ gains	Reclassificati ons	Divestments/ demergers	
Investments in subsidiaries						
Blu Jet S.r.l.	200	–	–	–	–	200
Tunnel Ferroviario del Brennero - Società di partecipazioni S.p.A.	48,455	–	–	–	–	48,455
Terminali Italia S.r.l.	9,238	–	–	–	(9,238)	–
Grandi Stazioni Rail S.p.A.	3,145	–	–	–	–	3,145
Infrarail S.R.L.	5,500	–	–	–	–	5,500
Investments in associates						
Quadrante Europa Terminal Gate S.p.A.	8,877	–	–	–	–	8,877
Stretto di Messina S.p.A.	39,329	–	–	–	–	39,329
Other companies						
Isfort S.p.A.	48	–	–	–	–	48
Total	114,791	–	–	–	(9,238)	105,554

	Carrying amount 31.12.2022	Changes for the year				Carrying amount 31.12.2023
		Acquisitions/ subscriptions	Impairment losses/ gains	Reclassificatio ns	Divestmen ts/ demergers	
Investments in subsidiaries						
Blu Jet S.r.l.	200	–	–	–	–	200
Tunnel Ferroviario del Brennero - Società di partecipazioni S.p.A.	48,455	–	–	–	–	48,455
Terminali Italia S.r.l.	9,238	–	–	–	–	9,238
Bluferries S.r.l.	21,229	–	–	–	(21,229)	–
Grandi Stazioni Rail S.p.A.	3,145	–	–	–	–	3,145
Infrarail S.R.L.	5,500	–	–	–	–	5,500
Investments in associates						
Quadrante Europa Terminal Gate S.p.A.	7,077	1,800	–	–	–	8,877
Stretto di Messina S.p.A.	–	–	–	39,329	–	39,329
Other companies						
Isfort S.p.A.	48	–	–	–	–	48
Stretto di Messina S.p.A.	48,882	–	(9,554)	(39,329)	–	–
Total	143,774	1,800	(9,554)	–	(21,229)	114,791

In 2024, equity investments, amounting to €105,554 thousand, showed a decrease of approximately €9,238 thousand. This change was entirely attributable to the effect of the sale of the quota in Temrinali Italia S.r.l. to Mercitalia Logistics S.p.A..

Although the Company recognised an increase of €93,623 thousand in the cost of the investment in Tunnel Ferroviario del Brennero - Società di partecipazioni S.p.A., it was entirely offset by the greater grants related to assets received from the MEF and transferred to the subsidiary.

In the following table, the carrying amounts of investments in subsidiaries and associates are compared with the corresponding portions of equity. In all cases, the relevant equity is higher than the carrying amount; therefore, no impairment test was conducted because no trigger events had occurred.

								(€'000)
	Registered office	Share/ quota capital	Profit (loss) for the year	Equity at 31.12.2024	% of investment	Attributa ble equity (a)	Carrying amount at 31.12.2024 (b)	Difference (b) - (a)
Investments in subsidiaries								
Blu Jet S.r.l.	Messina, Via Calabria 1	200	304	2,171	100.00%	2,171	200	(1,971)
Tunnel Ferroviario del Brennero - Società di partecipazioni S.p.A.	Rome, Piazza della Croce Rossa 1	1,415,791	1,208	1,419,606	90.92%	1,290,724	48,455	(1,242,270)
Grandi Stazioni Rail S.p.A.*	Rome, Via Giolitti 34	4,304	8,677	84,551	100.00%	84,551	3,145	(81,405)
Infrarail S.r.l.	Rome, Via Marsala 41	5,500	412	10,278	100.00%	10,278	5,500	(4,778)
Investments in associates								
Quadrante Europa Terminal Gate S.p.A.	Verona, Via Sommacampagna 61	20,476	394	18,176	50.00%	9,088	8,877	(211)
Stretto di Messina S.p.A.	Rome, Via Marsala 27	672,527	12,317	686,107	5.83%	39,993	39,329	(665)

* The Company applies IAS-IFRS.

											(€'000)
	% of investment	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Costs	Profit/(loss)	
31.12.2024											
Investments in associates											
Stretto di Messina S.p.A.	5.83%	504,201	271,477	775,678	33,597	55,973	89,570	17,425	5,108	12,317	
Quadrante Europa Terminal Gate S.p.A.	50.00%	3,869	17,392	21,262	1,695	1,391	3,085	1,316	922	394	
31.12.2023											
Investments in associates											
Stretto di Messina S.p.A.	5.83%	492,494	253,882	746,376	29,087	43,499	72,585	3,873	86,471	(82,598)	
Quadrante Europa Terminal Gate S.p.A.	50.00%	4,699	15,737	20,435	948	1,705	2,653	1,289	1,273	16	

21. Non-current and current financial assets (including derivatives)

Financial assets are broken down below.

(€'000)									
Carrying amount									
31.12.2024			31.12.2023			Change			
Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total	
Financial assets									
Fifteen-year grants from the MEF	75,194	10,000	85,194	85,194	10,000	95,194	(10,000)	–	(10,000)
Loans	60,153	–	60,153	59,179	–	59,179	974	–	974
Other loans	14	148,290	148,304	75	306,335	306,410	(61)	(158,045)	(158,106)
Securities	834	–	834	540	–	540	294	–	294
Derivatives	–	176	176	–	314	314	–	(138)	(138)
Gross financial assets	136,195	158,466	294,661	144,988	316,649	461,637	(8,793)	(158,183)	(166,976)
Loss allowance	(194)	(100)	(294)	(198)	(199)	(397)	4	99	103
Total financial assets	136,001	158,366	294,367	144,790	316,450	461,240	(8,789)	(158,084)	(166,873)

The balance in assets from the MEF of €85,194 thousand is mainly due to the residual amount of grants pursuant to article 25.1 of Decree Law no. 4/2022, converted with Law no. 25 of 28 March 2022 ("Support Decree-*Ter*"), which showed a decrease of €10,000 thousand compared to 31 December 2023 as a result of the instalment collected during the year.

Securities include the Webuild (former Astaldi) securities at fair value (€834 thousand).

Non-current loans of €60,153 thousand mainly relate to the restricted current accounts with Unicredit (€40,487 thousand), Intesa (€10,563 thousand), and BNL (€7,665 thousand). The amounts are generally restricted following attachment by third party suppliers as a result of unhonoured orders/injunctions to pay.

The €158,106 thousand decrease in Other loans is substantially due to the drop in the amount due from the parent for the intragroup cash pooling account.

22. Other current and non-current assets

They may be analysed as follows:

	31.12.2024			31.12.2023			Change		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Other assets from group companies	5,225	211,239	216,464	5,863	96,499	102,362	(638)	114,740	114,102
VAT assets	9	–	9	9	–	9	–	–	–
MEF and MIT	4,234,744	3,956,732	8,191,476	4,753,049	2,459,732	7,212,781	(518,305)	1,497,000	978,695
Grants related to assets from the EU, other Ministries and other	–	13,587	13,587	–	11,759	11,759	–	1,828	1,828
Other government authorities	–	300,522	300,522	–	304,500	304,500	–	(3,978)	(3,978)
Sundry assets	3,595	90,540	94,135	3,559	104,559	108,118	36	(14,019)	(13,983)
Prepayments and accrued income	–	2,152	2,152	–	1,381	1,381	–	771	771
Total	4,243,574	4,574,772	8,818,346	4,762,480	2,978,429	7,740,909	(518,906)	1,596,343	1,077,437
Loss allowance	(2,734)	(126,043)	(128,777)	(3,029)	(124,570)	(127,599)	295	(1,473)	(1,178)
Total other assets	4,240,840	4,448,729	8,689,569	4,759,451	2,853,860	7,613,311	(518,611)	1,594,869	1,076,258

The net increase of €114,102 thousand in “Other assets from group companies” is substantially due to the increase of €113,280 thousand in assets from the Parent company, substantially due to the recognition of receivables for set-up grants under the 2017 Programme Agreement with the Municipality of Milan for €108,122 thousand - resulting from the disposal of the area of the decommissioned railway yard in Milan Farini - and the increase in the VAT credit from the Parent company for €4,072 thousand following the payment of the VAT advances in December 2024.

The amounts due from the MEF and the MIT at 31 December 2024 are analysed below:

	(€'000)				
	31.12.2023	Increases	Decreases	Other changes	31.12.2024
Grants related to income:					
- MEF: chap. 1541	–	965,557	(965,557)	–	–
Grants related to freight:					
- MIT: chap. 1274 – 7302	19,898	100,000	(99,900)	–	19,998
Grants related to assets and investments:					
- MEF: chap. 7122-7123-8000	6,438,812	6,679,750	(5,661,108)	–	7,457,454
- MIT: chap. 7060-7514-7515-7518-7528-7540-7532-7549-7561-7550-1274-7505-7506-7006-7007-7552	754,071	672,759	(643,806)	(69,000)	714,024
Total	7,212,781	8,418,066	(7,370,371)	(69,000)	8,191,476

During the year, the caption rose by a net €978,695 thousand due to the combined effect of the following factors:

- the recognition of new grants related to income, goods, assets and investments for €8,418,066 thousand, broken down as follows:

-
- €965,557 thousand granted using the chapter 1541 funds of the MEF in accordance with Law no. 213 of 30 December 2023 (2024 Budget Act);
 - €100,000 thousand in grants related to freight from the funds earmarked under art. 1, paragraph 294, of Law no. 190/2014, allocated to the MIT under art. 11.2-*ter* of Decree Law no. 185 of 25 November 2015, to be transferred to the RUs for 2024;
 - €6,679,750 thousand in grants related to assets (MEF chapters), of which:
 - €71,142 thousand (chapter 7122 – Management Programme 1 (“MP1”), allocated under art. 1, paragraph 176, of Law no. 228/2012 (2013 Stability Act), and refinanced by Law no. 190/2014 (2015 Stability Act), including €45,000 thousand from funds allocated 2024, net of vertical remodulation, and €26,142 thousand from the estimated funds allocated for the 2025-2027 three-year period to finance the works executed in 2024;
 - €2,707,453 thousand (chapter 7122 – MP2) allocated under the 2024 Budget Act, of which an amount of €207,290 thousand for 2024, and €2,500,163 from the estimated funds allocated for the 2025-2027 three-year period to finance the works executed in 2024;
 - €21,785 thousand (chapter 7122-MP4) relating to the recognition of amounts for grants related to assets from the MEF financed by the resources allocated by chapter 7122 of the MP4 for the 2025-2027 three-year period to finance the works executed in 2024;
 - €2,116,038 thousand (chapter 7122 – MP5) as provided for in the Budget Act for non-routine maintenance work, including €1,050,000 thousand from Decree Law no. 155/2024, €1,066,038 thousand from the funds allocated under chapter 7122 of the MP5 for the 2025-2027 three-year period to finance the works executed in 2024;
 - €579,241 thousand (chapter 7122 – MP7) for 2024, allocated under art. 1, paragraph 76, of Law no. 147/2013 (2014 Stability Act), for the Brescia Verona Padua-Apice Orsara line, and refinanced by Law no. 190/2014 (2015 Stability Act), of which €109,241 thousand from the estimated funds allocated for the 2025-2027 three-year period to finance the works executed in 2024;
 - €3,534 thousand (chapter 7122- MP9) relating to the recognition of amounts for grants related to assets from the MEF for 2024, net of remodulation of €96,466 thousand;
 - €421,005 thousand (chapter 7122 –MP10) relating to the recognition of grants related to assets from the MEF financed by the resources allocated by chapter 7122 of the MP10 for the year 2024;
 - €474,425 thousand (chapter 7122-MP11) relating to the recognition of amounts for grants related to assets from the MEF, financed by the resources allocated by chapter 7122 of the MP11;
 - €252,656 thousand (chapter 7122-MP12) relating to the recognition of amounts for grants related to assets from the MEF, financed by the resources allocated by chapter 7122 of the MP12;
 - €22,348 thousand (chapter 7122-PG13) pursuant to Decree Law no. 59 of 6 May 2021 (chapter 7122 - MP13) to finance works on the “HS/HC Salerno-Reggio Calabria line”;
 - €123 thousand (chapter 7122-PG15) following the recognition of grants related to assets from the MEF financed by the resources allocated by chapter 7122 of the MP15;

