Press Release

RAI WAY APPROVES THE 2021 DRAFT FINANCIAL STATEMENTS

Adjusted EBITDA up 5% supported by development activities; recurring cash generation exceeding € 90 million

- **Key results for the year ended 31 December 2021 (*vs* 31 December 2020):**
  - **Core revenues of € 229.4m (+2.4%);**
  - **Adjusted EBITDA[1] of € 142.9m (+5.1%);**
  - **Operating profit (EBIT) of € 91.1m (+1.9%);**
  - **Net profit of € 65.4m (+2.1%);**
- **Investments[2] of € 85.0m (€ 60.6m in 2020)**
- **Recurring cash generation[3] of € 93.3m**
- **Net debt of € 87.9m (compared to € 46.1m in 2020)**
- **Proposed dividend of 24.36 €cent/share, for a total amount in line with 2021 Net income and a dividend yield equal to 4.5%[4]**
- **Ordinary Shareholders' Meeting scheduled for 27 April 2022**

[1] The Company assesses performance also on the basis of certain measures not considered by IFRS. Set out below is a description of the components of the indicators that are important for the Company:
. EBITDA (earnings before interest, taxes, depreciation and amortization): this is calculated as profit before income taxes, depreciation, amortization, write-downs and financial income and expenses.
. Adjusted EBITDA: this is calculated as profit before income taxes, depreciation, amortization, write-downs, financial income and expenses and non-recurring expenses/income.
. Operating profit or EBIT (earnings before interest and taxes): this is calculated as profit before income taxes and before financial income and expenses.
. Net Debt: the format for the calculation of Net Debt is the one provided in paragraph 127 of CESR Recommendation 05-054b, which implements Regulation (EC) no. 809/2004.

[2] Excluding investments related to the application of new IFRS 16 Accounting Standard, equal to €6.5m in 2020

[3] Recurring cash generation calculated as Adjusted EBITDA – Leases – Net Financial Charges (excluding lease component) – Normalised P&L Taxes – Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) and financial charges on leasing contracts

[4] Dividend yield based on the closing price recorded on 16 March 2022 on MTA Stock Exchange managed by Borsa Italiana (5.36 €/share)

- **Proposed new authorization to the Shareholders' Meeting for the purchase and disposal of treasury shares**

Rome, 17 March 2022 - The Board of Directors of Rai Way S.p.A. ("Rai Way" or the "Company"), met today under the chairmanship of Giuseppe Pasciucco, examined and unanimously approved the Company's draft of the financial statements for the year ended 31 December 2021.

Aldo Mancino, CEO of Rai Way, stated: "*Performance in 2021 was satisfactory and above our initial expectations, with Adjusted EBITDA up 5% and development investments at over €70 million. Year on year, we have steadily improved our results, bringing recurring cash generation around €30 million above the 2014 IPO's levels. Activities for RAI aimed at the transition to the new digital TV were accompanied by those related to the development of networks for local broadcasters - again in the context of refarming – and to the design of new infrastructure and services envisaged in the Industrial Plan, such as the edge data centre network. Finally, we are proud to say that, also thanks to the completion of several initiatives of the Sustainability Plan, the improvement of financial results has been accompanied by the development of the company's ESG profile, as recognised by the main international rating providers*".

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Key Results at 31 December 2021

The 2021 results highlight the initial contribution of the different development initiatives in progress, reflected in the growth of revenues, Adjusted EBITDA and recurring cash generation.

With respect to the activities for RAI, 2021 continued to be focused mainly on the evolution and upgrade of the DTT network necessary for the *refarming* process (as defined in the December 2019 agreement with RAI). In particular, during the year the extension of the coverage of the thematic multiplexes was completed, substantially doubling the number of hosting sites, and activities progressed for the configuration of the new macroregionalized multiplex and the upgrade to DVB-T2 of the national multiplexes.

