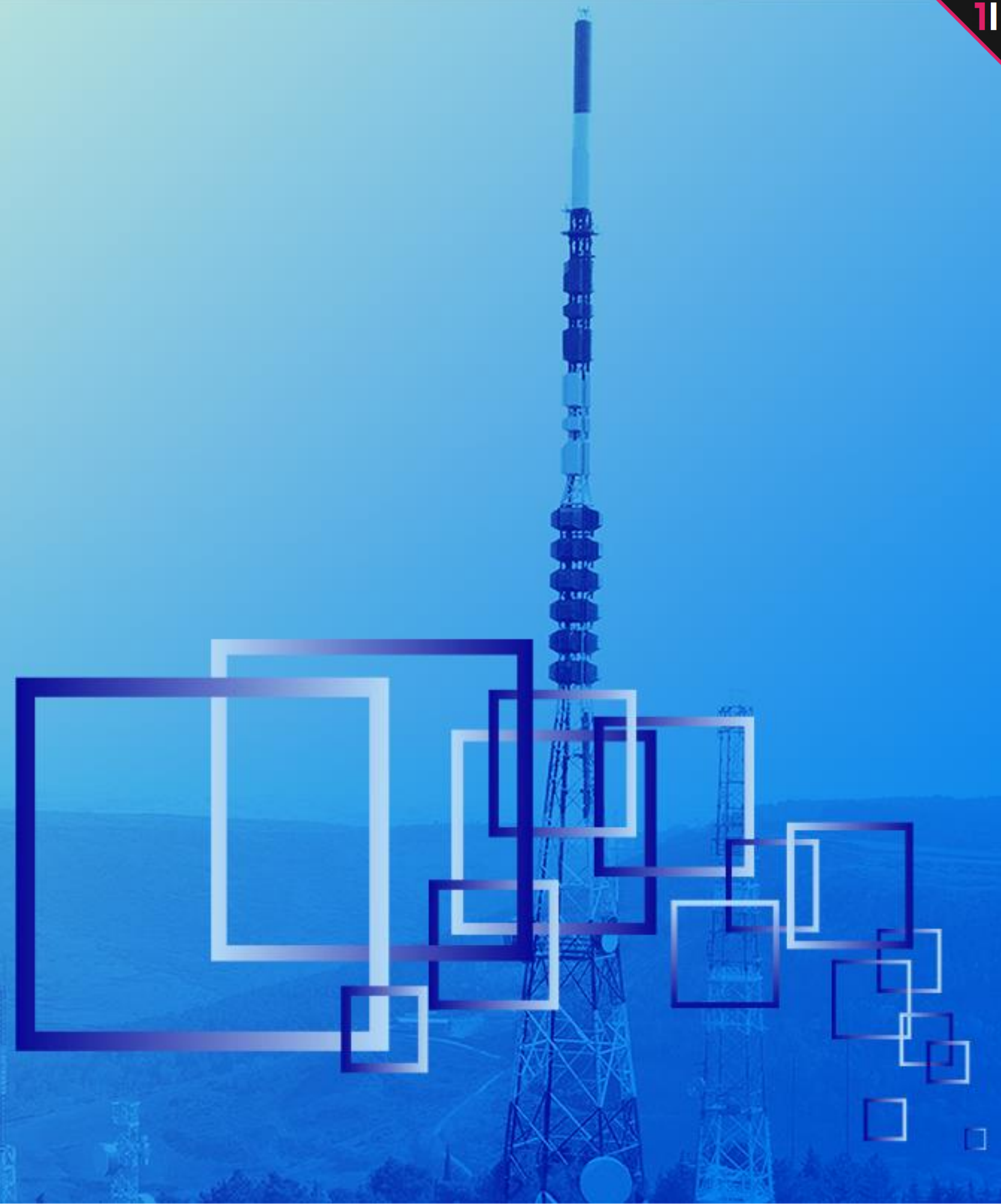
1INFO
DIGITAL SIGN

Rai Way

2021FY Results Presentation

17 March 2022



Disclaimer

FORWARD LOOKING STATEMENTS

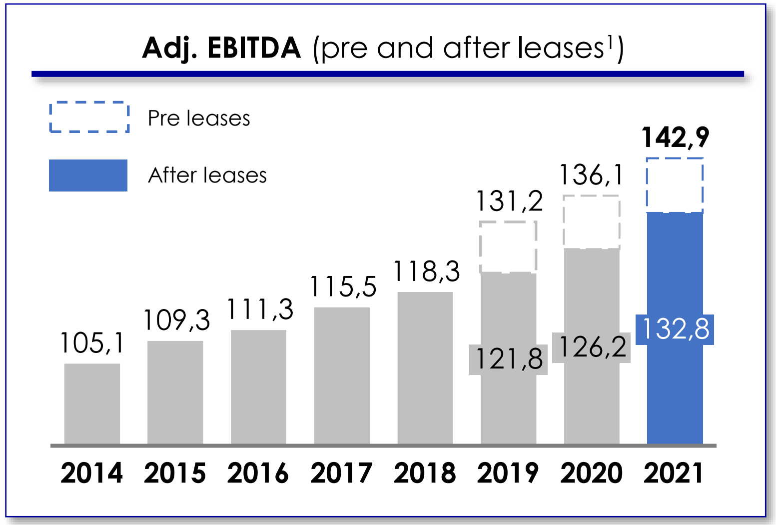
This presentation contains forward-looking statements regarding future events and the future results of Rai Way that are based on current expectations, estimates, forecasts, and projections about the industries in which Rai Way operates, as well as the beliefs and assumptions of Rai Way's management. In particular, certain statements with regard to management objectives, trends in results, margins, costs, rate of return and competition tend to be forward-looking in nature. Words such as "expects", "anticipates", "targets", "goals", "projects", "intends", "plans", "believes", "seeks" and "estimates", variations of such words and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Therefore, Rai Way's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. They are neither statements of historical fact nor guarantees of future performance. Rai Way therefore cautions against relying on any of these forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, the impact of competition, political, economic and regulatory developments in Italy. Any forward-looking statements made by or on behalf of Rai Way speak only as of the date they are made. Rai Way undertakes no obligation to update any forward-looking statements to reflect any changes in Rai Way's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