- €10,000 thousand (chapter 7122-PG16) following the recognition of grants related to assets from the MEF financed by the resources allocated by chapter 7122 of the MP16 for 2024;
- €12,000 thousand financed by chapter 7561 and assigned to RFI under the MIT/MEF Decree dated 7 December 2020;
- €50,000 thousand (chapter 7532) financed from the resources allocated under Article 1 of the 2023 Budget Act for the year 2024 to cover the works for the Turin-Lyon line;
- €337,759 thousand (chapter 7007) financed by the Fund for the continuation of public works provided for by art. 7.1 of Decree Law no. 76/2020;
- €273,000 thousand (chapter 7518) of which €23,000 thousand under Decree Law no. 68/2022 and €250,000 thousand under Law no. 213/2023 (2024 Budget Act) allocated for 2024, to finance the works for the HS/HC Milan-Genoa –Third Giovi Pass line;
- decreases due to receipts of €7,370,371 thousand, mainly relating to:
 - €965,557 thousand (MEF chapter 1541 – grants related to income);
 - €5,661,108 thousand (MEF chapter 7122) for various management programmes (MP1-MP2-MP4-MP5-MP6-MP7-MP8-MP9-MP10-MP11-MP12-MP13);
 - €19,704 thousand (MIT chapter 7060) financed from the resources allocated under Law no. 443/2001 (Objective Law);
 - €337,759 thousand (chapter 7007) financed by the Fund for the continuation of public works provided for by article 7.1 of Decree Law no. 76/2020;
 - €6,412 thousand (chapter 7505) from the resources allocated under Article 1 of Decree Law no. 59/2021 for the “Renewal of the naval fleet”;
 - €29,931 thousand (chapter 7528) financed by the resources allocated by Law no. 164/2014 (“Unlock Italy”) for the “Upgrading of the Monaco-Verona rail link: Brennero Base Tunnel - Construction Lot III” (chapter 7528);
 - €250,000 thousand (chapter 7518) relating to resources financed with CIPE Resolution no. 86/2011 financed by the resources under article 32.1 of Decree Law no. 98/2011 allocated to RFI for the HS/HC Milan-Genoa railway line: Third Giovi Pass;
 - grants related to freight of €99,900 thousand financed by article 1.294 of Law no. 190/2014, allocated to the MIT with article 11.2-ter of Decree Law no. 185 of 25 November 2015 to be transferred to the RUs for 2024.
- Other changes amounting to €69,000 thousand (chapters MIT 7505), from the resources allocated under Decree Law no. 59 of 6 May 2021 on “Urgent measures related to the Complementary Fund to the National Recovery and Resilience Plan and other urgent measures for investments”, as converted with amendments by Law no. 101 of 1 July 2021 earmarked for the renewal of Fleet, Buses, and Green Ships and defunded under

Law no. 56/2024 having as its object the conversion into law of Decree Law no.19 of 2 March 2024, on further urgent measures for the implementation of the National Recovery and Resilience Plan (NRRP).

The item of "Other Government authorities" showed a decrease of €3,978 thousand, substantially due to the drop in the amounts due from CSEA (Energy and environmental service fund).

The item of "Grants related to assets - EU, other Ministries and ordinary customers, equal to €13,587 thousand, includes the grants received from the European Union, other Ministries and other bodies.

"Sundry assets" and "Prepayments and accrued income" may be analysed as follows:

	(€'000)		
Sundry assets and Prepayments and accrued income	31.12.2024	31.12.2023	Change
Advances to suppliers for current services	29,349	35,372	(6,023)
Personnel	7,371	6,284	1,087
Social security institutions	2,592	6,576	(3,984)
Assets under recovery procedures	1,374	1,374	–
Insurance compensation from insurance companies	278	278	–
Other non-trade assets	53,171	58,234	(5,063)
Sub-total sundry assets	94,135	108,118	(13,983)
Prepayments and accrued income	2,152	1,381	771
Total	96,287	109,499	(13,212)

The €13,212 thousand decrease in "Sundry assets" and Prepayments and accrued income" was mainly due to the combined effect of:

- lower advances to suppliers for €6,023 thousand following the settlement of advances paid to contractors;
- lower receivables from social security institutions for €3,984 thousand, substantially due to lower advance payments of post-employment benefits made to employees during the year (€4,116 thousand), offset by an increase in the reimbursements to be received from INAIL (€132 thousand);
- lower other non-trade assets for €5,063 thousand, mainly due to a decrease in tax receivables, amounting to €11,316 thousand as a result of the repayment of tax bills, partly offset by higher penalties receivable related to circulation in the amount of €3,291 thousand, the increase in foreclosed receivables in the amount of €1,699 thousand, and foreign VAT credits amounting to €933 thousand;
- higher accruals and deferrals for €771 thousand, and higher receivables from personnel for €1,087 thousand.

The table below gives a breakdown of Other non-current and current assets by geographical segment:

	31.12.2024	31.12.2023	Changes
Italy	8,811,894	7,734,839	1,077,055
Eurozone countries	2,976	2,663	313
United Kingdom	91	91	–
Other non-EU European countries	3,385	3,315	70
Other countries		1	(1)
	8,818,346	7,740,909	1,077,437

23. Inventories

This caption can be analysed as follows:

	31.12.2024	31.12.2023	Change
			(€'000)
Raw materials, consumables and supplies	1,108,640	1,022,725	85,915
Allowance for inventory write-down	(16,841)	(13,811)	(3,030)
Total inventories	1,091,799	1,008,914	82,885

The net increase in raw materials, consumables and supplies amounted to €82,885 thousand at 31 December 2024, and was mainly due to the combined effect of the following:

- the purchase of materials (€830,454 thousand);
- the use of materials (€926,073 thousand);
- the production output at the National Workshops in Bari, Pontassieve and Bologna for the production of frogs, switches, glued insulating joints and electric devices (€180,562 thousand);
- the net increase of €3,030 thousand in the allowance for inventory write-down due to the analysis of low-use and/or obsolete materials.

Finally, there was an increase of €972 thousand following the acquisition of the Gruppo Torinese Trasporti S.p.A. Business Unit.

24. Non-current and current trade receivables

They can be analysed as follows:

(€'000)									
	31.12.2024			31.12.2023			Change		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Ordinary customers	157	377,615	377,772	61	386,601	386,662	96	(8,986)	(8,890)
Government and other public authorities	1,561	92,711	94,272	1,533	77,522	79,055	28	15,189	15,217
Foreign railways	–	436	436	–	529	529	–	(93)	(93)
Railways under concession	–	3	3	–	3	3	–	–	–
Contract assets for contract work inprogress	–	72,611	72,611	–	49,222	49,222	–	23,389	23,389
Group companies	–	315,055	315,055	–	294,688	294,688	–	20,367	20,367
Gross trade receivables	1,718	858,431	860,149	1,594	808,565	810,159	124	49,866	49,990
Loss allowance	(3)	(156,040)	(156,043)	(1)	(157,512)	(157,513)	(2)	1,472	1,470
Total	1,715	702,391	704,106	1,593	651,053	652,646	122	51,338	51,460

The decrease in trade receivables from Ordinary customers (€8,890 thousand) compared to 31 December 2023, gross of the related loss allowance, was mainly due to the amounts collected from energy and telephone service operators, and for lease rentals.

The increase of €15,217 thousand in trade receivables from Government and other public authorities compared to 31 December 2023, gross of the related loss allowance, was mainly due to new invoices issued to local bodies for the construction and upgrading of rail infrastructure.

The increase of €20,367 thousand in trade receivables from Group companies compared to 31 December 2023, gross of the related loss allowance, was mainly due to new invoices to Group Railway Undertakings for access fees and traffic-related services.

The gross amount of Contract assets, amounting to €72,611 thousand, reflect the amount due from customers for construction contracts in progress. The €23,389 thousand increase on 31 December 2023 was due to the work in progress on the Palermo metro-railway and the Brenner noise barriers.

In order to show the progress of work considering the amounts already invoiced for contract assets, this caption should be considered together with the corresponding portion included under Contract liabilities. The €19,889 thousand balance, which decreased by €23,011 thousand, was due to the recovery of advance payments on the progress of the work on the Turin-Ceres-Canavesana concessionary railway and the Udine-Cividale line.

	31.12.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Contract assets and liabilities *				
Contract work in progress	446,393	95,780	332,745	54,915
Progress payments from customers	(373,782)	(115,669)	(283,523)	(97,816)
Total	72,611	(19,889)	49,222	(42,900)

*Amounts are shown gross of the loss allowance

The maximum exposure to credit risk, broken down by geographical segment, is as follows:

	(€'000)		
	31.12.2024	31.12.2023	Change
Italy	855,382	800,775	54,607
Eurozone countries	2,882	7,071	(4,189)
United Kingdom	1	–	1
Other European countries (non-Euro EU)	17	35	(18)
Other non-EU European countries	1,850	2,261	(411)
Other countries	17	17	–
	860,149	810,159	49,990

25. Current financial assets arising from service concession arrangements

This caption increased by €9,606 thousand due to the progress of work on the Umbrian concessionary line and the Turin-Ceres-Canavesana line.

26. Cash and cash equivalents

They can be analysed as follows:

	(€'000)		
	31.12.2024	31.12.2023	Change
Bank and postal accounts	4,570	4,061	509
Cash and cash on hand	472	475	(3)
Treasury current accounts	169,717	127,449	42,268
Other	112	112	–
Gross balance	174,871	132,097	42,774
Loss allowance	(110)	(83)	(27)
Total net of the loss allowance	174,761	132,014	42,747

The overall increase in the caption on 31 December 2023 was substantially due to the treasury current account which receives the payments made by the MEF in relation to the Government Programme Contract and those related to other grants disbursed by the MIT and the European Commission and subsequently transferred to the intragroup current account in accordance with cash needs.

For more information on changes in cash and cash equivalents, reference should be made to the statement of cash flows.

27. Tax assets

The €810 thousand balance increased by €157 thousand on the previous year, mainly due to the tax credits per withholding taxes recorded.

28. Equity

Changes in the main equity captions in 2024 are shown in the statement of changes in equity to which reference should be made.

Share capital

At 31 December 2024, the Company's fully subscribed and paid-up share capital was made up of 31,528,425,067 ordinary shares with a nominal amount of €1 each, for a total of €31,528,425,067.

Legal reserve

At 31 December 2024, it amounted to €137,325 thousand, following the allocation of a portion of the profit for 2023, equal to €9,803 thousand.

Other reserves

The extraordinary reserve amounted to €43,404 thousand at 31 December 2024, showing changes of €9,226 thousand compared to 31 December 2023 following the demerger of the quota in Terminali Italia to the benefit of the affiliated company Mercitalia Logistics S.p.A., and the partial demerger of the Energy BU of Ferservizi in favour of RFI S.p.A..

Fair value reserves

Cash flow hedge reserve

The cash flow hedge reserve includes the effective portion of the cumulative net change in the fair value of cash flow hedges relating to transactions that have not yet taken place and the residual portion of the cumulated reserve with previous financial instruments in relation to which, in 2012, the counterparties exercised the contractually-permitted early termination option.

At 31 December 2024, this reserve was negative by €35 thousand, up by €138 thousand on 31 December 2023. The improvement is due to the following factors:

- the fair value measurement of hedging instruments at the reporting date (entailing a negative change of €199 thousand);
- the release of the portion of the year following the above-mentioned early termination of contracts in 2012 (entailing a positive change of €337 thousand).

Actuarial reserve for employee benefits

The actuarial reserve includes the effects of actuarial gains and losses on post-employment benefits and the Free Travel Card. The net balance of this reserve was negative for €129,840 thousand at the reporting date, compared to the previous year-end balance following the total actuarial profit of €52 thousand.