With regard to activities aimed at third-party customers, again as part of the *refarming* process, in 2021 Rai Way was awarded, following the outcome of the tenders called by the Ministry of Economic Development, rights of use of frequencies in Veneto, Friuli Venezia Giulia, Puglia and Basilicata, Sicily and Lazio (in addition to the rights of use already assigned in 2020 in Lombardy and Piedmont). During the year, the implementation of the relevant networks - which will exploit Rai Way's existing infrastructures - was started, as well as the signing of commercial agreements with broadcasters for the rental of transmission capacity. In the Tower Rental segment, the dynamics anticipated in the Company's Industrial Plan were confirmed, with the progressive rationalization of prices and volumes in the mobile operator segment, partially offset by the growing contribution of *Fixed Wireless* customers.

In addition, activities related to the development of new media distribution platforms and the expansion of the infrastructure portfolio managed by the Company continued.

The Company's **core revenues** amount to € 229.9 million for the year ended 31 December 2021, an increase of 2.4% over € 224.5 million as represented in the 2020 results. Revenues from RAI, equal to € 199.2 million, benefit from the increase driven by refarming activities. Revenues from third-party customers amount to € 30.8 million.

Adjusted EBITDA amounts to € 142.9 million, an increase of 5.1% over € 136.1 million in 2020. This growth is the result of higher revenues and decreasing operating costs, despite lower savings due to pandemic-related safety measures compared to the previous year. The margin on revenues reached 62.2% (compared to 60.6% in 2020). Including the impact of non-recurring expenses (€ 0.4 million in 2021 compared to € 1.0 million in 2020), **EBITDA** amounts to € 142.6 million, representing an increase of 5.6% over € 135.1 million reported in 2020.

Operating profit (EBIT) amounts to € 91.1 million, rising 1.9% over € 89.4 million in 2020 despite the higher depreciation resulting from increased development investments.

Net profit amounts to € 65.4 million, an increase of 2.1% compared to the 2020 results of €

64.0 million, also benefiting from a one-off tax relief[5] of € 1.0 million already accrued in the first quarter.

In 2021, **investments**[6] amount to € 85.0 million, of which € 70.7 million relate to development and M&A activities (€ 60.6 million in 2020, of which € 48.3 million in development and M&A activities). The level of development investments mainly reflects the progress of activities related to the *refarming* process.

Net invested capital[7] amounts to € 253,8 million, with **net debt** closing at € 87.9 million (including the impact from the application of the new IFRS-16 accounting standard for € 36.5 million) compared to € 46.1 million as of 31 December 2020. Net of development investments and dividend payments, **recurring cash generation**[8] amounted to € 93.3 million.

On the sustainability front, the Company started implementing its Sustainability Plan, which, approved in March 2021 and fully integrated with the industrial strategy, recorded significant progress at the end of the year with respect to the planned initiatives. Among the most important objectives achieved to date, we should mention the confirmation of the 100% green procurement of electricity - as a fundamental step towards the achievement of Carbon Neutrality by 2025 - the introduction of a long-term incentive plan with targets also of an ESG nature and the configuration of a structural model of "smart working" for its employees. Rai Way's commitment to these issues has also been appreciated by the main international rating providers (e.g. CDP, MSCI, Sustainalytics), which have recognised the Company as having received significant upgrades at the end of their assessments of its 2021 activities.

Proposal for the allocation of profit for the year

The Board of Directors of Rai Way adopted a resolution at today's meeting to propose to

[5] The tax relief relates to the € 1 million increase in the maximum limit granted for State aid applied to the calculation of IRAP for the 2020 financial year pursuant to the Support Decree of 22 March 2021 and the Relaunch Decree of 19 May 2020

[6] Excluding component related to IFRS-16 Leasing

[7] Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets

[8] Recurring cash generation calculated as Adjusted EBITDA – Leases – Net Financial Charges (excluding lease component) – Normalised P&L Taxes – Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) and financial charges on leasing contracts

the Shareholders' Meeting the allocation of the net income for 2021 to dividend to Shareholders for an amount of approx. € 65.4 million and to "Retained earnings reserve" for an amount of approx. € 7,863. Consequently, the proposal envisages - taking into account the 3,625,356 treasury shares in portfolio whose right to dividend is attributed proportionally to the other shares[9] - the payment of a total gross dividend of € 0.2436 per each outstanding ordinary share, to be paid on 25 May 2021 and with record date (the date which determines the Shareholders entitled to receive the dividend) set at 24 May 2022, with the share going ex-dividend on 23 May 2021 on detachment of coupon no. 8.