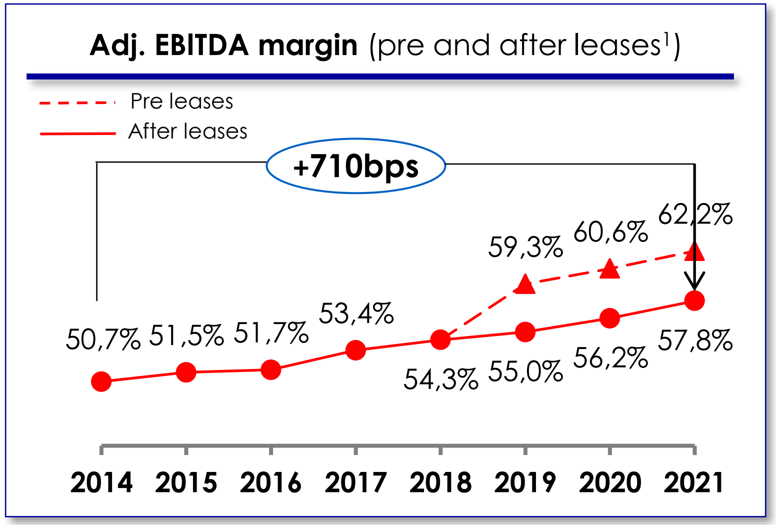
Rai Way participants

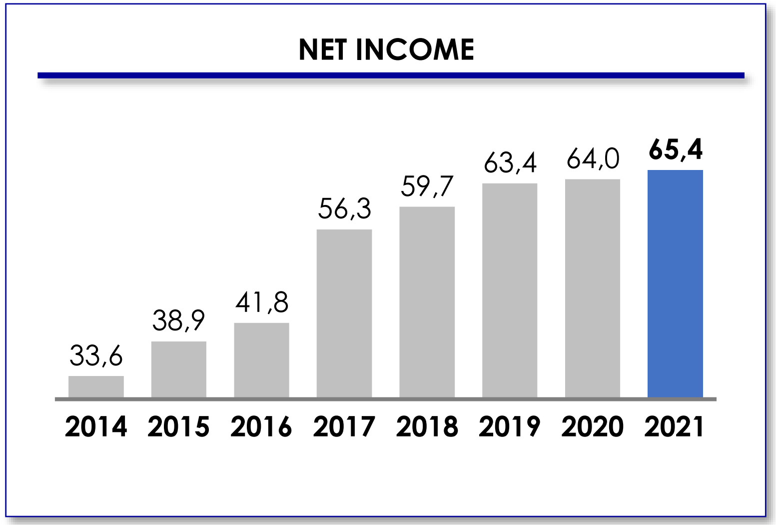
- **Aldo Mancino**, Chief Executive Officer
- **Adalberto Pellegrino**, Chief Financial Officer
- **Giancarlo Benucci**, Chief Corporate Development Officer

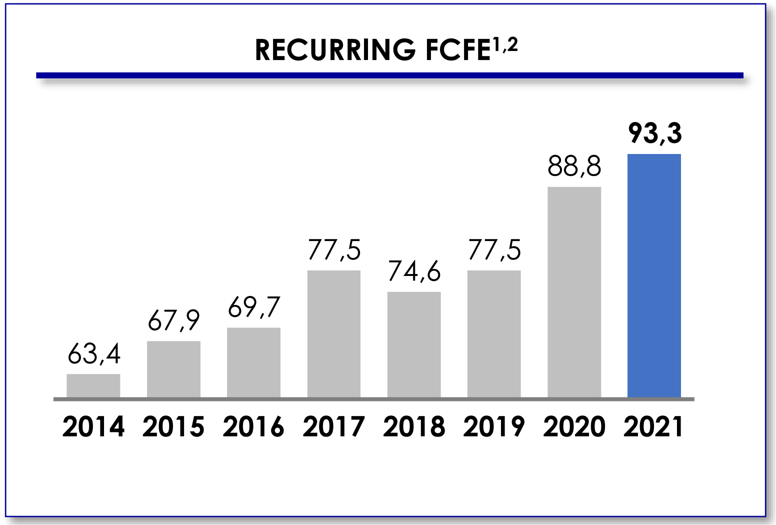
Delivering steady organic growth

Mln Eur; %









+30 mln recurring FCFE generation vs IPO

(~6% average annual growth)

1) Leases impact estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

2) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex

Key messages on 2021

FINANCIAL RESULTS

- **Effects of development activities becoming visible:**
    - Excluding non-core items, top-line growth of ca. +3%
    - Adjusted EBITDA up +5% (+160 bps margin) despite lower temporary savings from pandemic safety measures
    - Development capex exceeding €70m, mainly driven by network upgrade for *refarming*
    - Further improvement in recurring cash generation, above € 90m
- 24,36 €/cent **dividend** proposed to the AGM, equal to 100% pay-out and 4,5% dividend yield(1)

OPERATIONS

- **National refarming:** € 103m invested since 2019, activities fully on-track with progressive release of frequencies and switch to MPEG4 completed;
- **Regional refarming:** 7 regions awarded to Rai Way, network roll-out underway and expected full capacity occupation
- **New infra & services:** ongoing set-up of new infra & services

ESG

- Implementation of **Sustainability Plan** delivering results, with substantial **upgrades from main rating agencies**