Retained earnings

At 31 December 2024, retained earnings amounted to €2,431,842 thousand, a net increase of €86,264 thousand compared to the previous year end due to the allocation of the profit for 2023 resolved upon by the shareholders' meeting of 18 April 2024.

Profit (Loss) for the year

The Company ended the year with a loss of €99,078 thousand.

The origin, availability and distribution of equity captions, as well as any use in the past three years, are shown below.

(€'000)									
Origin	Balance at 31.12.2024 (a+b)	Unavailable portion (a)	Possibility of use ***	Available portion (b)	Available portion of (b)	Summary of uses in the past three years **			
						Capital increase	Coverage of losses	Dividends	Other (Demergers)
Share capital:									
Share capital	31,528,425	31,528,425							
Income-related reserves:									
Legal reserve	137,325	137,325	B						
Retained earnings*	2,431,842	(65,342)	A,B,C	2,497,184	1,466,828				
Other reserves:									
Cash flow hedge reserve	(35)	(35)							
Actuarial reserve	(129,840)	(129,840)							
Reserve for non-recurring transactions	43,405		A,B,C	43,405	43,405				(21,229)
TOTAL	34,011,122	31,470,533		2,540,589	1,510,232	—	—	—	(21,229)

* total equity is shown net of the profit/loss for 2024

** 2021-2022-2023 financial years

*** A = Capital increase; B = Coverage of losses; C = Dividends

29. Current and non-current loans and borrowings

	(€'000)		
Non-current loans and borrowings	31.12.2024	31.12.2023	Change
Bank loans and borrowings	347,001	404,376	(57,375)
Loans and borrowings from other financial backers	–	–	–
Shareholder loans	1,631,216	1,930,452	(299,236)
Total	1,978,217	2,334,828	(356,611)

	(€'000)		
Current loans and borrowings and current portion of non-current loans and borrowings *	31.12.2024	31.12.2023	Change
Bank loans and borrowings (current portion)	57,894	84,454	(26,560)
Loans and borrowings from other financial backers (current portion)	–	6,250	(6,250)
Shareholder loans (current portion)	4,295,883	2,646,530	1,649,353
Loans and borrowings from group companies (current portion)	331	302	29
Total	4,354,108	2,737,536	1,616,572

* It mainly refers to the current portion of non-current loans and borrowings

	(€'000)		
Loans and borrowings	31.12.2024	31.12.2023	Change
Bank loans and borrowings	404,895	488,830	(83,935)
Loans and borrowings from other financial backers	–	6,250	(6,250)
Shareholder loans	5,927,099	4,576,982	1,350,117
Loans and borrowings from group companies (current portion)	331	302	29
Total loans and borrowings	6,332,325	5,072,364	1,259,961

“Bank loans and borrowings” (non-current and current), and the current portion of non-current loans and borrowings amount to €404,895 thousand and are shown gross of accrued expenses not yet paid (€519 thousand). This caption is entirely comprised of liabilities with the European Investment Bank (EIB). The €83,935 thousand decrease on the previous year end refers to the reduction, amounting to €83,638, due to the principal repaid in 2024, and the €297 thousand decrease in accrued expenses included under the current portion.

Non-current loans and borrowings from other financial backers, and the current portion of non-current loans and borrowings amount to zero, and are entirely made up of liabilities with Cassa Depositi e Prestiti (CDP). The €6,250 thousand decrease on 31 December 2023 is due to the principal of the same amount repaid in 2024.

Shareholder loans (non-current and current) amount to €5,927,099 thousand and are shown gross of accrued expenses not yet paid (€45,948 thousand). Specifically, they refer to loans and borrowings related to the tranches of the bonds that FS Italiane S.p.A. placed on the market as part of the FS EMTN Programme, and intragroup loans

as part of bank loan agreements entered into by FSI, in addition to intragroup loans as part of short-term credit lines (including the Loan Agreement).

The €1,350,117 thousand increase in these liabilities on 31 December 2023 is mainly due to the combined effect of the following factors:

- the €1,831,000 thousand increase referable to short-term credit lines;
- the acquisition of a short-term credit line of €19,000 thousand following the extraordinary transaction of Ferservizi's Energy BU, which was repaid in full in June;
- the €499,841 thousand decrease due to repayment of the three Loans to FS (TRLO Unicredit, BPM and Intesa);
- the approximately €2,159 thousand decrease mainly relating to accruals (non-current portion);
- an increase of approximately €2,117 thousand, mainly related to accruals, shown in the current portion, and other minor costs shown in the non-current portion.

The terms and conditions of non-current loans and borrowings in place, net of accrued interest, are summarised in the table below:

(€'000)									
Type of financed works	Creditor	Currency	Note	Nominal interest rate	Year of maturity	31.12.2024		31.12.2023	
						Nom. amount	Carrying amount	Nom. amount	Carrying amount
HS/HC	EIB 1	€		Fixed	2023	–	–	–	–
HS/HC	EIB 2	€		Fixed	2023	–	–	–	–
HS/HC	EIB 3	€	(1)	Variable	2024	–	–	27,778	27,778
HS/HC	EIB 4	€	(3)	Fixed/Var.	2030	179,519	179,519	209,049	209,049
HS/HC	EIB 5	€	(1)	Variable	2025	1,778	1,778	3,556	3,556
HS/HC	EIB 6	€	(2)	Fixed	2032	92,149	92,149	102,455	102,455
HS/HC	EIB 7	€	(3)	Fixed/Var.	2032	130,930	130,930	145,177	145,177
HS/HC	CASSA DEPOSITI E PRESTITI 2	€	(1) (4)	Variable	2023	–	–	6,250	6,250
HS/HC		€				404,376	404,376	494,265	494,265
HS/HC	INTRAGROUP EMTN 6 TR/FS	€	(6)	Fixed	2025	300,000	299,935	300,000	299,802
HS/HC	INTRAGROUP EMTN 9 TR/FS	€	(6)	Variable	2030	200,000	200,000	200,000	200,000
HS/HC	INTRAGROUP EMTN 11 TR/FS	€	(6)	Variable	2029	100,000	99,972	100,000	99,966
HS/HC	INTRAGROUP EMTN 12 TR/FS	€	(6)	Variable	2029	140,000	140,000	140,000	140,000
HS/HC	INTRAGROUP UNICREDIT/FS	€		Variable	2023	–	–	–	–
HS/HC	INTRAGROUP EMTN 15 TR/FS	€	(6)	Fixed	2030	250,000	250,000	250,000	250,000
HS/HC	INTRAGROUP EMTN 20 TR/FS	€	(6)	Fixed	2027	200,000	199,591	200,000	199,398
HS/HC	INTRAGROUP UNICREDIT/FS	€		Variable	2024	–	–	200,000	199,965
HS/HC	INTRAGROUP UNICREDIT/FS	€	(5)	Variable	2028	150,000	149,773	150,000	149,721
HS/HC	INTRAGROUP CAIXA/FS	€	(5)	Variable	2029	250,000	249,429	250,000	249,382
HS/HC	INTRAGROUP BBVA/FS	€	(5)	Variable	2028	100,000	99,734	100,000	99,669
HS/HC	INTRAGROUP INTESA/FS	€		Variable	2024	–	–	200,000	199,960
HS/HC	INTRAGROUP BPM/FS	€		Variable	2024	–	–	100,000	99,999
HS/HC	INTRAGROUP EMTN 22 TR/FS	€	(5)	Variable	2033	245,000	242,667	245,000	242,438
						1,935,000	1,931,101	2,435,000	2,430,301
TOTAL						2,339,376	2,335,477	2,929,265	2,924,566
(1) The rate was converted from variable to fixed following a swap hedging the interest rate risk. (2) Fixed for each tranche used. (3) Fixed for the first three tranches, variable for the subsequent ones. (4) Amount transferred by CDP to CPG Società di cartolarizzazione a.r.l. as part of a securitisation transaction carried out in accordance with Law no. 130/1999 (5) New intragroup FS contracts signed for a total of €745 million in 2023, net of contract fees and amortised cost (6) Access fees will guarantee financial coverage, net of contract fees and amortised cost									

The table below shows the net financial debt at 31 December 2024 compared with that at the previous year end, showing a total deterioration equal to €1,423,802 thousand due to the combined effect of the following factors:

- the discrepancy between the time needed to collect government resources, and the related payment to suppliers, which led to a worsening effect on the short-term Net Financial Position by absorbing the cash on hand as at 31 December 2023, and making it necessary to resort to short-term credit lines;

- the effect of the repayment of the three Loans to FS (TRLO Unicredit, BPM and Intesa).

It should be noted, however, that during the first two months of 2025, there was the recognition of receipts for set-up grants of about €3.1 billion, of which €2.4 billion came from the State budget chapter 7122, and about €0.7 billion were collected from requests submitted under the NRRP. These grants were disbursed to cover works already completed and to be completed, from the 2024 update of the GPC – Investments.

(€'000)			
Net financial debt	31.12.2024	31.12.2023	Changes
Net current financial (position) debt	4,027,473	2,294,637	1,732,837
Treasury current accounts	(169,636)	(127,369)	(42,267)
Other financial (assets)/liabilities, net	(148,097)	(306,142)	158,045
Financial assets from the MEF for the fifteen-year grants	(9,994)	(9,994)	–
Bank loans and borrowings	57,895	84,454	(26,560)
Loans and borrowings from other financial backers	–	6,250	(6,250)
Shareholder loans due within one year	4,296,213	2,646,831	1,649,382
Current lease liabilities (IFRS 16)	20,559	10,201	10,358
Current derivatives	(2)	(243)	241
Other	(19,465)	(9,353)	(10,112)
Net non-current financial debt	1,914,020	2,223,054	(309,034)
Financial assets from the MEF for the fifteen-year grants	(75,140)	(85,140)	10,000
Securities and non-current loans and borrowings	(540)	(540)	–
Loans	(60,009)	(59,034)	(975)
Bank loans and borrowings	347,001	404,376	(57,375)
Loans and borrowings from other financial backers	–	–	–
Shareholder loans due after one year	1,631,216	1,930,451	(299,235)
Non-current lease liabilities (IFRS 16)	71,506	33,017	38,489
Non-current derivatives	(14)	(76)	62
Total	5,941,493	4,517,691	1,423,802

The following table shows changes in financial items, indicated separately from those that generated/used cash flows. For more details, please refer to the section on the “Financial position and performance” of the Directors’ Report.

(€'000)								
Cash flows generated by/(used in) financing activities	31.12.2023	Monetary items	Non-monetary effects					31.12.2024
			Change in accruals	Other non-monetary changes	Lease change (IFRS 16)	Change in clean fair value (IFRS13)	Changes in expected credit loss (IFRS9)	
Disbursement and repayment of current and non-current loans	5,072,363	1,213,585	27,377	19,000	–	–	–	6,332,325
Change in other financial assets	(155,098)	9,646	(2,162)	(294)	–	199	(4)	(147,713)
Cash and cash equivalents	(438,157)	116,814	–	–	–	–	(72)	(321,415)
Changes in assets/liabilities arising from service concessions	(4,707)	(9,606)	–	–	–	–	–	(14,313)
Change in other financial liabilities	43,289	(22,608)	174	–	71,384	–	–	92,239
Total	4,517,691	1,307,831	25,389	18,706	71,384	199	(76)	5,941,123

30. Employee benefits (Post-employment benefits and Free Travel Card)

	(€'000)	
	31.12.2024	31.12.2023
Present value of post-employment benefit obligations (TFR)	237,205	268,315
Present value of Free Travel Card (CLC) obligations	21,678	23,255
Other provisions (health care trust, former National Social Security and Welfare Institute for Ferrovie dello Stato employees)	(589)	(179)
Total present value of obligations	258,294	291,391

Changes in the present value of liabilities for defined benefit obligations are shown in the table below.