Outlook for 2022

For the financial year 2022, the Company expects:

- mid-single-digit revenue growth driven by indexation to inflation and the impacts of *refarming* for both RAI and third-party customers;
- growth of Adjusted EBITDA, assuming a progressive normalization of electricity prices;
- Maintenance investments in line with the level provided in the 2020-23 Industrial Plan; development investments up on 2021 driven by completion of *refarming* activities and deployment of new services.

Notice of call for the Shareholders' Meeting

The Board of Directors has resolved to call an ordinary Shareholders' Meeting on 27 April 2022 in single call at 11:00 a.m. at the Company's registered office in Rome, via Teulada no. 66. The Shareholders' Meeting will be held in accordance with the provisions of the legislation issued for the containment of COVID-19, as will be specified in the relevant call notice.

The Shareholders' Meeting will be called to resolve on:

[9] Pursuant to art. 2357-ter of the Italian Civil law

- the approval of the 2021 financial statements and the proposed allocation of the profit for the year;
- the (i) first section of the Report on the policy of remuneration and compensation paid, pursuant to Art. 123-ter, paragraphs 3-bis and 3-ter of the Consolidated Law on Finance and the (ii) second section of said Report in accordance with Art. 123, paragraph 6 of the Consolidated Law on Finance;
- the integration of the fess of the auditing firm PricewaterhouseCoopers S.p.A.;
- the issuance – after revocation of the authorisation approved by the Shareholders' meeting on 27 April 2021 - of a new authorisation to purchase and dispose of treasury shares.

Proposal to the Shareholders' meeting to authorize the purchase and disposal of treasury shares following the revocation of the previous authorization

The Board of Directors has resolved to propose to the Shareholders' meeting - following the revocation of the authorization approved on April 27, 2021 - to authorize, for the period of eighteen months following the date of the Shareholders' Meeting approval, the purchase, on one or more tranches and also through intermediaries, of treasury shares up to a maximum number of shares not exceeding 10% of the *pro tempore* share capital, at a price that shall be neither lower nor higher by more than 20% of the official stock exchange price recorded by Borsa Italiana S.p.A. in the session preceding each individual transaction, in accordance with any of the means permitted by applicable laws or regulations, national or European, in force with respect to the subject matter, excluding the faculty of purchasing treasury shares through the purchase and sale of derivative instruments traded on regulated markets that entail the physical delivery of the underlying shares, which purchase may be, possibly, carried out also according to applicable market practices permitted by Consob.

All the above in order to enable the Company to continue to have at its disposal an important instrument of flexibility, which might be used for:

- investing liquidity in the medium and long term, or for purposes of optimizing the structure of the share capital or in any case for taking advantage of market opportunities;

- limiting, in accordance with the provisions in force, unusual movements in quotations and regularizing trends in trading and prices in situations of temporary distortions due to an excess of volatility or a low level of trading liquidity;

- creating a portfolio of treasury shares that can then be deployed for uses deemed to be the interest of the Company, including the servicing of stock incentive plans or the issuing of bonus shares to shareholders.

Simultaneously, the proposal will also be made – again, following the revocation of the authorization already approved by the Shareholders' Meeting of April 27, 2021 – to authorize, without time limit, the disposal also through intermediaries, of treasury shares purchased according to the above terms, or already held by the Company, even before having fully exercised the authorization to purchase referred above, at a price or, in any case, in accordance with criteria and conditions established by the Board of Directors, having regard to the procedures actually deployed, the trend in share prices in the period preceding the transaction and the best interest of the Company, in accordance with the purposes (including those set out above) and in any means permitted by applicable laws or regulations, national or European, in force with respect to the subject matter. Shares serving equity incentive plans will be granted in the manner and under the terms set forth in the regulations of the related plans. For further information, reference should be made to the Report of the Board of Directors on the authorization proposal, which will be published in accordance with the prescribed procedures (including by publication on the Company's website www.raiway.it under the section dedicated to the Shareholders' Meeting) and within the prescribed time periods.