OUTLOOK

- **Growth to continue in 2022**

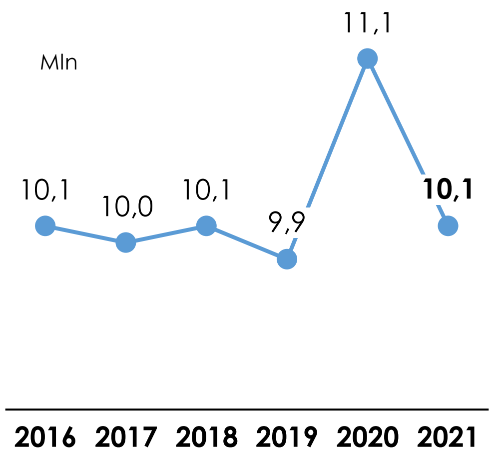
1) Dividend yield based on market closing price on 16/03/2022 (5,36 €/share)

Resilience of TV broadcasting

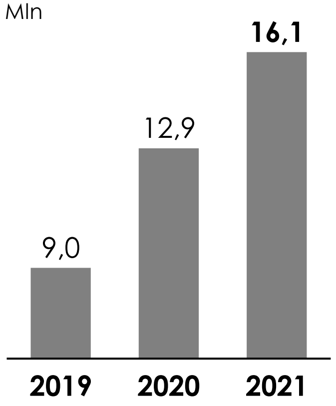
- Excluding the 2020 spike driven by pandemic, **DTT audience stable at ca. 10 mln** per avg day since 2016 despite the growth in OTT usage
- **Polarization type of contents - fruition mode confirmed**: non-deferrable live contents directed to a wide audience (such as news, sports and entertainment) remains linear, with broadcasting representing the most efficient solution in terms of costs and network utilization/reliability

DTT vs SVOD platforms in Italy

Audience DTT[1]

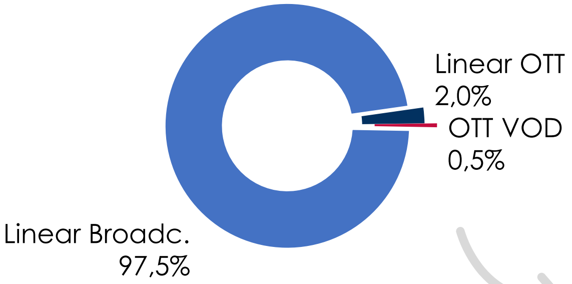


SVOD subscriptions



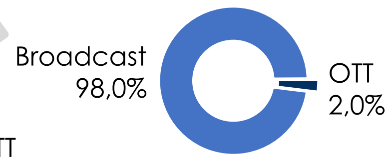
Sanremo 2022 by fruition mode

Total time spent (TTS)



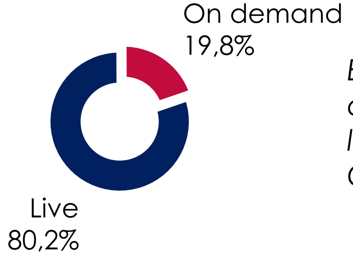
Entertainment contents fruition almost entirely linear

Linear TTS by platform



DTT remains he reference platform for linear fruition

OTT TTS by mode of fruition



Entertainment contents keep a linear fruition even on OTT platforms

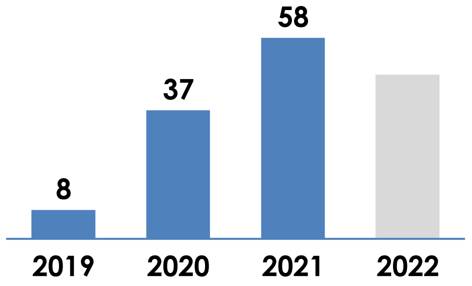
Sources: Auditel, Ampere Analysis, RAI internal data
1) Target: Individuals aged 4+ Time: 02:00-02:00, *Mln avg day 2) TTS = total time spent*

Update on *refarming* for RAI

Rai Way

	Description	Progress as of 2021
A *National MUXes coverage extension*	**Extension from ca. 400 to ca. 1.000 sites, DVB-T2 ready** • Active equipment to be partially reallocated to the new macro-regionalized UHF MUX	✓ **Completed**
B *New macro-regionalized UHF "DVB-T2" MUX*	**Deployment of a macro-regionalized MUX in UHF and 'DVB-T2' technology** • Equipment upgrade to DVB-T2 • Distribution network and head-end upgrade	• Ca. 80% sites upgraded to T2 • Head End systems upgraded to MPEG4/HEVC ✓ • Distribution Network: o Terrestrial Network in radio link reconfigured ✓ o Satellite transponders reconfigured ✓
C *National MUXes upgrade to DVB-T2*	**National MUXes upgrade to DVB-T2** Equipment upgrade to DVB-T2 on the first 400 sites of the national MUXes (extension from 400 to 1.000 sites already in T2)	• Ca. 70% sites upgraded to T2 • Head End systems upgraded to MPEG4/HEVC ✓ • Distribution Network: o Terrestrial Network in radio link reconfigured ✓ o Satellite transponders reconfigured ✓

- **Base case scenario with management of 3 MUXes confirmed, resulting in € 15,8m step-up in Fixed Consideration** (on a yearly basis effective from 1st of July 2021)
- So far, **cumulated investments** for ca. € 103m out of € 150m planned for the 2019-2022 period



Update on regional *refarming*

- **7 areas** awarded to Rai Way, with **100% success rate** where the company competed
- **Network roll-out** completed in the regions of Northern Italy while progressing in line with roadmap in other areas
  - Strong rationalization of networks (from several to 1 or 2 networks per area), improving spectrum efficiency and reducing distribution costs for broadcasters
- **Commercial activity** currently underway, with high level of MUX occupancy in all the regions