	(€'000)	
Post-employment benefits and Free Travel Card (CLC)	31.12.2024	31.12.2023
Defined benefit obligations at 1 January	291,570	323,433
<i>Service Cost</i>	170	156
<i>Interest cost (*)</i>	8,569	10,922
Benefits paid	(38,866)	(40,826)
Transfers in (out)	(15)	(1,743)
<i>Other changes (estimated benefit payments)</i>	(2,493)	(2,629)
Net actuarial (gains) losses recognised in equity	(52)	2,257
from change in demographic assumptions	(535)	–
from change in financial assumptions	(511)	6,920
from past experience	994	(4,663)
Defined benefit obligations	258,883	291,570
Other provisions (health care trust, former National Social Security and Welfare Institute for Ferrovie dello Stato employees)	(589)	(179)
Post-employment and other employee benefits (CLC)	258,294	291,391

(*) through profit or loss

In accordance with the IFRS, the post-employment benefits accrued up to 1 January 2007 and the Free Travel Cards have been considered defined post-employment-benefits, the amount of which is calculated on an actuarial basis.

In 2024, a total of €41,374 thousand in post-employment benefits was used (benefits paid, transfers in/out, other changes, estimated benefit payments). This refers to the benefits paid to employees who left the Company in 2024 and employees' advances and transfers from/to other group companies.

Net actuarial gains of €52 thousand were recognised in 2024, compared to a net loss of €2,257 thousand in 2023. The amount of the actuarial gain was mainly due to the discount rate which decreased from 2.95% in 2023 to 2.93% in 2024 for post-employment benefits while it increased from 3.17% in 2023 to 3.38% in 2024 for the Free Travel Card.

Specifically, the actuarial reports on post-employment benefits and the Free Travel Card show a total gain linked to financial assumptions (including the discount rate) of approximately €511 thousand, and demographic assumptions for €535 thousand, and a total loss relating to other actuarial assumptions of €994 thousand, which, summed together, generate a net actuarial gain of €52 thousand.

Other provisions include negligible amounts which were not subject to actuarial valuation since they did not meet the requirements of defined benefit obligations set out in IAS 19. Consequently, they were presented separately.

Actuarial assumptions

The main assumptions for the actuarial estimate process are described below:

	31.12.2024	31.12.2023
Discount rate (TFR)	2.93%	2.95%
Discount rate (CLC)	3.38%	3.17%
Future increases in pensions	75% inflation +1.5 percentage points	75% inflation +1.5 percentage points
<i>Expected turnover rate for employees</i>	4.00%	4.00%
Expected rate of advances	2.00%	2.00%
Probability of death	RG48 mortality rate published by the Government General Accounting Office	RG48 mortality rate published by the Government General Accounting Office

The expected mortality assumptions are based on published statistics and mortality rates.

The following sensitivity analysis shows the effects that would have been recorded in terms of changes in the present value of liabilities for defined benefit obligations, following reasonably possible changes in actuarial assumptions. The tables below show the contribution expected for the subsequent year, the average term of the defined benefit obligation and the payments scheduled by the plan.

SENSITIVITY ANALYSIS TFR AND CLC		(€'000)
31.12.2024	TFR	CLC
Turnover rate +1.00%	237,507	–
Turnover rate -1.00%	236,880	–
Inflation rate +0.25%	239,162	22,285
Inflation rate -0.25%	235,272	21,090
Discount rate +0.25%	234,189	21,250
Discount rate -0.25%	240,300	22,122
Future service cost	–	166
Plan duration (years)	5.9	9
Total employees at year end	32,555	–

Estimated future TFR and CLC		(€'000)
31.12.2024	TFR	CLC
Payment - first year	44,673	2,417
Payment - second year	26,507	2,288
Payment - third year	12,409	2,157
Payment - fourth year	26,431	2,030
Payment - fifth year	26,528	1,915

31. Provisions for risks and charges

The opening and the closing balances of the provisions for risks and charges and changes in 2024 are shown below. The provisions are deemed adequate to cover the Company's probable charges.

(€'000)					
Description	31.12.2023	Accrual	Utilisations	Release of excess provisions	31.12.2024
Provision for taxation	11,367	–	–	–	11,367
Expense related to					
- personnel	44,412	11,808	(15,533)	–	40,687
- third parties	166,507	–	(4,472)	(4,116)	157,919
Reclamation provision	46,125	–	(1)	–	46,124
Other risks and charges	148,792	86,037	(22,569)	(35,328)	176,932
TOTAL	417,203	97,845	(42,575)	(39,444)	433,029

Provision for taxation

It includes probable future tax charges. The provision did not record any change in 2024.

Provisions for expense related to personnel and third parties

This provision comprises the probable charges in respect of economic and labour claims and compensation for occupational illness. It refers to pending disputes brought before the competent labour courts. In this respect, in 2024, €15,533 thousand was used to cover the contributions charges and costs related to disputes with personnel (in court or out of court). It was increased by €11,808 thousand to meet the needs calculated at 31 December 2024.

The provision for expense related to third parties mainly refers to lawsuits pending with suppliers for subcontracting, services and supplies and the out-of-court dispute for suppliers' claims. In 2024, €4,472 thousand was used following the unfavourable settlement of disputes or settlement agreements, while €4,116 thousand was released.

Reclamation provision

This provision was accrued and used to cover the costs incurred to reclaim sites polluted by works to be sold/that have been sold. The initial calculation of this provision considered the costs to restore the affected areas based on their previous industrial use.

Provisions for other risks and charges

These provisions mainly refer to:

- fund for the pursuit of pro-active policies to support income and employment (€62,000 thousand);
- leaving incentives (€10,800 thousand);
- other risks (€104,132 thousand).

32. Non-current and current financial liabilities (including derivatives)

(€'000)

	Carrying amount								
	31.12.2024			31.12.2023			Change		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Financial liabilities									
Hedging derivatives	–	174	174	–	71	71	–	103	103
Lease liabilities	71,506	20,559	92,065	33,017	10,201	43,218	38,489	10,358	48,847
Total financial liabilities	71,506	20,733	92,239	33,017	10,272	43,289	38,489	10,461	48,950

The €48,950 thousand increase in financial liabilities (non-current and current) substantially reflects the higher entries of lease liabilities of €48,847 thousand.

33. Other non-current and current liabilities

(€'000)

	31.12.2024			31.12.2023			Change		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Advances for grants	–	2,205,729	2,205,729	–	2,534,070	2,534,070	–	(328,341)	(328,341)
Social security charges payable	6,025	113,710	119,735	6,026	114,083	120,109	(1)	(373)	(374)
Other liabilities with group companies	1	348,763	348,764	–	244,969	244,969	1	103,794	103,795
Sundry liabilities	68,073	382,625	450,698	69,926	375,172	445,098	(1,853)	7,453	5,600
Accrued expenses and deferred income	135	5,047	5,182	144	9,597	9,741	(9)	(4,550)	(4,559)
Total other liabilities	74,234	3,055,874	3,130,108	76,096	3,277,891	3,353,987	(1,862)	(222,017)	(223,879)

At 31 December 2024, advances for grants related to assets amounted to €2,205,729 thousand and can be analysed as follows:

	(€'000)				
	31.12.2023	Increases	Decreases	Other changes	31.12.2024
Advances for grants:					
MEF	1,024,315	6,679,750	(7,326,479)	(93,960)	283,626
MIT	1,123,465	672,760	(550,297)	–	1,245,928
European Regional Development Fund	6,872	129,719	(84,468)	(52,123)	–
TEN-T network	40,690	53,002	(40,129)	–	53,563
NRRP	–	2,082,972	(1,985,675)	–	97,297
Other PAs	257,475	270,226	(243,883)	52,123	335,941
Other THIRD PARTIES	81,252	108,121	–	–	189,373
Total advances for grants	2,534,070	9,996,550	(10,230,931)	(93,960)	2,205,729

The net decrease of €328,341 thousand in advances for grants is due to the combined effect of the increases in amounts due from the MIT, the MEF and other bodies which were recognised under Other non-current and current assets and Non-current and current financial assets, the decreases due to uses through the allocation to assets under construction, and the €93,960 thousand net decrease included under “Other changes” reflecting the capital increases of Società Tunnel Ferroviario del Brennero S.p.A. as described in the note to Equity investments to which reference should be made, and the coverage of financial costs.

Advances, amounting to €108,121 thousand, consist of set-up grants paid by the Municipality of Milan under the 2017 Programme Agreement, and are related to the sale of the decommissioned Milan Farini railway yard, which was finalized by the FS Group in March 2024.

Other liabilities with Group companies amount to €348,764 thousand, showing an increase of €103,795 thousand compared to 31 December 2023, mainly due to greater liabilities with the Parent for the recognition of the 2023 profit dividend in 2024 (€100,000 thousand).

Other liabilities mainly refer to amounts due to personnel (€148,336 thousand), guarantee deposits (€47,103 thousand), holidays accrued but not taken (€35,319 thousand), performance regime liabilities (€7,279 thousand), and penalties from traffic (€5,922 thousand), other tax liabilities for withholdings applied by RFI on employees’ and contract workers’ remuneration, and for Revaluation of Post-employment benefits (€47,093 thousand), advances on the 2024 grant related to freight (€21,790 thousand), and liabilities with insurance companies (€3,243 thousand).

34. Non-current and current trade payables

They can be analysed as follows:

(€'000)								
	31.12.2024			31.12.2023			Change	
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current
Trade payables	10,103	3,443,884	3,453,987	10,251	3,074,885	3,085,136	(148)	368,999
Advances	9,700	92,751	102,451	5,883	92,421	98,304	3,817	330
Trade payables to group companies	–	882,246	882,246	–	744,955	744,955	–	137,291
Contract liabilities	–	19,889	19,889	–	42,900	42,900	–	(23,011)
Total trade payables	19,803	4,438,770	4,458,573	16,134	3,955,161	3,971,295	3,669	483,609

The increase in trade payables on the previous year-end balance totals €368,851 thousand and is mainly due to the progress of work on infrastructure investments during the year.

Advances refer to ordinary customers and group companies (€102,451 thousand), up €4,147 thousand on 31 December 2023.

Current trade payables to group companies increased by a net €137,291 thousand mainly due to the combined effect of the following factors:

- the €69,127 thousand increase in liabilities with the related company Fercredit following factoring by third-party and group suppliers;
- the €84,409 thousand increase in invoices received from related companies;
- the €10,770 thousand increase in liabilities with subsidiaries;
- the €2,183 thousand decrease in liabilities with the Parent company;
- the €26,480 thousand decrease in invoices to be received from related companies.

Contract liabilities of €19,889 thousand reflect the amounts of advances paid by customers for those relating to work in progress, which shall be recovered on progress payments. This caption corresponds with Contract assets, to which reference should be made.

35. Financial risk management

The activities that the Company carries out expose it to various types of risks arising from the use of financial instruments:

- credit risk;
- liquidity risk;
- market risk, specifically the interest rate risk.

Financial assets and liabilities measured in accordance with the IFRS 9 may be analysed as follows.

	(€'000)	
	31.12.2024	31.12.2023
Trade receivables at amortised cost	704,105	652,645
Other assets at amortised cost	8,686,267	7,599,464
Other financial assets at amortised cost	293,344	460,311
Derivatives at FVOCI*	190	389
Other assets measured at FVTPL	834	540
Financial assets arising from service concession arrangements at amortised cost	14,313	4,707
Cash and cash equivalents	174,288	131,539
Total financial assets	9,873,341	8,849,596
Non-current loans and borrowings	6,332,325	5,072,363
Other financial liabilities at amortised cost	92,065	43,218
Derivatives at FVOCI*	174	71
Trade payables at amortised cost	4,458,573	3,971,296
Other liabilities at amortised cost	3,083,016	3,313,641
Total financial liabilities	13,996,153	12,400,589

*the captions have been shown by including accrued interest

This section provides information on the Company's exposure to each of the risks listed above, the objectives, policies and processes for the management of these risks and the methods used to assess them, as well as capital management. These financial statements also include additional quantitative information. The Company's risk management focuses on the volatility of financial markets and tries to minimise potential undesired effects on its financial position and results of operations.

With respect to financial risk disclosure, in order to reconcile the financial assets and liabilities identified pursuant to IFRS 7 with those reported in the statement of financial position, it is noted that the amounts shown in the statement of financial position match those of the financial assets and liabilities identified pursuant to IFRS 7, net of tax assets and participatory instruments. Furthermore, financial assets and liabilities include the respective hedging derivatives.

