

2019 Financial statements of Tper S.p.A.

164 million passengers transported and record number of seasonal ticket holders: users increased for the seventh consecutive year

Final result shows a net profit of EUR 6.95 million, in line with the 2017 result

Revenues, depreciation for investments in vehicles and shareholders' equity also increased

KEY ECONOMIC DATA TPER SPA

Revenues and other income EUR 328 million

Shareholders' equity EUR 158 million

OPERATING AND SERVICE DATA TPER SPA

Passengers transported 164,099,098

Km of service provided 50,412,174

Financial statements 2019 show a solid company, which presents profitable financial statement to the shareholders for the seventh consecutive time. The strong investment commitment is demonstrated by increasing amortization; The increase in customers was also confirmed, with data (on passengers carried and season tickets) never reached before. In 2020, the pandemic has a significant impact on the entire transport system; this also applies to Tper, which, despite the presence of possible negative impact for the current year, is working to guarantee services and safety and confirms itself as a company with the credentials to keep the plans and be among the protagonists of the recovery, once the current phase is over.

Tper's Board of Directors approved the **2019 draft financial statements** drawn up, for the third year, in accordance with IAS/IFRS international accounting standards. As a result of the issue and admission to trading on 15 September 2017 on the regulated market managed by the Irish Stock Exchange of the bond known as "€95,000,000 1.85 percent Senior Unsecured Amortising Fixed Rate Notes due 15 September 2024" (ISIN code: XS1668574061) (the "**Bond**"), Tper qualifies as an issuer of financial instruments admitted for trading in regulated markets in one of the European Union member states and as a **Public Interest Institution** - *a qualification granted only to a few LPT companies in Italy* - and thus, pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002 relative to the application of International Accounting Standards and Italian Legislative Decree no. 38 of 28 February 2005, is required to draft the separate and consolidated financial statements in compliance with IAS/IFRS accounting standards.

The final 2019 results show a **net profit for the year of EUR 6,95 million.**

The company's **shareholders' equity is EUR 158 million** (EUR +8 million compared to 2018); in 2019, Tper recorded **EUR 328 million in revenues and other income**.

This is a positive operating result for the seventh consecutive year and it testifies to the company's economic and financial consolidation and its profitability, which are also important bases for dealing with the impacts that the current Covid emergency entails, in particular on the revenues, for the current year.

The result for the year 2019 is in line with budget forecasts and takes into account the increase in amortization of assets which depend on the company's commitment to give continuity to the season of investments undertaken in recent years and which Tper will pursue for the improvement of services in the direction of eco-sustainability and customer orientation.

In fact, during the course of 2019, further investments of 25.7 million euros were made, which include purchases of buses with high environmental compatibility (74 those which entered service in 2019, including the first liquid methane buses in Europe that can operate on suburban lines) and the development of new technologies.

Among them is the implementation of electronic ticketing and the dematerialisation of travel tickets through the Roger app, to improve ease of access to services for users. There are also highlighted the installation of video surveillance systems on city buses (340 in 2019), new installations of information poles for real-time information at stops in the suburban context (11 new panels for a total of 184 installed and operational in the Bologna and Ferrara basins).

In 2019 the increase trend in passengers transported in all areas of services continued: 164 million trips were made overall on Tper buses and trains (+ 2.1% compared to 2018).

138.3 million passengers were transported on buses in the Bologna metropolitan area (+ 2.04% on 2018), 13.6 million in Ferrara basin (+ 0.9% compared to the previous year). In the two service basins, in the last seven years, travelers have increased by a total of 22%, a sign of the growing popularity of users for the services provided by Tper and the tariff integration measures between urban and suburban services carried out both by the Emilia-Romagna Region and the local administrations of Bologna to encourage the movement of people in line with sustainable mobility solutions.