Areas awarded to Rai Way

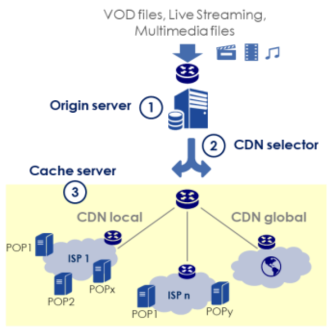
Progress on new infra & services

Activity progress: 100% >>> 0%

Edge CDN

Network architecture design → Selection & prioritization of edge locations to host cache → Procedure to select tech partner / Agreement to access TLC Access Network → Roll-out

- First CDN release with major injection points available in 2023
- "Capillarization" phase coordinated with EDC availability (starting from 2024)



Edge data centers

Major EDC: RW sites selection → Concept design → Final design → Working plan & construction

- Assets availability expected in 2023

Medium & Small EDC: RW sites selection → Concept design → Final design → Working plan & construction

Hyperscale data center

Sites pre-selection (proprietary areas) → Feasibility study → Concept design → Permitting & final design → Construction

- Focus on Rome/Milan areas
- Working with a municipality on the permitting
- Scouting for new areas
- Construction time (once authorized): 12-18 months

Backbone connectivity upgrade

- Replace current leased capacity with IRU fiber optic
- Roll-out started
- Completion in 12-18 months
- **Capacity: 3x current level**

Update on ESG

	ENVIRONMENT	SOCIAL	GOVERNANCE	INNOVATION
Sustainability Plan 2023 Main Targets	✓ **100% green** electricity ✓ **99% waste recovery**[1] ✓ **€ 100+ m** investments in **more efficient equipment** • **Carbon Neutrality** by 2025[2]	• **35%**[3] **women** in mgnt roles ✓ **agile working** scheme up to **45% of employees** ✓ **DTT coverage improvement** for **1000+** Italian municipalities	• **80%** of registered **suppliers** to be **engaged on ESG issues** ✓ **20% ESG goals** within the LTI plan	• About **€ 200m** to be invested in **technological evolution projects** and in digital transformation
2021 achievements	• **Carbon Inventory** with 1st time **Scope 3 emissions disclosure** • **-3% electricity consumption YoY** • **Renewable energy projects** under study	• **45%** employees working from home during Covid-19 pandemic • Broad set of **D&I initiatives** carried out throughout the year	• Joined **UN Global Compact** • Strengthened **ESG governance** with 44% women within BoD • New **shareholders engagement** policy	• **€ 115m** capex spent as of 2021 (eg. refarming) • 2nd place in the **impact innovation challenge** INNOVATION CHANGE

2021 ESG Ratings

MSCI		SUSTAINALYTICS		CDP	
2021	A ↑	2021	6,6 - Negligible ↑	2021	B-Management ↑↑
2020	BBB	2020	11,7 - Low Risk	2020	D-Disclosure
2019	BBB			2019	n.a.

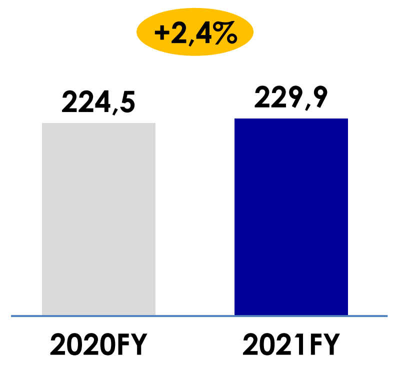
S&P Global: 1st time evaluation in progress

1) With respect to total waste generated excluding septic sludge (non-recoverable); 2) Based on scope 1+2 CO2 emissions; 3) With reference to gender workforce

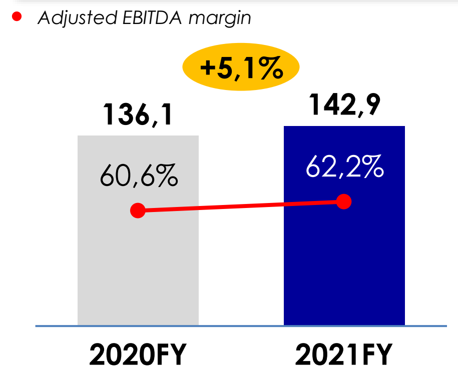
2021FY Financial highlights

Mln Eur; % % YoY growth

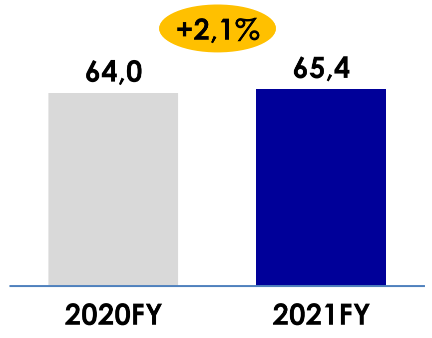
Core Revenues



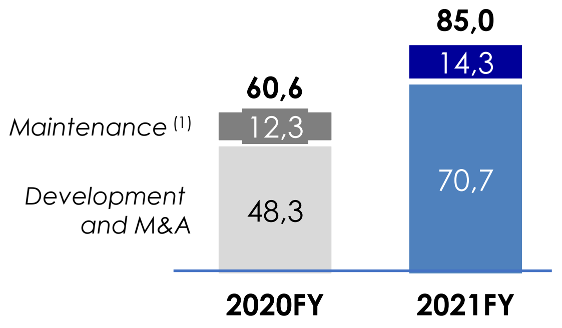
Adjusted EBITDA



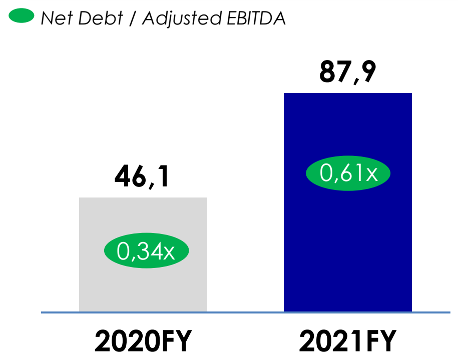
Net Income



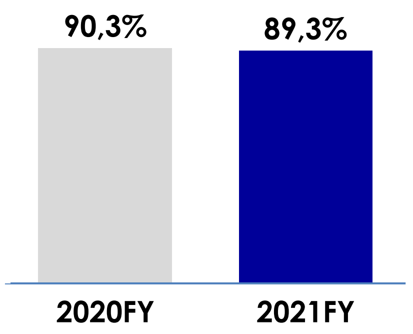
Capex



Net debt (Net Cash)