Credit risk

Credit risk mainly arises from loans to the public administration, trade receivables and financial investments of the Company.

For credit risk arising from investment activities, there is a policy for the use of liquidity managed centrally by the Parent company, which defines:

- the minimum requirements of the financial counterparty in terms of creditworthiness and the related concentration limits;
- the types of financial products that can be used.

With respect to the derivatives used for hedging purposes and which can potentially generate credit exposure to counterparties, the Company applies a specific policy that defines concentration thresholds by counterparty and credit rating.

With respect to the assessment of customers' credit risk, the Company manages and analyses the risk of all new significant customers, regularly checks their commercial and financial exposure and monitors the collection of receivables from the public administration within the contractually agreed timeframe.

The following tables shows the Company's exposure to credit risk at 31 December 2024 and 2023, broken down by category and counterparty. For information about the gross balance and the loss allowance, reference should be made to the notes to the relevant captions.

	31 December 2024					(€'000)
	Public administration	Third party customers	Financial institutions	Group companies	Total	
Current and non-current trade receivables	78,621	305,055	-	320,429	704,105	
Other current and non-current assets	8,410,834	59,105	-	216,327	8,686,266	
Current and non-current financial assets	99,452	1,096	59,003	149,131	308,682	
Cash and cash equivalents	-	-	174,288	-	174,288	
Total financial assets at 31 December 2024	8,588,907	365,256	233,291	685,887	9,873,341	

	31 December 2023					(€'000)
	Public administration	Third party customers	Financial institutions	Group companies	Total	
Current and non-current trade receivables	65,570	278,537	-	308,539	652,646	
Other current and non-current assets	7,439,612	57,556	-	102,296	7,599,464	
Current and non-current financial assets	99,840	803	58,848	306,456	465,947	
Cash and cash equivalents	-	-	131,539	-	131,539	
Total financial assets at 31 December 2023	7,605,022	336,896	190,387	717,291	8,849,596	

A significant portion of trade receivables and loans relates to government and public authorities, such as the MEF and the regions. The amount of financial assets whose recoverability is uncertain is negligible. However, an adequate loss allowance was accrued in this respect.

The maximum exposure to credit risk, broken down by counterparty and past due brackets, on 31 December 2023 is shown below:

(€'000)

31.12.2024						
Past due by						
	Not past due	0-180	180-360	360-720	More than 720 days	Total
Public administration, Italian government and regions (gross)	8,648,615	11,189	3,535	2,011	33,418	8,698,768
Loss allowance	(91,819)	(246)	(42)	(373)	(17,381)	(109,861)
Public administration, Italian government and regions (net)	8,556,796	10,943	3,493	1,638	16,037	8,588,907
Group companies	690,812	(987)	(4,230)	438	2,526	688,559
Loss allowance	(435)	–	–	(87)	(2,150)	(2,672)
Group companies (net)	690,377	(987)	(4,230)	351	376	685,887
Third party customers (gross)	332,210	34,449	6,311	11,443	153,388	537,801
Loss allowance	(23,530)	(5,179)	(2,501)	(6,315)	(135,020)	(172,545)
Third party customers (net)	308,680	29,270	3,810	5,128	18,368	365,256
Financial institutions	233,437	–	–	–	–	233,437
Loss allowance	(146)	–	–	–	–	(146)
Financial institutions (net)	233,291	–	–	–	–	233,291
Total exposure, net of the loss allowance	9,789,144	39,226	3,073	7,117	34,781	9,873,341

(€'000)

31.12.2023						
Past due by						
	Not past due	0-180	180-360	360-720	More than 720 days	Total
Public administration, Italian government and regions (gross)	7,656,680	21,191	2,191	879	31,045	7,711,986
Loss allowance	(92,846)	(257)	(27)	(11)	(13,823)	(106,964)
Public administration, Italian government and regions (net)	7,563,834	20,934	2,164	868	17,222	7,605,022
Group companies	711,010	2,219	1,982	468	9,460	725,139
Loss allowance	(449)	(1)	(1)	–	(7,397)	(7,848)
Group companies (net)	710,561	2,218	1,981	468	2,063	717,291
Third party customers (gross)	296,078	30,518	8,208	15,606	157,147	507,557
Loss allowance	(35,031)	(452)	(121)	(231)	(134,826)	(170,661)
Third party customers (net)	261,047	30,066	8,087	15,375	22,321	336,896
Financial institutions	190,505	–	–	–	–	190,505
Loss allowance	(118)	–	–	–	–	(118)
Financial institutions (net)	190,387	–	–	–	–	190,387
Total exposure, net of the loss allowance	8,725,829	53,218	12,232	16,711	41,606	8,849,596

Amounts from ordinary customers, past due by more than 720 days, mainly arise from disputes. The legal actions commenced for the recovery of some amounts are still underway.

Sometimes, in order to recover the amounts, the offsetting of receivables and payables with the same customer/supplier was proposed and carried out.

Amounts receivable from the public administration, past due by more than 720 days, mainly refer to local bodies facing financial difficulties as part of the unfavourable national economic situation.

The total exposure and the impairment of each category was reclassified by risk class at 31 December 2024, as per Standard & Poor's rating, and is shown below:

(€'000)

2024

	FVTPL	FVOCI	Amortised cost		
		12-months expected credit losses	12-months expected credit losses	lifetime not- impaired	Total
from AAA to BBB-	–	14	482,147	9,138,597	9,620,758
from BB to BB+	834	–	6	–	840
from B to CCC	–	–	372	536,595	536,967
Gross balance	834	14	482,525	9,675,192	10,158,565
Loss allowance	–	–	(404)	(284,820)	(285,224)
Net value	834	14	482,121	9,390,372	9,873,341

(€'000)

2023

	FVTPL	FVOCI	Amortised cost		
		12-months expected credit losses	12-months expected credit losses	lifetime not- impaired	Total
from AAA to BBB-	–	389	596,663	8,030,576	8,627,628
from BB to BB+	540	–	6	–	546
from B to CCC	–	–	368	506,645	507,013
Gross balance	540	389	597,037	8,537,221	9,135,187
Loss allowance	–	–	(480)	(285,111)	(285,591)
Net value	540	389	596,557	8,252,110	8,849,596

The table below shows changes in impairment losses and gains on financial assets:

(€'000)

	12-months expected credit losses	lifetime not- impaired	Total
Balance at 1 January 2024	(480)	(285,111)	(285,591)
Repaid financial assets	106	630	736
New assets acquired	(30)	(3,063)	(3,093)
Accrual to the loss allowance	–	(3,817)	(3,817)
Release of the provision	–	2,601	2,601
Utilisation of the allowance	–	3,940	3,940
Balance at 31 December 2024	(404)	(284,820)	(285,224)

Liquidity risk

Liquidity risk is the risk that an entity may have difficulties in meeting obligations from financial liabilities to be settled with cash or another financial asset.

Cash flows, cash requirements and liquidity are monitored to ensure efficient and effective management of financial resources. The Company's objective is the prudent management of the liquidity risk arising from ordinary operations.

As for the FS Italiane group's other main companies, the parent oversees RFI's liquidity management using the intragroup current account, whereby the Company can manage its cash needs for ordinary operations, including by using committed and uncommitted lines that it may request from the Parent.

Furthermore, RFI holds a non-interest bearing current account with the MEF, included under cash and cash equivalents to ensure that the amounts disbursed by the government to finance the portion of RFI's investment match their progress.

The following table shows the due dates of financial liabilities, including interest to be paid:

	(€'000)					
31.12.2024	6 months or less	6-12 months	1-2 years	2-5 years	After 5 years	Total
Non-derivative financial liabilities*						
Bank loans and borrowings	34,042	33,779	66,025	201,221	113,408	448,476
Lease liabilities	13,206	10,477	17,228	34,574	29,788	105,273
Loans and borrowings from other financial backers						–
Loans and borrowings from group companies	4,211,731	16,771	128,959	969,303	746,357	6,073,121
Total	4,258,979	61,027	212,213	1,205,098	889,554	6,626,870
Trade payables	1,093,313	3,345,456	19,803	–	–	4,458,572
Derivatives*	174	–	–	–	–	174

*For a better presentation, financial liabilities are shown gross of accrued interest

	(€'000)					
31.12.2023	6 months or less	6-12 months	1-2 years	2-5 years	After 5 years	Total
Non-derivative financial liabilities*						
Bank loans and borrowings	62,843	34,183	67,545	199,655	181,012	545,238
Lease liabilities	5,840	5,558	9,176	22,685	2,928	46,187
Loans and borrowings from other financial backers	6,377	–	–	–	–	6,377
Loans and borrowings from group companies	2,698,548	21,705	351,973	728,584	1,116,115	4,916,925
Total	2,773,608	61,446	428,694	950,924	1,300,055	5,514,727
Trade payables	698,149	3,257,012	16,134	–	–	3,971,295
Derivatives*	71	–	–	–	–	71

*For a better presentation, financial liabilities are shown gross of accrued interest

The contractual flows from variable-rate loans have been calculated using the forward rates estimated at the reporting date. Loans and borrowings from group companies comprise the current portion of loans from the parent which, due to their nature, are among those due within six months.

With respect to contractual payment dates, the most significant portion relates to trade payables for contracts and works which are mainly repaid through government grants. The residual part is repaid using cash flows from operations.

The following tables show the repayments of financial liabilities at 31 December 2024 and 2023 within one year, from 1 to 5 years and after 5 years.

				(€'000)
31.12.2024	Carrying amount	Within one year	1-5 years	After 5 years
Non-derivative financial liabilities*				
Bank loans and borrowings	404,895	57,895	239,482	107,519
Lease liabilities	92,065	20,611	45,040	26,414
Loans and borrowings from other financial backers	–	–	–	–
Loans and borrowings from group companies	5,927,430	4,296,073	938,690	692,667
Total	6,424,390	4,374,579	1,223,212	826,600

*For a better presentation, non-derivative financial liabilities are shown gross of accrued interest

				(€'000)
31.12.2023	Carrying amount	Within one year	1-5 years	After 5 years
Non-derivative financial liabilities*				
Bank loans and borrowings	488,831	84,454	234,249	170,128
Lease liabilities	43,219	10,253	30,109	2,857
Loans and borrowings from other financial backers	6,250	6,250	–	–
Loans and borrowings from group companies	4,577,282	2,646,831	898,323	1,032,128
Total	5,115,582	2,747,788	1,162,681	1,205,113

*For a better presentation, non-derivative financial liabilities are shown gross of accrued interest

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate following changes in market prices, due to changes in exchange or interest rates. The objective of market risk management is to manage and maintain the Company's exposure to this risk within acceptable levels, while optimising returns on investments. The Company uses hedging transactions to manage the volatility of the results.

Interest rate risk

Interest rate risk is associated with the intrinsic variability of market interest rates which generates uncertainties as to the future cash flows associated with financing activities.

With respect to the actual and forecast non-current indebtedness, the Company, assisted by the parent, has adopted an interest rate risk management policy which takes the form of limiting the changes in cash flows associated with

financing transactions in place, and, where possible, exploiting opportunities to optimize the cost of debt arising from the indexing of debt at variable rates. As of 31 December 2024, RFI had only one hedging contract in place, through an Interest Rate Swap, having hedging purposes in accordance with Cash Flow Hedge requirements.

The table below shows variable and fixed rate loans and borrowings (including the current portion).

	Carrying amount	Contractual cash flows	Current portion	1 - 2 years	2 - 5 years	(€'000) after 5 years
- variable rate	5,037,551	5,067,334	3,927,370	126,199	778,890	234,876
- fixed rate	1,386,839	1,559,536	392,635	86,014	426,208	654,679
Balance at 31 December 2024	6,424,390	6,626,870	4,320,005	212,213	1,205,098	889,555
- variable rate	3,739,523	3,941,041	2,750,089	50,896	529,253	610,803
- fixed rate	1,376,059	1,573,687	84,965	377,798	421,672	689,252
Balance at 31 December 2023	5,115,582	5,514,728	2,835,054	428,694	950,925	1,300,055

* For a better presentation, financial liabilities are shown gross of accrued expenses

The table below shows the percentage of variable- and fixed-rate loans (including the current portion), before and after hedging derivatives, which convert variable rates into fixed rates.