A significant increase in users also involved the rail services that Tper carried out in 2019 on the regional RES and RFI network (12.2 million journeys with an increase of 3.5% passengers). It is important to remember that from 1 January 2020 the regional railway branches of Tper and Trenitalia have merged into the company TrenitaliaTper Scarl which manages the regional railway service.

The more systematic use of public transport is also indicated by the further increase in sales of loyalty-enhancing securities: the annual Tper season tickets rise to 110,658, with a jump of + 7% compared to 2018. Monthly season tickets also increase, which rise to 775,764, an increase of 12.7%.

The BoD also approved non-financial statement and sustainability report, which also contains the actions and the real commitment of the group in terms of environmental sustainability, attention to human resources, quality of investments and services.

“In 2019 we certainly would not have imagined the current scenario: to present the results we are proud of for the hard work done in such a difficult context. As is known, the first months of 2020 forced all companies in the sector to deal with a phase that upset the same concept of public transport. It was necessary to guarantee essential services in the midst of a pandemic by working at best and safely and carrying the least number of passengers. It was, and still is, a very demanding moment for mobility, for people and for the Country, so the results of the management 2019 become important not only in themselves, but for the confirmation of the company's solidity also in such a difficult year and to allow the possibility and commitment to continue in the development and investment plans - said the President and CEO of Tper, Giuseppina Gualtieri - The 2019 results represented in the financial statements, some of which have never been achieved before are now the fruit of everyone's work: BoD, management and all the people who work in the Tper group. The results also derive from the commitment always carried out in close and positive dialogue with the main shareholders of the company, the Region, the Municipality and the Metropolitan City of Bologna and with all the Administrations and Mobility Agencies referring to the territories in which Tper operates. This unity of purpose and commitment in the various roles will be fundamental for the great work necessary also in the coming months ”.

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Alternative Performance Indicators

This press release includes certain “alternative performance indicators” not envisaged in International Accounting Standards as adopted by the European Union (IFRS-EU), but which Tper's management considers useful to better assess and monitor the trends in the economic and financial management of Tper and the Group. Consistent with the recommendations in the Guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation no. 1095/2010/EU and incorporated by Consob in its supervisory practices with Communication no. 92543 of 3 December 2015, the meaning, value, and calculation basis for these alternative performance indicators are provided below:

- **EBITDA** is an alternative indicator of operating performance, calculated as profit or loss for the year, including that pertaining to third parties, adjusted for the following items: (i) income taxes for the year, (ii) adjustments to financial assets and liabilities, (iii) total financial income and charges (iv) amortisation, depreciation and impairment, and (v) other reserves, as derived from the issuer's consolidated financial statements for the year ended 31 December 2017 (IFRS);
- **Return on equity (ROE)** is the amount of net income as a percentage of shareholders' equity. ROE measures a company's profitability, highlighting the profit that a company generates with the capital that shareholders have invested. ROE is expressed as a percentage and calculated as: $\text{Net income} / \text{Shareholders' equity}$;

- **Return on Investment (ROI)** measures the return, used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI measures the amount of return on an investment, in relation to the investment's value. To calculate ROI, the return on an investment is divided by the cost of the investment. The result is expressed as a percentage or ratio.

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Tper S.p.A.

TPER is the largest company in the mobility sector in Emilia-Romagna in terms of numbers and service volumes and is one of the leading passenger transport operators in Italy. Its main shareholders are the Region of Emilia-Romagna (with 46.13% of shares), the Municipality of Bologna (30.11%), the Metropolitan City of Bologna (18.79%), the consortium Azienda Consorziale Trasporti ACT of Reggio Emilia (3.06%), the Province of Ferrara (1.01%), the Municipality of Ferrara (0.65%); Ravenna Holding S.p.A. and the Province of Parma complete the shareholding structure. TPER manages local public road transport in the provincial areas of Bologna and Ferrara and the regional passenger railway service in partnership with Trenitalia. In addition to activities in the transport sector, TPER also provides complementary activities to the development of mobility in Bologna, such as parking management, free-flow electric car sharing, and bike-sharing.