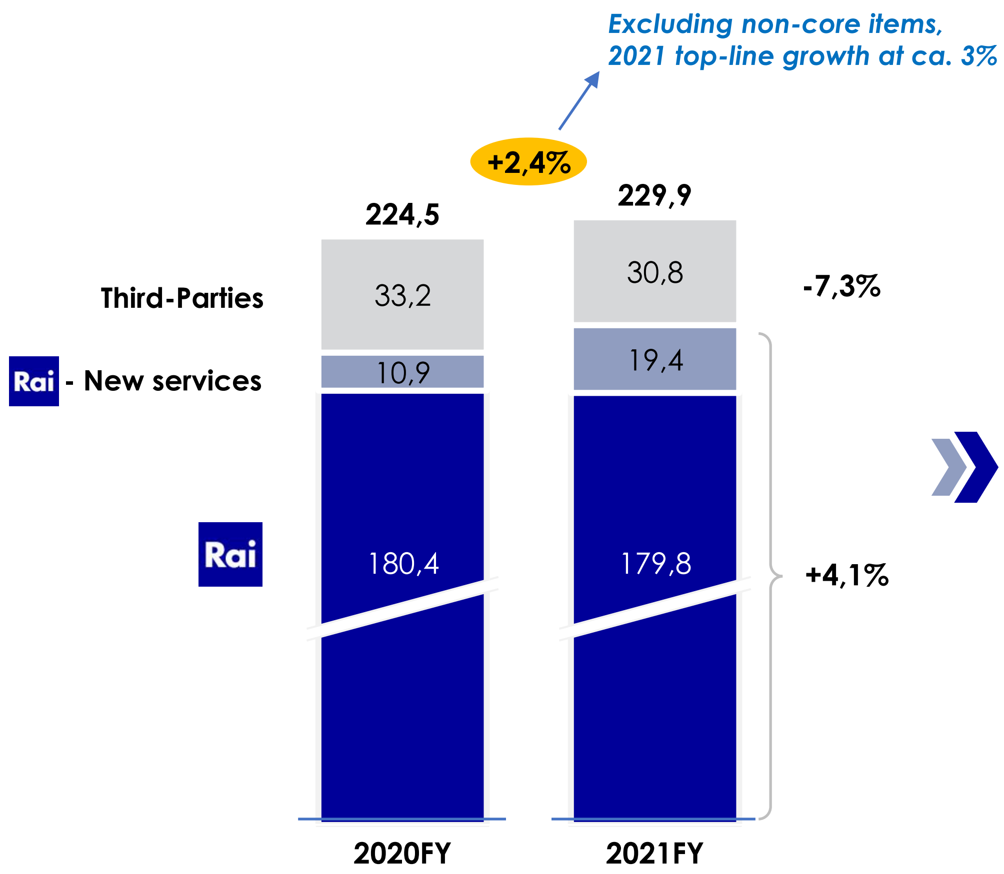
Cash conversion[2]



1) Maintenance capex excluding component related to IFRS-16 leasing
2) Cash conversion = (Adj. EBITDA - Leases – Maintenance Capex) / (Adj. EBITDA – Leases). Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