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Rai Way announces that today, Thursday 17 March 2022 at 5:30pm CET, the results for 2021 will be presented to the financial community via conference call.
The presentation supporting the conference call will be made available in advance on the Company's website www.raiway.it, in the Investor Relations section.
To take part in the conference call:

Italy: +39 02 8020911 - UK: +44 1 212818004 - USA: +1 718 7058796

The replay of the conference call will be available after the end of the event in the Investor Relations - Events kit section of the website www.raiway.it.

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The manager in charge of preparing the corporate accounting documents, Adalberto Pellegrino, declares, pursuant to article 154-bis of the Consolidated Finance Law (TUF), that the accounting information in this release corresponds to the underlying accounting documents, books and entries.

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Rai Way S.p.A.

Rai Way manages and develops the terrestrial broadcast infrastructure which carries the television and radio signals of RAI, Italy's national public broadcasting company, and provides services to its business customers. Rai Way has an extensive experience and technological, engineering and organizational know-how in the Italian media and broadcast infrastructure market. Such a unique expertise, together with the skills and ongoing training of its around 600 employees, makes Rai Way an ideal partner for any companies and entities seeking for integrated solutions to develop their network and transmit their signals. Rai Way operates throughout the national territory and can rely on its headquarters in Rome, 21 local network centers and more than 2,300 sites across Italy.

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2021FY Income Statement

(€m; %)	4Q20	4Q21	FY20	FY21
Core revenues	**56,4**	**58,2**	**224,5**	**229,9**
Other revenues and income	0,5	0,0	0,5	0,6
Purchase of consumables	(0,4)	(0,5)	(0,9)	(1,5)
Cost of services	(11,3)	(10,6)	(39,8)	(38,2)
Personnel costs	(12,7)	(13,7)	(46,3)	(45,4)
Other costs	(1,0)	(0,8)	(2,9)	(2,8)
Opex	**(25,3)**	**(25,6)**	**(89,9)**	**(87,9)**
Depreciation, amortization and write-downs	(12,6)	(13,8)	(45,4)	(50,5)
Provisions	(0,3)	(1,0)	(0,3)	(1,0)
Operating profit (EBIT)	**18,7**	**17,8**	**89,4**	**91,1**
Net financial income (expenses)	(0,4)	(0,1)	(1,1)	(1,2)
Profit before income taxes	**18,3**	**17,7**	**88,3**	**89,9**
Income taxes	(5,1)	(5,1)	(24,3)	(24,5)
Net Income	**13,2**	**12,6**	**64,0**	**65,4**

EBITDA	**31,6**	**32,6**	**135,1**	**142,6**
EBITDA margin	*56,0%*	*56,0%*	*60,2%*	*62,0%*
Non recurring costs	0,1	(0,4)	(1,0)	(0,4)
Adjusted EBITDA	**31,5**	**33,0**	**136,1**	**142,9**
Adjusted EBITDA margin	*55,9%*	*56,6%*	*60,6%*	*62,2%*

1) Certain expenses amounting to €173k in 2020FY and €92k in 9M2021were reclassified from personnel costs to cost of services