	31.12.2024	31.12.2023
Before hedging with derivatives		
variable rate	78.4%	73.1%
fixed rate	21.6%	26.9%
After hedging with derivatives		
variable rate	76.8%	70.4%
hedged variable rate	0.0%	0.0%
fixed rate	23.2%	29.6%

The following sensitivity analysis shows the effects that would have been recorded in terms of changes in interest expense had an increase or a decrease of 50 basis points in the Euribor interest rates affected loans in 2024.

	+ 50 bps shift	- 50 bps shift
Interest expense on variable-rate liabilities	6,760	(6,759)
Net cash flow from hedges	(16)	16
Total	6,744	(6,743)

The Company's portfolio includes over-the-counter (OTC) instruments which are classified in Level 2.

Financial instruments have been measured at fair value using financial models based on market standards. Specifically, this entailed determining the net present value of future cash flows for swaps.

The inputs used to feed the above models reflect observable market parameters which are available with the main financial info providers.

Specifically, the swap vs. three-month Euribor curve figures were used, as well as those related to the swap vs. six-month Euribor curve, the Eur interest rate volatility curve and the credit default swap (CDS) curve of the parties to the derivative contract, which reflect the input widely accepted by market operators to calculate non-performance risk. This risk is calculated using adequate financial valuation techniques and models which include, inter alia, the following factors i) the risk exposure, being the potential mark-to-market exposure throughout the life of the financial instrument, ii) adequate CDS curves to reflect their probabilities of default (PD).

If, at the reporting date, the interest rates had been 50 basis points higher, with all other variables being equal, profit for the year gross of the tax effect would have been €6,760 thousand lower. At the same date, had interest rates been 50 basis points lower, with all other variables being equal, profit for the year would have been €6,759 thousand higher.

The following sensitivity analysis shows the effects of a parallel shift of 50 basis points up or down in the swap rate curve at 31 December 2024 on the fair value of the derivative financial instruments. The effects would be substantially recognised in the specific equity reserve.

The table below shows, for cash flow hedges and by risk category, the change in the value of the hedged item used as the basis for detecting hedge ineffectiveness during the year.

Potential sources of ineffectiveness of cash flow hedging relationships for RFI may arise from a potential mismatch in the characteristics of the hedging instrument from that of the hedged item, or from the effect of the credit risk component on changes in the value of the hedging instrument and the hedged item.

In any case, the company does not recognize ineffectiveness of hedging relationships in place or expired in the year 2024.

	+ 50 bps shift	- 50 bps shift
Fair value of hedging derivatives	4	(4)
Total	4	(4)

Capital management

The Company's main objective with respect to capital risk management is to safeguard its ability to continue as a going concern, while ensuring benefits for the various stakeholders. The Company also intends to maintain an optimal capital structure in order to reduce the cost of debt.

36. Other information

○ **Contingent assets and liabilities**

The Company's main contingent assets and liabilities are reported below. The Company has assessed the risk of losing the case underlying the contingent liability and considers it possible.

RFI - Gruppo COSIAC S.p.A.

In 2011, Gruppo COSIAC S.p.A. ("COSIAC") brought a legal action before the Roma Civil Court claiming compensation for damage (an amount of roughly €1 billion) following the alleged violation of rules of integrity, impartiality and good faith in the performance of the integrated service concession for the laying of double tracks on the Tommaso Natale – Carini railway line, and the connection to the Punta Raisi Airport. With ruling no. 9769/2015, the Roma Court, admitting all RFI's arguments and ordering COSIAC to pay all legal fees, declared the lack of jurisdiction in favour of the Administrative Court with regard to extra-contractual damage from the unlawfulness of a measure, and denied other claims of liability (both contractual and pre-contractual). COSIAC appealed against the ruling. With ruling no. 1477/2019, the Roma Court of Appeal partially admitted COSIAC's appeal and transferred the case to the Court, recognising the Ordinary Court's jurisdiction on the assumption that COSIAC's claim in the case was an expression of its subjective right arising from a contract subject to private law. The Court of Appeal's Judgment was upheld in various instances of appeal.

The main proceedings were settled, which had been resumed by COSIAC by writ of summons served on 3 May 2019 before the Civil Court of Rome, in which the principal Hera S.p.A. and RFI appeared. By judgment no. 15336/2022, the Court rejected all the claims put forward by the COSIAC group, and the principal Hera S.p.A. subject to extraordinary administration (a.s.), condemning them, jointly and severally, to reimburse RFI for the costs of litigation settled in a total of €350,000.00 plus general expenses and legal charges. Subsequently, COSIAC served a notice of appeal to challenge the aforementioned judgment. RFI entered an appearance while the principal Hera S.p.A. in a.s. remained contumacious. By judgment no. 5698/23, the Court rejected the appeal brought by the COSIAC Group, ordering it to reimburse RFI for the costs of the litigation settled in total at €150,000.00 plus general expenses and legal charges. COSIAC appealed against this judgment before the Supreme Court. RFI entered an appearance by filing a counter-appeal on 19 December 2023. The proceedings are still pending.

K2 discount pursuant to Ministerial Decree no. 44T/2000 - Rome Court ruling – General Register 59994/2017 - no. 3460 of 1 March 2023

Within these civil proceedings, Trenitalia requested to ascertain - due to the infrastructure Operator's failure to apply the K2 discount - the payment, in the period between 1 December 2005 and 31 December 2007, of an infrastructure use fee higher than that actually due for a total amount of €243,058,346.75, ordering RFI to return the unduly received sum plus related interest. On 1 March 2023, the Court of Rome ordered RFI to pay €144,517,283.00, plus interest, in favour of Trenitalia, and €91,315,687.00, plus interest, in favour of Mercitalia Rail - which appeared in the proceedings following the partial demerger of the "Cargo" business unit by Trenitalia -, and rejected the application for indemnification proposed by RFI against MIT and MEF.

By a memo dated 6 April 2023, sent by RFI to the competent offices of the MIT, it was reiterated that any economic burden arising from the judicial dispute under consideration should be borne by the public authorities (in keeping,

moreover, with the ministry's position clearly found in Ministerial Decree no. 92/T), recognizing the need to carry out - hopefully prior to the filing of the notice of appeal - an in-depth discussion with the Ministry, and submitting a request for a specific meeting in the context of which to outline and share a plan suitable for the final settlement of the dispute under review.

Against the subsequent, contrary, judgment of the Court of Rome, on 28 July 2023, RFI served the appeal against Judgment no. 3460/2023 of the Civil Court of Rome while also submitting an application for the suspension of the same Judgment appealed against, prepared by the appointed attorneys, Saverio Ruperto, Esq., legal counsel in first instance, for the examination of civil law issues, and Maria Alessandra Sandulli, Esq., for the examination of the relevant administrative issues that had emerged, against specific opinions rendered.

As of the date of the appeal, RFI had not yet paid the amounts it had been ordered to pay.

The statements of appearances were filed by Trenitalia and Mercitalia Rail with a cross-appeal regarding the effective date of interest and, for Trenitalia alone, the quantification as well. The State Lawyers filed the statement of appearance for MIT and MEF with a cross-appeal conditional on the possible granting of the application for indemnity, which had been rejected by the Court of first instance.

Trenitalia and Mercitalia Rail, which – while pending the application of the time limits for the appeal - had not requested the enforcement of the judgment, requested that the RFI petition to suspend the enforceability of the judgment be rejected.

On 30 November 2023, a joint RFI, Trenitalia and Mercitalia petition was filed to postpone the first hearing, already set for 6 December 2023, to a date later than 15 January 2024, in view of the negotiations underway for reaching a possible settlement agreement on the dispute, which require some technical investigations, such as not to allow the economic terms of the agreement, and its formalization by the stated date of hearing.

Following the filing of this petition, the date of the first hearing was postponed to 7 February 2024.

Following that hearing, in an order dated 22 February 2024, the third division of the Rome Court of Appeals granted the petition filed by RFI, and ordered the suspension of the enforceability of the judgment of conviction issued by the Court.

In the same order, the Court of Appeals adjourned the case for oral discussion to a hearing scheduled on 18 March 2026.

In view of the above, the assessment of the risk of losing the case is, in the opinion of the Directors, supported by the opinions given by third-party professionals, regarded as possible. Therefore, they did not make any provision therefor in the financial statements as allowed by IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. In addition, based on the above-described previous case involving the other railway companies, RFI can reasonably expect that any cost it may be required to bear as a result of the proceeding will be covered by the State.

○ **Audit fees**

Pursuant to article 37.16 of Legislative decree no. 39/2010 and article 2427.16-bis of the Italian Civil Code, it is noted that the total fees for 2024 due to the independent auditors and their network amount to €529 thousand, and include the fees paid for services other than the statutory audit (€156 thousand).

○ **Directors' and statutory auditors' fees**

The following fees were paid to directors and statutory auditors for the performance of their duties, as per the relevant resolutions.

	(€'000)		
RECIPIENTS	2024	2023	Changes
Directors *	220	220	–
Statutory auditors	83	83	–
Total	303	303	–

*In addition, fees of €55 thousand were paid to third-party members of the Supervisory Body during the year.

○ **Management and coordination**

The key figures of the direct parent at 31 December 2023 are available on the company's website www.fsitaliane.it and at the head office of FS Italiane S.p.A..

	(€'000)	
	31.12.2023	31.12.2022
Assets		
Total non-current assets	50,615,779	49,010,761
Total current assets	6,891,863	4,560,539
Assets held for sale and disposal groups		
Total assets	57,507,642	53,571,300
Equity		
Share capital	39,204,174	39,204,174
Reserves	71,621	67,235
Retained earnings	714,635	628,992
Profit for the year	200,729	90,150
Total equity	40,191,159	39,990,551
Liabilities		
Total non-current liabilities	12,094,970	10,316,526
Total current liabilities	5,221,513	3,264,223
Total liabilities	17,316,483	13,580,749
Total equity and liabilities	57,507,642	53,571,300

	(€'000)	
	2023	2022
Revenue	121,444	155,092
Operating costs	(243,494)	(346,934)
Net financial income	246,138	231,314
Income taxes	76,641	50,678
Post-tax profit (loss) from discontinued operations		
Profit for the year	200,729	90,150

○ Transactions with key managers

The general conditions that govern transactions with key managers and the parties related to them are not more favourable than those applied, or that could have been reasonably applied, to similar transactions with managers other than key managers associated with the same entities at market conditions.

	(€'000)	
	2024	2023
Short-term benefits	6,804	4,489
Post-employment benefits	608	450
Total	7,412	4,939

In addition to short-term benefits, a variable portion is to be paid in 2025, for an amount not exceeding €1,848 thousand, once checks have been made on whether objectives have been reached.

The key managers did not carry out any transactions, directly or through close family members, with the company or companies controlled directly or indirectly by the latter.

○ Related party transactions

The main transactions between the Company and its related parties, which were all carried out on an arm's length basis, are described below.

Name		Assets	Liabilities
Subsidiaries			
Blu Jet S.r.l.	Trade and other: reimbursement for company officers - managers, health and other services.	Trade and other: ferrying services, reimbursement for services rendered by the parent.	
Infrarail S.r.l.	Trade and other: reimbursement for company officers - managers, health services, professional training courses.	Trade and other: reimbursement of personnel costs and for services rendered by the parent.	
Grandi Stazioni Rail	Trade and other: retrocession fees, revenues from services, supplies and works, level crossings and parallel routes, company officers - managers.	Trade and other: charges for failure to vacate certain properties, building expenses, rents and incidental expenses of premises, maintenance of operating and non-operating buildings, contracted services, seconded personnel costs, other third-party services, group service costs. Financial: IFRS 16.	
Tunnel Ferr. del Brennero S.p.A.	Trade: tax service receivables.	Trade and other: services rendered by the parent.	
Associates			
Quadrante Europa S.p.A.	Trade and other: company officers - managers. Financial: shareholder loan	Trade and other: payables for capital increase to be paid and advances.	
Stretto di Messina S.p.A.	Trade and other: testing, certifications and consultancy.	Trade and other: seconded personnel costs.	
Parents			
Ferrovie dello Stato Italiane S.p.A. (a)	Trade and other: health services, other services, works and supplies, training. Financial: interest income	Trade and other: seconded personnel costs, services, labour law assistance, finance area, non-financial fees, operating and service costs, reimbursement for employee transport, events and exhibitions, fees due to the BoD members. Financial: interest expense on intragroup current account, and loans to the parent, bonds, bank and postal commissions.	