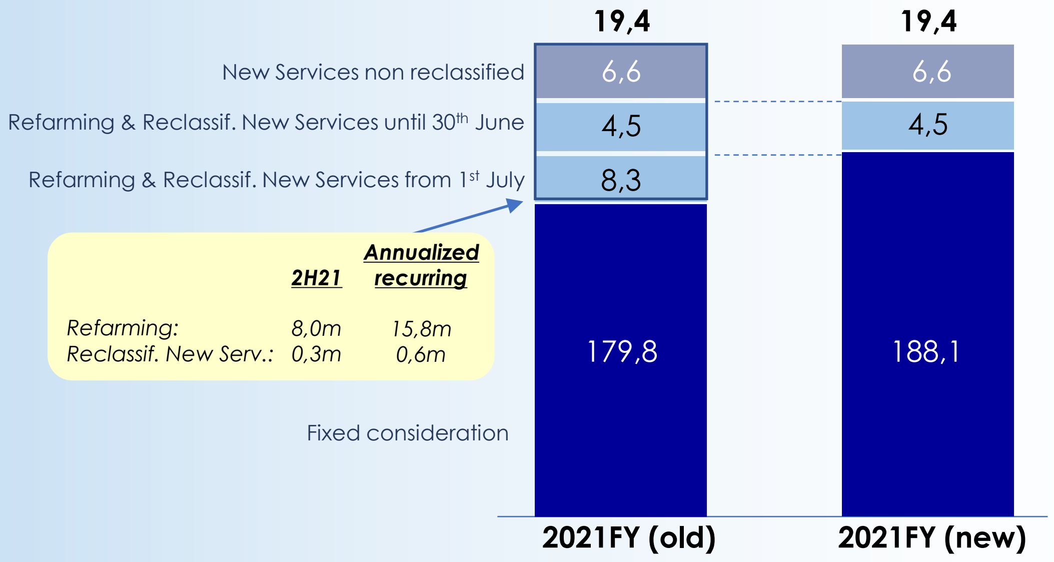
Core Revenues

Mln Eur; %   % YoY growth



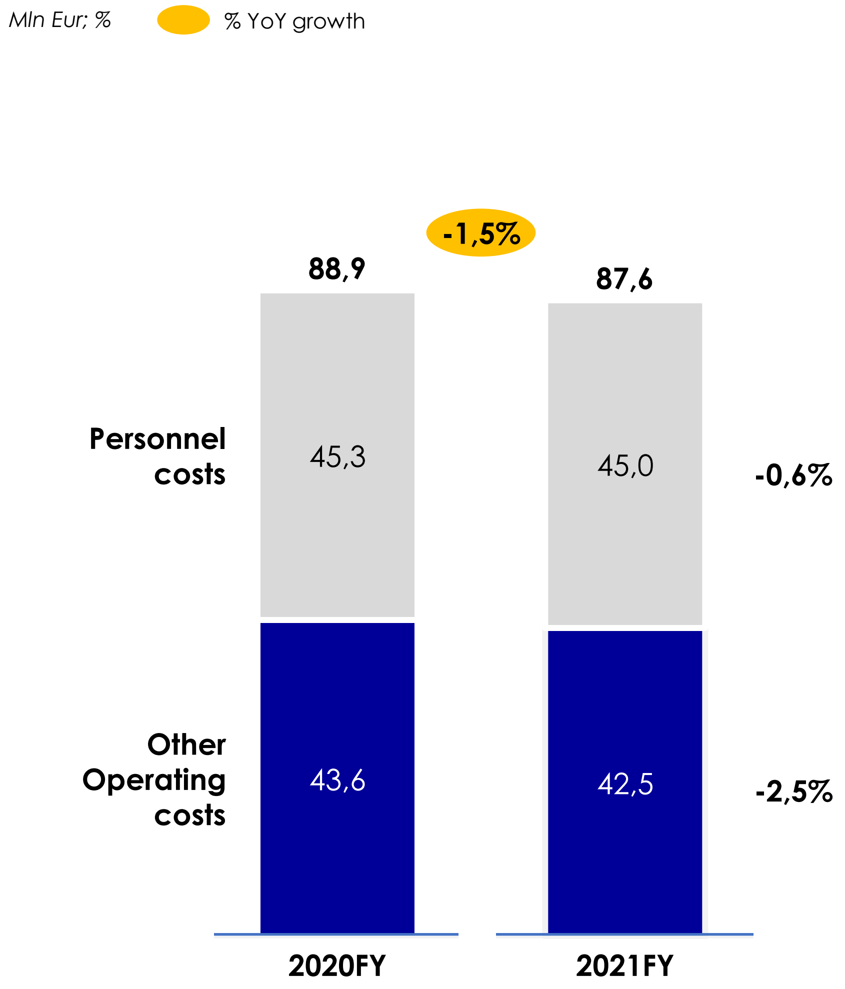
- Refarming-related step-up in revenues from RAI
  (€ 15,8m + € 0,6m from reclassified new services on an annual basis)

Restatement of Revenues from RAI from 1st July 2021



- Excluding one-off items, **third-party revenues down 4,7%** driven by MNOs and expiration of certain lower-margin no-hospitality services
  - upcoming contribution from regional refarming and supportive FWA dynamic to reverse the trend

Opex (excluding non-recurring)



- Excluding capitalizations, non-core items and lower temporary covid-related savings (on variable components), relatively stable underlying personnel cost
- Underlying Other Opex down by approx. 1% mainly driven by lower energy prices partially offset by higher maintenance; similar temporary savings from covid-related safety measures vs. 2020