2021FY Balance Sheet

(€m)	2020FY	2021FY
Non current assets		
Tangible assets	200,9	244,5
Rights of use for leasing	32,5	31,5
Intangible assets	15,9	17,2
Financial assets, holdings and other non-current assets	2,1	1,4
Deferred tax assets	2,8	3,0
Total non-current assets	**254,2**	**297,7**
Current assets		
Inventories	0,9	0,8
Trade receivables	62,6	67,8
Other current receivables and assets	4,2	3,9
Current financial assets	0,7	0,5
Cash and cash equivalents	4,1	17,2
Current tax receivables	0,1	0,1
Total current assets	**72,4**	**90,4**
TOTAL ASSETS	**326,6**	**388,0**
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,1	37,3
Retained earnings	63,5	64,4
Treasury shares	(20,0)	(20,0)
Total shareholders' equity	**164,8**	**165,9**
Non-current liabilities		
Non-current financial liabilities	15,1	69,0
Non-current leasing liabilities	23,9	21,4
Employee benefits	13,2	12,3
Provisions for risks and charges	16,3	17,2
Total non-current liabilities	**68,5**	**119,9**
Current liabilities		
Trade payables	45,5	51,7
Other debt and current liabilities	36,0	35,2
Current financial liabilities	0,3	0,2
Current leasing liabilities	11,5	15,1
Current tax payables	0,0	0,1
Total current liabilities	**93,3**	**102,2**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**326,6**	**388,0**

2021FY Cash Flow Statement

(€m)	4Q2020	4Q2021	FY2020	FY2021
Profit before income taxes	**18,3**	**17,7**	**88,3**	**89,9**
Depreciation, amortization and write-downs	12,6	13,8	45,4	50,5
Provisions and (releases of) personnel and other funds	2,0	4,3	5,1	5,2
Net financial (income)/expenses	0,4	0,0	0,9	1,0
Other non-cash items	0,2	0,2	0,3	0,3
Net operating CF before change in WC	**33,6**	**36,1**	**140,0**	**146,9**
Change in inventories	0,0	0,0	0,0	0,1
Change in trade receivables	7,3	8,8	12,5	(5,5)
Change in trade payables	7,4	9,0	(8,7)	6,1
Change in other assets	0,8	0,9	0,8	0,7
Change in other liabilities	(6,1)	(5,6)	2,0	(0,9)
Use of funds	(0,1)	(1,8)	(2,6)	(2,1)
Payment of employee benefits	(1,9)	(1,3)	(3,5)	(3,7)
Change in tax receivables and payables	(0,3)	(0,1)	(0,3)	(0,1)
Taxes paid	(2,3)	(2,4)	(24,0)	(24,2)
Net cash flow generated by operating activities	**38,4**	**43,5**	**116,0**	**117,4**
Investment in tangible assets	(24,2)	(26,3)	(55,7)	(79,4)
Disposals of tangible assets	-	0,0	-	0,0
Investment in intangible assets	(1,7)	(3,2)	(4,3)	(4,6)
Disposals of intangible assets	-	(0,0)	-	-
Change in other non-current assets	(0,0)	0,0	0,1	0,1
Change in holdings	(0,5)	0,5	(0,5)	0,5
Change in non-current financial assets	(0,4)	(0,0)	(0,4)	0,1
Business combination	(0,5)	-	(0,5)	(1,0)
Net cash flow generated by investment activities	**(27,2)**	**(29,0)**	**(61,3)**	**(84,3)**
(Decrease)/increase in medium/long-term loans	14,9	13,0	14,8	53,9
(Decrease)/increase in current financial liabilities	(20,6)	(15,9)	0,1	(0,7)
(Decrease)/increase in IFRS 16 financial liabilities	(4,5)	(0,7)	(11,2)	(8,4)
Change in current financial assets	(0,2)	0,1	(0,4)	0,1
Net Interest paid	(0,3)	(0,3)	(0,8)	(0,8)
Buyback	(12,3)	-	(20,0)	-
Dividends paid	-	(0,0)	(63,3)	(64,0)
Net cash flow generated by financing activities	**(23,0)**	**(3,9)**	**(80,8)**	**(19,9)**
Change in cash and cash equivalent	**(11,8)**	**10,7**	**(26,1)**	**13,2**
Cash and cash equivalent (beginning of period)	15,9	6,5	30,2	4,1
Cash and cash equivalent (end of period)	4,1	17,2	4,1	17,2