Other related companies		
Sita S.p.A. in liquidation	Trade and other: lease fees and health services.	Trade and other: reclamation interventions.
Ferservizi S.p.A. (b)	Trade and other: operating building lease fees, health services, building expenses and registration tax, revenue from services, supplies and works.	Trade and other: global service provider activities, administrative services, personnel management, training, accounting and treasury services, services for purchasing travel tickets and hotel booking, facilities, railway hotels, administrative management of catering, seconded personnel costs, building expenses, occasional maintenance, other third-party services, ancillary expenses.
FS Technology SpA (b)	Trade and other: lease fees and health services.	Trade and other: IT services, seconded personnel costs, other third-party services, services on behalf of third parties.
Italcertifer SpA	Trade and other: health services, lease fees, GSM-R utilities, testing, certifications and consultancy, other services, building expenses, and registration tax.	Trade and other: preliminary activities and investigations for the certification of components and railway systems, carriage hire, other third-party services and maintenance.
Mercitalia Logistics S.p.A. (b)	Trade and other: performance of services, health services.	Trade and other: freight transport, lease fees and ancillary expenses, seconded personnel costs, other third-party services. Financial: IFRS 16
Terminali Italia S.r.l.	Trade and other: lease fees, health services, testing, certifications and consultancy, reimbursement for company officers – managers, training.	Trade and other: costs for services, utilities, use of third-party assets (rolling stock and carriage hire), lighting and driving force, operating buildings, reimbursement of seconded personnel costs, training, other third-party services.
Mercitalia Rail S.r.l.	Trade and other: lease fees of operating and non-operating buildings, land leases, recharging of building expenses; revenue from GSM-R utilities, services provided to RUs (access fee, sale of energy, ferrying and shunting services, electrical energy service used for traction, traffic-related services); health services, revenue from works and supplies, penalty income, other services, professional training courses, reimbursement for company officers – managers.	Trade and other: transport and shipping services, carriage hire, contracted services, other third-party services, rolling stock maintenance, reimbursement for utilities.
Mercitalia Shunting & Terminal (formerly Serfer S.p.A.)	Trade and other: access fees, leases, lease fees, revenue from GSM-R utilities, services provided to RUs (sale of energy, electrical energy used for traction, traffic-related services); health services, revenue from works and supplies, professional training courses, performance regime penalty income, sundry fees, other services.	Trade and other: rolling stock maintenance, carriage hire, transport and shipping, other contracted services, other third-party services, costs for services.
Fercredit S.p.A. (b)	Trade and other: health and other services.	Trade and other: factoring, supplier analyses, other third-party services. Financial: interest expense
Italferr S.p.A.	Trade and other: health services, lease fees, operating buildings, professional training courses, revenue from GSM-R utilities, other services. Financial: interest	Trade: network investment works oversight, design and control, training courses, seconded personnel costs.
FS Park S.p.A.	Trade and other: lease of buildings and areas, health services, revenue from services, works and supplies.	Trade and other: contracted services, third-party services, reimbursement for seconded personnel.
Mercitalia Intermodal S.p.A. (formerly Cemat S.p.A.)	Trade: lease fees of freight terminals, health services, other services.	Trade and other: freight terminal management services.
Grandi Stazioni Immobiliare S.p.A.	-	Trade and other: building expenses, lease fees and ancillary expenses.
Trenitalia S.p.A. (b)	Trade and other: access fee, electrical energy used for traction, ferrying and shunting services, health services, lease fees, land leases, GSM-R utilities, sale of HV energy, traffic-related services, recharge of building expenses, performance regime penalty income, other services, works and supplies, stock materials, professional training courses.	Trade and other: transport services for employees for work and leisure, utilities, lease fees and ancillary expenses, purchase and maintenance of rolling

		stock, shunting and shipping services; travel and seconded personnel expenses, other services, registration tax, penalties on tickets, waste disposal, IT services, carriage hire, other third-party services. Financial: IFRS 16
Trenitalia TPER Scarl	Trade and other: access fees, electrical energy used for traction, sale of HV energy, health services, lease fees, GSM-R utilities, traffic-related services, recharge of building expenses, services and supplies, performance regime penalty income, other penalties, land leases.	Trade and other: group repayments for services, rolling stock maintenance.
Cremonesi Workshop	Trade and other: health services.	Trade and other: advances, other third-party services.
Tx Logistik AG	-	Trade and other: lease fees.
TX Logistik Transalpine GmbH	Trade and other: traffic-related services, other services, sale of HV energy, electrical energy used for traction, access fees, health services, lease fees, recharge of building expenses, revenues from GSM-R utilities, penalty income, level crossings and parallel routes.	Trade and other: land leases, lease fees, performance regime penalty costs, other third-party services.
Terminal Alptransit S.r.l.	Trade and other: leases of owner-occupied properties.	-
FS International (b)	Trade and other: health services.	-
FS Sistemi Urbani S.r.l. (b)	Trade and other: provision of works, services and supplies, health services, professional training courses, level crossings and parallel routes, sundry fees.	Trade and other: reimbursement of seconded personnel costs, other third-party services, lease fees and ancillary expenses, registration tax, fees due to the BoD members, building expenses, other assets, facilities, served spaces, registration tax. Financial: IFRS 16
Trenord S.r.l.	Trade and other: access fees, health services, revenue from GSM-R utilities, sale of HV energy, traffic-related services, lease fees, services and supplies, performance regime penalty income, land leases, electrical energy used for traction, building expenses and registration tax.	Trade and other: performance regime penalty costs, reimbursement of costs for intragroup services.
BUSITALIA - Sita Nord	Trade and other: health services, performance of services, revenue from GSM-R utilities, access fees, performance regime penalty income, leases fees, traffic-related services.	Trade and other: performance regime penalty costs, lease fees.
BUSITALIA - Campania SpA	Trade and other: health services, other services, lease fees and land lease.	-
BUSITALIA Rail Service	Trade and other: health services, leases for areas used in operations, other services.	Trade and other: use of third-party assets, transport.
Busitalia Veneto S.p.A.	Trade and other: health services, other services.	-
Ferrovie Sud Est S.r.l.	Trade and other: health services, revenue from services, works and supplies, stock materials, GSM-R utilities, professional and other training courses.	Trade and other: reimbursement of seconded personnel costs.
ANAS Group	Trade and other: health services, performance of services, level crossings and parallel routes.	Trade and other: lease fees, reimbursement for services provided by the parent, advances from group.
Blufferies S.r.l.	Trade and other: health services, performance of services, recharge of building expenses, reimbursement for company officers – managers, lease fees.	Trade and other: reimbursement for seconded personnel, sundry leases, reimbursement for services from the parent.
FS Security	Trade and other: health services, professional training courses to group companies, GSM-R utilities, lease fees, building expenses and registration tax.	Trade and other: costs for services, reimbursement for seconded personnel, group reimbursements of Railway Police costs, other third-party services.
FS Treni Turistici Italiani	Trade and other: health services.	-
Joint arrangements		
BBT S.p.A.	Trade and other: reimbursement for company officers - managers, lease fees, services and supplies, registration charges and tax, professional training courses, level crossings and parallel routes.	Trade and other: reimbursement for seconded personnel.

Group associates		
Metro 5	Trade and other: revenue for company officers – managers.	-
SITAF SpA AD EQUITY	Trade and other: level crossings and parallel routes.	Trade and other: motorway tolls for vehicles.
Other related parties		
CDDPP Group	Trade and other: third-party level crossings and parallel routes, and special accesses, professional training courses, testing, certifications and consultancy, fees for land and areas used in operations, land lease, performance of services, health services, penalties, sundry fees, expenses for acts.	Trade and other: lighting and driving force, electrical energy for train traction, utilities, utilities, line maintenance costs, Third-party liability and Legal policies, sundry material and third-party services, professional training courses. Financial: interest expense
ENEL group	Trade and other: lease fees, land leases, third-party level crossings, special accesses and parallel routes, performance of services. Financial: interest	Trade and other: utilities, lighting and driving force and electrical energy for train traction, third-party services, line maintenance costs, interventions for natural disasters. Financial: interest and default interest
ENI Group	Trade and other: third-party level crossings and parallel routes, land leases, fees for areas not used in operations, fees for interventions on sidings, expenses for acts, health services, professional training courses. Financial: interest	Trade and other: gas utilities and fuel, use of vehicles and service trucks, usage material, maintenance. Financial: interest
Leonardo Group	Trade and other: third-party level crossings and parallel routes, penalties, GSM-R utilities, performance of services, health services, professional training courses.	Trade and other: line maintenance and professional training courses.
GSE Group	Trade: performance of services.	Trade and other: electrical energy for train traction, lighting and driving force, energy utilities, third-party services.
Invitalia Group	Trade and other: third-party level crossings, special accesses and parallel routes, fees for interventions on sidings, testing, certifications and consultancy. Financial: interest	Trade and other: services.
IstPolZeccaStato Group	Trade and other: third-party level crossings and parallel routes.	Trade and other: purchases of spaces for legal notices.
Poste Italiane Group	Trade and other: operating and non-operating building leases, land leases, building expenses and registration tax, performance of services. Financial: current accounts	Trade and other: insurance policies, leases and ancillary expenses, third-party services.
RAI Group	Trade and other: lease fees, third-party level crossings and parallel routes.	Trade and other: costs for services.
ENAV Group	Trade and other: third-party level crossings and parallel routes.	-
Sitaf Group	Trade and other: third-party level crossings and parallel routes.	-
EUROFER/PREVINDAI pension funds	Trade and other: reimbursement for company officers - managers.	Trade and other: social security contributions and charges, third-party services.
Other pension funds	Trade and other: operating building leases.	Trade and other: insurance policies and social security charges.
Banca Monte dei Paschi di Siena Group	Trade and other: operating building leases.	Trade and other: other assets transferred.
Fondazione FS	Trade and other: lease fees, land leases, health and other services, professional training courses, building expenses and registration tax.	Trade and other: donations, charges related to events and exhibitions, seconded personnel costs, third-party services.
Ferrovie Nord Milano subsidiaries	Trade and other: health services, third-party level crossings and parallel routes, performance of services, services for works and supplies.	Trade and other: use of third-party assets.
Scarl, associations, EEIG, partnerships	Trade and other: performance of services.	Trade and other: membership fees, seconded personnel.
Equitalia Giustizia Group	-	Trade and other: taxes.

Arexpo S.p.A.	Trade and other: level crossings and parallel routes.	-
SITMB Group	Trade and other: level crossings and parallel routes.	-
Consip S.p.A	Trade and other: sundry charges.	-
(a) Company carrying out management and coordination activities (direct parent)		
(b) Company managed and coordinated by (a)		

The table below summarises the statement of financial position and income statement balances as at and for the year ended 31 December 2024 generated by related party transactions.

Financial transactions between the parent and its related parties are shown separately, i.e., without offsetting positive against negative components, although these components refer to similar transactions (e.g., repayments). Consequently, the figures presented do not necessarily coincide with those set out in the corresponding tables of the notes to these financial statements.