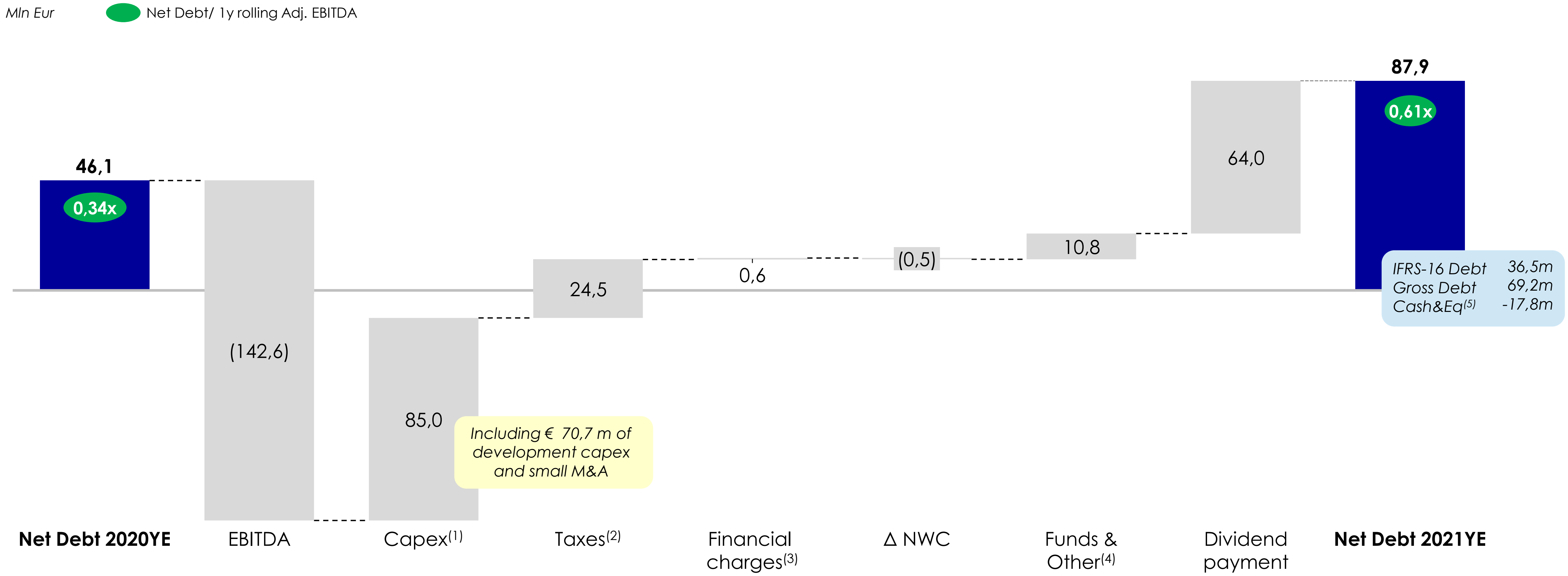
P&L

Eur Mln, %	4Q 2020	4Q 2021	% YoY	2020FY	2021FY	% YoY
Core Revenues	**56,4**	**58,2**	**3,1%**	**224,5**	**229,9**	**2,4%**
Other Revenues & income	0,5	0,0		0,5	0,6	
Adj. EBITDA	**31,5**	**33,0**	**4,5%**	**136,1**	**142,9**	**5,1%**
% margin	*55,9%*	*56,6%*		*60,6%*	*62,2%*	
Non recurring costs	0,1	-0,4		-1,0	-0,4	
EBITDA	**31,6**	**32,6**	**3,1%**	**135,1**	**142,6**	**5,6%**
% margin	*56,0%*	*56,0%*		*60,2%*	*62,0%*	
D&A [1]	-12,9	-14,8	14,7%	-45,7	-51,5	12,7%
Operating Profit (EBIT)	**18,7**	**17,8**	**-5,0%**	**89,4**	**91,1**	**1,9%**
Net financial income (expenses)	-0,4	-0,1	-78,1%	-1,1	-1,2	10,6%
Profit before Income taxes	**18,3**	**17,7**	**-3,3%**	**88,3**	**89,9**	**1,8%**
Income Taxes	-5,1	-5,1	-0,9%	-24,3	-24,5	0,9%
% tax rate	*28,0%*	*28,7%*		*27,5%*	*27,3%*	
Net Income	**13,2**	**12,6**	**-4,2%**	**64,0**	**65,4**	**2,1%**

- **2021FY Net Income up by 2,1% at € 65,4m as a result of:**
  - Higher top line
  - +160bps profitability, with margin above 62%
  - Higher D&A following investment activity
  - Tax rate at 27,3%, benefitting from the € 1m one-off Covid-related tax relief accrued in 1Q

1) Including provisions

Net Debt bridge

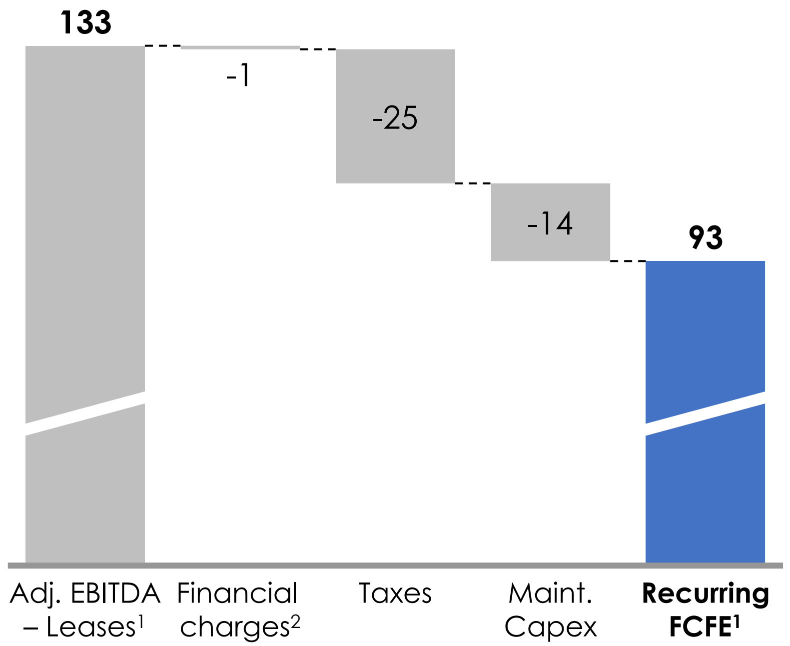


2021FY recurring FCFE[6] at ca. € 93m

1) Excluding component related to IFRS-16 leasing; 2) P&L taxes; 3) P&L financial charges excluding interests on employee benefit liability and interests on leasing contracts; 4) including renewal of leasing contracts and interests on leasing contracts; 5) Including current financial assets
6) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

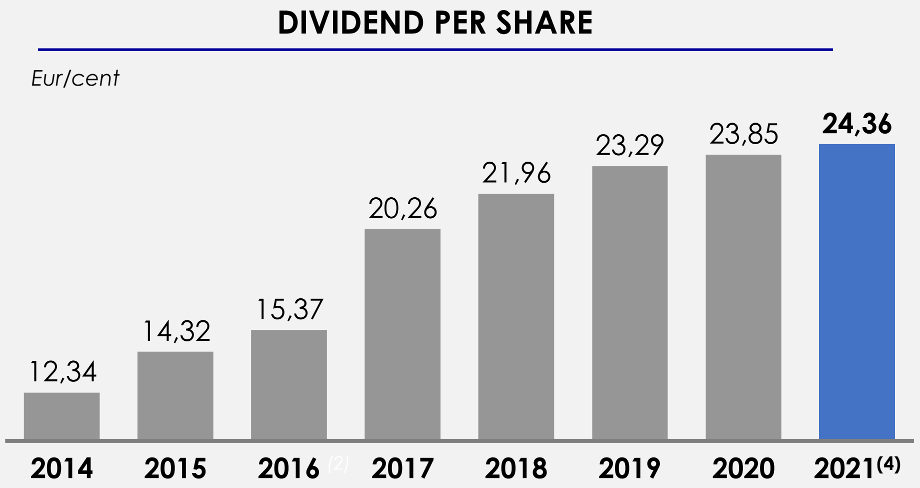
2021 Recurring cash generation and dividend proposal

