Scheme 1 —   Regulatory Income Statement

Purpose of this scheme is to calculate the share of the costs for ordinary operations incurred to comply with PSO, that are not covered by the revenues arising from the fulfilment of PSO (including the positive network effects*).

Scheme 1 —	Regulatory income statement	Year 1	Year 2	Year...	Year N
1.a	**Revenue from passenger services**				
1.b	**Other service-related revenue**				
1	**Total revenues arising from the fulfilment of PSO**				
2	**Positive induced network effects***				
3.a	**Cost of raw materials, consumables and goods**				
3.b	**Cost for third-party services**				
3.c	**Cost for use of third-party assets**				
3.d	**Cost of personnel**				
3.d.i	*operating personnel ***				
3.e	**Changes in inventories of raw materials, consumables and goods**				
3.f	**Other operating expenses**				
3	**Total operating costs *****				
4 = 1 + 2-3	**Gross operating result (EBITDA)**				
5	**Total depreciation**				
6 = 4-5	**Net operating income (EBIT)**				
7	**Use of provisions for risks and charges related to PSOs ******				

Notes:

* Quantifiable positive financial effects on the networks of the operator concerned as referred to in paragraph 2 (2) of the Annex to Regulation No 1370/2007.

** For road transport: drivers and traffic workers; for regional rail transport: staff providing shunting services, drivers and on-board staff.

* ** All operating costs included in the table shall be net of capitalised costs.

**** Concerning the provisions for risks (Item A12 -A13), for the purpose of the accounting of operating costs there shall be relevant only the used provisions under Liability item B4) of the balance sheet, referred to in Article 2424 of the Civil Code.

Scheme 2 — Regulatory Balance Sheet

Purpose of this Scheme is to determine the Regulatory Net Invested Capital (NIC) for the WACC application so as to calculate the reasonable profit.

Scheme 2 — Regulatory Balance Sheet		Year 1	Year 2	Year...	Year N
1.a	Intangible fixed assets				
1.b	Tangible fixed assets with separate indication of those granted under a financial lease				
1.b.i	*land and buildings (e.g. warehouses, workshops)*				
1.b.ii	*plant and machinery*				
1.b.ii. 1	*self-financed rolling stock ***				
1.b.iii	*industrial and commercial equipment*				
1.b.iv	*other*				
1	**Total fixed assets**				
2.a	Inventories				
2.b	Receivables				
2.b.i	*trade ****				
2.b.ii	*other receivables*				
2	**Total current assets**				
3.a	Payables				
3.a.i	*payables to suppliers*				
3	**Total payables**				
4 = 1 + 2-3	**Regulatory Net Invested Capital (NIC)**				

Notes:

* Includes the acquisition of rolling stock under hire/lease to be charged in accordance with IFRS Accounting Standards no. 16 where the lease/rental shows the features provided for in IFRS no 16 (to be reported separately).

** In line with other measures adopted by the Authority, trade receivables are allowed up to 3 % of the regulatory costs given by items 3, 5 and 7 of Scheme 1.

Scheme 3 — Simulated Regulatory Financial Plan

Purpose of this Scheme 3 is to determine the variable annual compensation for the entire contract period calculated as net financial effect of the service obligation that is understood as the difference between expenses and income related to costs and revenues of public service operations, net of any additional income from potential revenues generated by network effects, plus a reasonable profit.

Scheme 3 — Simulated Regulatory Financial Plan		Year 1	Year 2	Year...	Year N	Cross-reference
A	Income from revenues generated by the fulfilment of PSO					*Scheme 1*
B	Positive induced network effects *					*Scheme 1*
C = A + B	INCOME + NETWORK EXTERNALITIES					
D	Expenses related to the costs incurred for the fulfilment of PSO					*Scheme 1:3 + 5*
E	Regulatory Net Invested Capital (NIC)					*Scheme 2:4*
F	Fair rate of return of NIC (%)					*ART value*
G = F*E	Return on invested capital (reasonable profit)					
H = D + G	EXPENSES + REASONABLE PROFIT					
I = H-C	NET FINANCIAL EFFECT (VARIABLE COMPENSATION)					
L = C + I	INCOME + POSITIVE NETWORK EXTERNALITIES + VARIABLE COMPENSATION					
M	NPV L		*= NPV (F;L:Year 1 — Year N)*			
N	NPV H		*= NPV (F;H:Year 1 — Year N)*			
O	NPV I		*= NPV (F;I:Year 1 — Year N)*			
P	CONSTANT COMPENSATION		*= INSTALMENT (F;N;O) where N is the number of years of the PEF*			
Q = I-P	NOTIONAL ITEMS					
CONDITION OF EQUILIBRIUM						
G	M = N		*= SE(M = N;YES;'NO')*			
H	NPV Q = 0		*= SE(NPV (F); Q:Year 1 — Year N) = 0;YES;'NO')*			
I	WACC = IRR					

Notes:

** quantifiable positive financial effects on the networks of the operator concerned as referred to in paragraph 2 (2) of the Annex to Regulation No 1370/2007.

** Condition of equilibrium:

(G) the EFP shal ensure throughout the contract period the financial equivalence of the flow of expected income and expected costs, as discounted by using the WACC. As a result, the net present value (NPV) of INCOME shall be equal to the net present value (NPV) of COSTS.

(H) The net present value (NPV) of the notional items shall be zero (to be checked in the case of constant compensation).

(I) The fair rate of return on inveSted capital (NIC), in the stage of preparation of the plan, is in line with the Internal Rate of Return (IRR) of the pre-tax operating flows (WACC=IRR).

Scheme 4 — **Cash flow statement**

Purpose of Scheme 4 is to assess the development of the financial situation (liquidity and solvency) in the PSC period

Scheme 4 —	Cash flow statement	Year 1	Year 2	Year…	Year N
1.a	Receipts from fares				
1.b	Receipts from compensations				
1.c	Other receipts				
1.d	Payments to suppliers for raw materials and consumables				
1.e	Payments to service providers				
1.f	Payments to personnel				
1.g	Other payments				
1.h.	Taxes paid on income				
1	**Cash flow of operating activity**				
2.a	Investments in intangible assets				
2.b	Disinvestments in intangible assets				
2.c	Investments in tangible assets				
2.d	Disinvestments in tangible assets				
2	**Cash flow of investment activity**				
3.a	Increase in third-party assets				
3.b	Decrease in third party assets				
3.c	Increase in equity				
3.d	Decrease in equity				
3	**Cash flow of financial activity**				
4 = 1 + 2 + 3	**Change in cash and cash equivalents**				