Trade and other transactions:

Name	31 December 2024			2024	
	Assets	Liabilities	Guarantees	Costs	Revenue
Subsidiaries	7,190	30,804	-	111,569	9,887
Blu Jet Srl	331	3,210	-	14,228	155
Grandi Stazioni Rail	6,244	24,018	-	98,205	9,689
Tunnel Ferr. del Brennero Spa	-	-	-	(6)	-
Infrarail S.r.l.	615	3,577	-	(859)	44
Associates	1,216	1,140	-	(2,238)	50
Quadrante Europa S.p.A.	24	1,140	-	-	24
Stretto di Messina SpA	1,192	-	-	(2,238)	26
Parents	200,265	290,712	178,267	20,219	(551)
Ferrovie dello Stato Italiane S.p.A.	200,265	290,712	178,267	20,219	(551)
Other related companies	327,807	914,366	-	371,110	1,264,759
Sita S.p.A. in liquidation	67	2	-	-	-
Ferservizi S.p.A.	898	26,552	-	66,508	1,391
Italcertifer SpA	469	1,216	-	648	407
Mercitalia Logistics S.p.A.	353	257	-	178	37
Mercitalia Intermodal (formerly CEMAT)	7	-	-	-	24
Mercitalia Rail S.r.l.	20,040	59,888	-	10,636	58,567
Mercitalia Shunting & Terminal (formerly Serfer)	606	14,049	-	13,725	1,080
Fercredit S.p.A.	14	472,406	-	142	37
Italferr S.p.A.	928	200,959	-	6,786	1,187
FS PARK S.p.A.	1,361	917	-	790	1,885
Grandi Stazioni Immobiliare S.p.A.	-	133	-	100	-
Trenitalia S.p.A.	225,964	45,826	-	55,754	1,015,712
TRENITALIA TPER SCARL	19,514	1,099	-	(37)	53,596
FS Treni Turistici Italiani	12	-	-	-	13
Tx Logistik AG	327	4	-	-	-
TX Logistik GmbH	-	-	-	-	-
TX Logistik Transalpine GmbH	1,430	2,290	-	3	4,376
FS International	-	-	-	-	-
FS Sistemi Urbani S.r.l.	6,820	22,440	-	21,917	4,170
Trenord S.r.l.	33,619	3,669	-	(267)	113,196

BUSITALIA Sita Nord S.r.l.	366	21	–	–	1,047
BUSITALIA Campania SpA	15	–	–	–	152
BUSITALIA Rail Service	–	14	–	32	50
Busitalia Veneto S.p.A.	21	–	–	–	188
Cremonesi Workshop	4	158	–	14	10
Terminali Italia S.r.l.	1,246	2,925	–	1,066	1,498
Terminal Alptransit	–	–	–	–	5
FSE S.r.l.	–	–	–	(173)	606
FSE Trasporto Gomma	–	–	–	(132)	5
ANAS Group	4,037	5,176	–	(21)	4,903
FS Technology SpA	431	54,879	–	153,406	101
Blufferies S.r.l.	152	26	–	(33)	106
FS Security	9,107	(539)	–	40,069	410
Eurogateway S.r.l.	–	–	–	–	–
Joint arrangements	9,514	52	–	(876)	5,446
BBT S.p.A.	9,514	52	–	(876)	5,446
Associates of subsidiaries	–	–	–	–	–
–	–	–	–	–	–
Group associates	10	51	–	7	30
Metro 5	10	–	–	–	10
FNM SpA (formerly Ferrovie Nord Milano)	–	–	–	–	–
SITAF SPA AD EQUITY	–	51	–	7	20

Other related parties	28,375	844,325	7,011,328	928,572	28,006
ENEL group	2,911	65,411	21,001	104,616	1,440
ENI group	309	4,353	20,155	4,823	459
Leonardo group	4	547	–	238	12
Invitalia group	13	1,179	242	–	38
CDDPP group	4,307	818,163	6,969,812	82,542	3,384
Consip S.p.A.	–	–	–	7	–
ENAV group	14	1	–	–	–
GSE group	13	(76,714)	–	692,530	18
IstPolZeccaStato group	3	18	–	166	2
Poste Italiane group	1,164	9	108	171	550
RAI group	9	5	–	2	4
SOGIN group	1	–	–	–	–
EUROFER/PREVINDAI pension funds	–	10,759	–	17,312	14
Other pension funds	631	15,405	9	16,182	30
Scarl, associations, EEIG, partnerships	528	207	–	1,442	300
Ferrovie Nord Milano subsidiaries	375	6	–	1	885
Fondazione FS Italiane	18,091	321	–	8,479	20,831
Banca Monte dei Paschidi	–	4,623	–	–	26
Siena group	–	–	–	–	–
SITAF group	3	1	–	–	–
Equitalia Giustizia group	–	–	–	60	–
Arexpo S.p.A.	–	28	–	–	10
Consap S.p.A.	–	–	–	–	–
SITMB group	1	–	–	–	1
TOTAL	574,376	2,081,451	7,189,594	1,428,363	1,307,626

1) Individual investees of the MEF, as per the list above, shall be considered within their own group and added to other related parties pertaining to the same group. For example, any transactions with TERNA shall be added to other transactions with companies of the same group under the caption: CDP Group

2) Any negative amounts, where present, reflect balances that are not offset.

Financial transactions:

(€'000)					
Name	31 December 2024			2024	
	Assets	Liabilities	Guarantees	Expense	Income
Subsidiaries	–	7,345	–	209	–
Grandi Stazioni Rail	–	7,345	–	209	–
Associates	265	–	–	–	–
Quadrante Europa S.p.A.	265	–	–	–	–
Parents	149,126	5,927,099	47,669	64,068	5,857
Ferrovie dello Stato Italiane S.p.A.	149,126	5,927,099	47,669	64,068	5,857
Other related companies	–	63,358	–	1,065	4
FS Sistemi Urbani S.r.l.	–	60,006	–	982	–
Trenitalia S.p.A.	–	2,204	–	50	–
Mercitalia Logistics	–	817	–	9	–
Fercredit S.p.A.	–	331	–	24	–
Italferr	–	–	–	–	4
Mercitalia Shunting & Terminal (formerly Serfer)	–	–	–	–	–
Other related parties	3,488	–	–	12	4
Poste Italiane group	3,489	–	–	–	–
ENAV group	–	–	–	–	–
CDDPPgroup	–	–	–	1	–
Enel group	–	–	–	10	1
Eni group	–	–	–	1	1
Invitalia Group	–	–	–	–	1
Fondazione FS italiane	–	–	–	–	–
TOTAL	152,879	5,997,802	47,669	65,355	5,864

1) Individual investees of the MEF, as per the list above, shall be considered within their own group and added to other related parties pertaining to the same group. For example, any transactions with TERNA shall be added to other transactions with companies of the same group under the caption: CDP Group.

○ **Guarantees**

(€'000)			
Guarantees	31 December 2024		31 December 2023
1. RISKS			
1.1 Sureties		237,976	237,504
Total 1		237,976	237,504
2. OTHER			
2.1 Sureties issued by third parties in favour of the Company		6,058,659	5,585,783
Total 2		6,058,659	5,585,783

“Risks” include “Sureties” and mainly refer to the sureties that RFI issued to the public administrations (e.g. regions and provinces, and the Municipality).

“Other” includes “Sureties issued by third parties in favour of the Company” and mainly refers to bank or insurance guarantees given in favour of the Company (e.g. issued by suppliers for all contracts for works, services and supplies).

○ **Third-party financial commitments**

Developments at 31 December 2024 in the captions related to commitments undertaken by bodies including the government and the EU in favour of the Company following the issue of loans, in the form of share capital increases or sundry contributions, are shown below:

Investments financed by the Government and the EU between 1993 and 2024:

	Available resources	Disbursements	Recognised assets	Recognised	Advances paid	<i>Amounts to be received from the Government and the EU for investments to be made</i>	<i>Residual amounts for loans and borrowings received and not yet used</i>
At 31 December 2023	195,072,363	107,930,713	7,112,883	105,340,812	6,493,682	80,028,767	(3,903,781)
At 31 December 2024	194,072,715	115,561,326	8,094,528	114,501,840	7,253,993	70,416,861	(6,194,507)
Delta	(999,648)	7,630,613	981,645	9,161,028	760,311	(9,611,906)	(2,290,726)

Specifically, total available resources considered at 31 December 2024 amount to approximately €194 billion. This amount includes loans and borrowings “on an accruals basis” pursuant to several Budget Acts and those pursuant to ad hoc legislative measures as well as the resources from the European Union. Available resources decreased by €999,648 thousand on 31 December 2024 due to the net effect of new accruals and reductions recorded on various financing sources during 2024. At 31 December 2024, the disbursements received in respect of the above granted amounts amounted to €115,561,326 thousand and include total disbursements from public sources provided by the different Budget Acts and long-term financing laws, as well as EU funds.

At 31 December 2024, disbursements of €114,501,840 thousand were recognised, up €9,161,028 thousand on the previous year, due to the amounts recognised during the year in respect of the above disbursements.

Assets recognised in respect of the above disbursements were included under Available resources and amount to €8,094,528 thousand. They include assets recognised following the amendment to the criterion used to disburse government resources for investments, previously accounted for as share capital increases and now as grants related to assets pursuant to article 1.86 of the 2006 Finance Act, due from the MEF and the MIT for disbursements arising from Budget Acts and long-term financing laws, not yet disbursed.

Finally, at 31 December 2024, the financial advances granted to contractors in accordance with current legislation, in respect of the allocations included under Available resources but not yet reflected in the recognised balances of the above works effectively carried out, amounted to €7,253,993 thousand.

○ Public funds

The disclosure required by article 1.125 and 126 of Law no. 124/2017 is provided below and in other sections of this document.

The financial figures refer to cash inflows and outflows for 2024.

The following table provides the disclosure required by article 1.125 of Law no. 124/2017 for 2024:

Paying entity	Description	2024
MEF	Grants related to assets	5,661,107,848
MIT	Grants related to assets	813,996,644
Prime Minister	Grants related to assets	2,088,854
EU	Grants related to assets	2,265,693,488
Local bodies	Grants related to assets	76,112,064
Ministry of Culture	Grants related to assets	80,447,281
MIT	Grants related to income	10,000,000
MEF	Grants related to income	965,556,791
MIT Chap. 1274/7302/1300 Incentive scheme for railway freight transport	Pass-through grants*	109,900,000
CSEA	Pass-through grants*	589,099,388
Fondimpresa	Aid to training (art.31)	66,781

(*) railway undertakings are the ultimate beneficiaries of these grants (MIT chap. 1274 – CSEA).

The following table provides the disclosure required by article 1.126 of Law no. 124/2017 about 2024:

Euros		
Beneficiary	Description	2024
Fondazione Fs Italiane	Grant	8,695,565
Associazione Nazionale DLF	Grant	1,536,179
ART, SIML, IBIMI, Fondazione Politecnico di Milano, Buildingsmart, Ass.per la Protezione dalle Corrosioni Elettr., and Motus	Membership fees and sponsorships	1,049,584

○ Other information

It should be noted that, with regard to these financial statements for the year, there are no significant critical issues regarding the adequacy of the Company's organizational, administrative and accounting structure to the business and size of the Company, the implementation and adoption of necessary measures of which is the responsibility of the Directors as provided for in Article 2086 of the Italian Civil Code.

37. Events after the reporting date**January****Capital increase of TFB**

On 11 December 2024, the TFB Shareholders' Meeting resolved to proceed with the 16th capital increase, to be carried out, in one or more tranches, by 31 December 2025. In January 2025, the shareholders RFI S.p.A. and the Autonomous Province of Bolzano subscribed their own shares of the first tranche of the aforementioned increase, amounting to €136,381,950 (RFI S.p.A.) and €9,566,100 (Autonomous Province of Bolzano).

Subsequently, on 31 January 2025, RFI S.p.A. liquidated the unopted shares of the first tranche of the 16th capital increase of Tunnel Ferroviario del Brennero - Società di Partecipazioni S.p.A., amounting to €4,051,950.

ALLOCATION OF PROFIT FOR THE YEAR

The financial statements as at and for the year ended 31 December 2024 show a net loss of €99,078,038.50.

It is proposed to carry forward this loss for the financial year 2024.

Rome, 5 March 2025

The Board of Directors

The Chairman