Mln Eur



Dividend proposal

- Dividend proposal of 24,36 €cent/share (pay-out ratio of 100% of Net Income), with a dividend yield[(3)] of 4,5%
- Including the proposed dividend for 2021, approx. € 422m distributed to Shareholders since listing



1) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts
2) P&L financial charges excluding interests on employee benefit liability and interests on leasing contracts
3) Dividend yield based on market closing price on 16/03/2022 (5,36 €/share)
4) Dividend proposal

Guidance 2022

REVENUES

- Mid-single-digit revenue growth driven by CPI, refarming for RAI and refarming for third parties

ADJUSTED EBITDA

- Growth of Adjusted EBITDA, assuming a progressive normalization of electricity prices
    - *In the event of sustained high level of prices:*
        - *CPI-link on revenues provides protection over time*
        - *the new upgraded network ensures a sensible reduction in consumption*
        - *possibility for mitigation actions on other costs*

CAPEX

- Maintenance Capex in line with Industrial Plan figure for 2022
- Development capex up vs 2021 to reflect completion of *refarming* activities and deployment of new services

Commitment to growth

2020-2023
Industrial Plan period

Mainly from 2024
Beyond Industrial Plan period

Organic growth

CPI

Refarming RAI

Refarming for third parties

Digital transformation

Edge CDN

Edge Data Centers

Hyperscale Data Center

PNRR opportunities

- New sites
- Backhauling
- FWA (indirect)

5G&FW hosting / FttT / Connectivity

External lines

Broadcasting towers

Data Centre assets

Q&A session

Contacts

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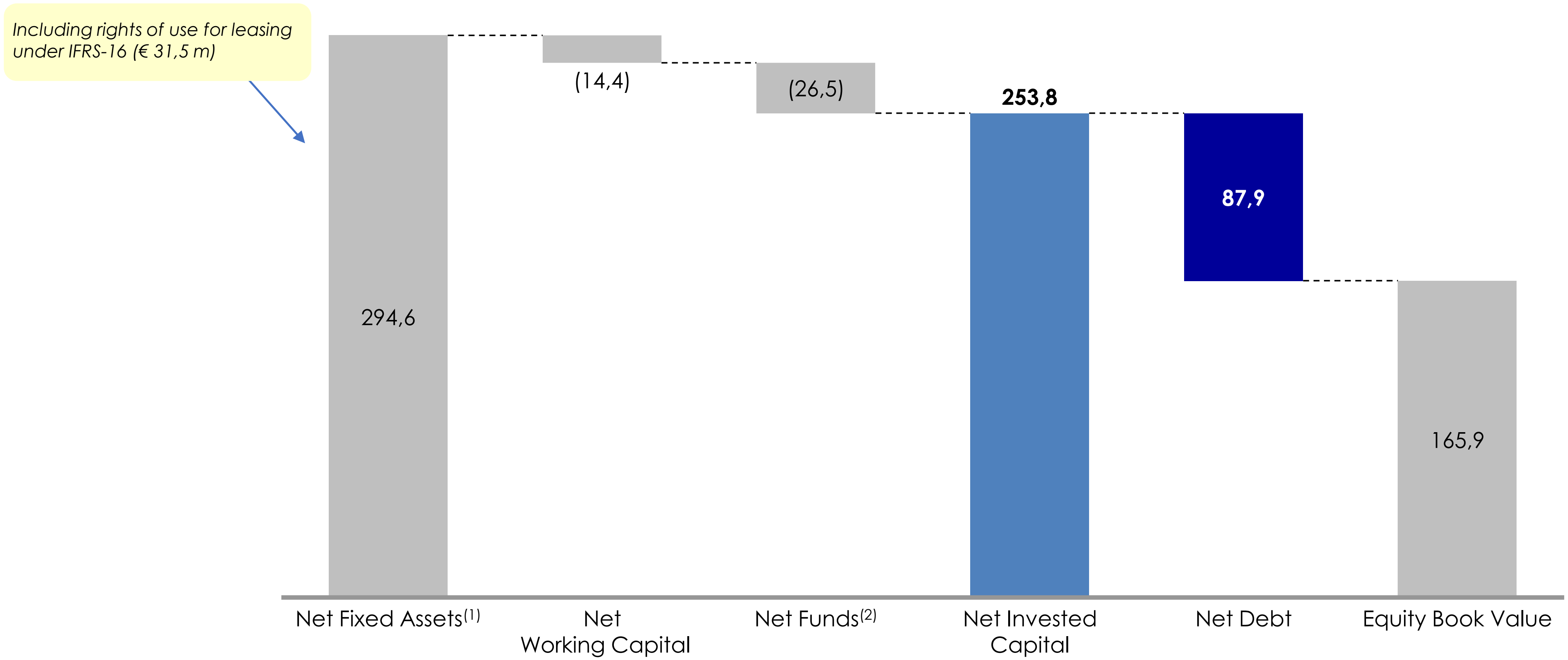
Appendix

Balance sheet

Mln Eur



1) Including long-term financial items and the rights of use for leasing introduced from 2019 with the application of IFRS 16
2) Net funds include employee termination indemnities, provision for risks and deferred taxes

Detailed summary of 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)[1)]	(39,8)	(38,2)[1)]
Personnel costs	(12,7)	(13,7)[1)]	(46,3)	(45,4)[1)]
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) As of 4Q2021, some expenses reclassified from personnel costs to service costs (€127k in 2021FY, €35k in 4Q2021)

Summary of 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**

(€m)	2020FY	2021FY
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**

Summary of 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