

Press Release

RAI WAY APPROVES THE DRAFT FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Net profit and dividend at new all-time high in the first year of implementation of the new Industrial Plan

Trends for 2025 expected in line with the Industrial Plan trajectory, with further growth in traditional business and progress in strengthening new digital infrastructure

- **Key results for the financial year 2024 (vs 2023):**
 - **Core revenues of € 276.1m (+1.5%)**
 - **Adjusted EBITDAⁱ of € 185.6m (+2.9%)**
 - **Operating profit (EBIT)ⁱ at € 131.9m (+4.7%)**
 - **Net income of € 89.9m (+3.7%)**
- **Capexⁱⁱ of € 54.9m (€ 62.2m in the 2023)**
- **Recurring free cash flowⁱⁱⁱ of € 117.9m (+3.5%)**
- **Net debt^{i,iv} of € 127.6m (compared to € 104.9m at 31 December 2023)**
- **Proposed dividend of 33.40 €cent/share, for a total amount broadly in line with 2024 Net Income and a dividend yield equal to 5.7%^v**
- **Ordinary Shareholders' Meeting scheduled for 30 April 2025**
- **Proposed new authorization to the Shareholders' Meeting for the purchase and disposal of treasury shares**

Rome, 19th March 2025 - The Board of Directors of Rai Way S.p.A. (Rai Way), digital infrastructure operator and provider of services for media content distribution, met today under the chairmanship of Giuseppe Pasciucco, examining and unanimously approving the draft of the financial statements for the year ended 31 December 2024.

Rai Way's 2024 financial year, the first under the new 2024-27 Industrial Plan, recorded core revenues of € 276.1 million, up more than double the contribution of inflation indexation clauses included in most customer contracts. The higher revenues, combined with strict control of operating costs

and some non-recurring benefits, drove Adjusted EBITDAⁱ up by € 5.3 million to € 185.6 million (+2.9%), despite the impact on profitability of diversification initiatives and higher energy tariffs.

Net profit, which reached a record level of € 89.9 million despite higher amortisation and depreciation and financial charges linked to the progression of investments, will allow a dividend of euro 33.40 cents per share to be proposed to shareholders, the highest in Rai Way's history as listed company and corresponding to a coupon yield of 5.7%^v.

Net debt^{iv} stood at €127.6 million at the end of the year, a significant decrease in the quarter, but higher than the level of €104.9 million recorded at the end of 2023 in light of planned investments in diversification and the €86.5 million distributed during the year to shareholders as dividends.

From an operational perspective, the year was marked by the rapid start-up of the activities envisaged in the new four-year Industrial Plan approved in March, also thanks to the launch of a new, more business-oriented organisational structure.

The **traditional business** recorded positive trends in line with expectations, starting from the momentum of the tower hosting segment, supported by the demand of FWA and radio operators. A further boost will come from the contract aimed at expanding Rai's DAB network, which is part of a specific agreement signed after the end of the financial year.

In the area of **diversification**:

- the first 5 edge data centers were completed in July and their commercialisation started promptly - also through collaborations with leading ICT players - generating a first revenue contribution during the fourth quarter.
- the Content Delivery Network, designed and implemented to support the distribution of live video content over the Internet, successfully completed tests with some of the leading national and international content providers, confirming superior functionality and performance in terms of latency and backbone decongestion.

Finally, consistent with the efficiency objectives identified in the Industrial Plan, the Company has identified a new headquarters in Rome, which will soon host the central functions, in order to strengthen corporate identity and reduce costs.

On the **sustainability** side, the Company has completed most of the initiatives included in the new 2024-27 Plan planned for 2024, such as confirming the ability to purchase 100% of energy from renewable sources, as well as the introduction of bonus criteria for ESG certifications in specific procurement procedures. As evidence of the significant results achieved, Rai Way has also further improved its MSCI rating, reaching a score of A, and confirmed the outstanding result of the Carbon Disclosure Project questionnaire and the S&P Global rating.

Roberto Cecatto, Chief Executive Officer of Rai Way, commented: " *On the tenth anniversary of Rai Way's IPO, we are happy to present once again positive and growing yearly results, exceeding expectations at the beginning of the financial year. This confirms our ability to intercept favorable trends in a sector still rich in opportunities.*

Analyses to assess the industrial viability of the possible consolidation of the broadcasting infrastructure sector have been initiated. In the meantime, we remain focused on the execution of our Industrial Plan, whose pillars now appear more solid than ever, also in light of the growing centrality for the Country of the digital infrastructure supporting Rai Way's diversification strategy."

Key Results of the 2024 financial year

In the financial year 2024, **core revenues** amounted to € 276.1 million compared to € 271.9 million in 2023 recording a 1,5% growth, more than double compared to the reference index used for the inflation link included in the majority of the customer contracts (0.7% in the period). The performance benefited, in particular, from the contribution of Third-Party customers, which generated normalised revenue growth^{vi} of over 5%.

At business segment level, **media distribution services**, including revenues attributable to RAI, generated revenues of € 244.4 million, up 1.4% in light of the indexation to inflation, as well as new services for RAI (in particular related to the improvement of digital terrestrial television coverage and the extension of the DAB radio network), full roll-out of the new regional digital terrestrial networks and an initial contribution from CDN. **Digital infrastructures**, on the other hand, posted revenues of €31.7m, still almost entirely generated by tower hosting services, with growth accelerating to 5.4% in the fourth quarter compared to +1.5% in the first nine months of the year, mainly driven by Fixed Wireless and radio operators' hosting volumes, as well as by the first results of the edge data center commercialisation, which were recorded in the final months of the year.

Adjusted EBITDAⁱ amounted to € 185.6 million, up 2.9% from € 180.3 million in the previous year. The growth, achieved despite the expiry of the incentives on energy tariffs effective in 2023 and the higher start-up costs of new initiatives, was driven by higher core revenues, careful cost control in the traditional business - under continuous management focus - as well as certain non-recurring benefits, such as the higher level of capitalisation of personnel costs and other income. Adjusted **EBITDA**ⁱ as a percentage of revenue stands at 67.2% from 66.3% in 2023.

Taking into account the € 0.3 million non-recurring costs, down sharply from € 5.3 million in 2023, **EBITDA**ⁱ increased by 5.9% from €174.9 million to € 185.3 million.

Operating profit (EBIT)ⁱ was €131.9 million, up 4.7% from €126.0 million in 2023, reflecting the acceleration of depreciation and amortisation resulting from investment activity.

Net profit amounted to € 89.9 million, up 3.7% compared to € 86.7 million in 2023, also due to the effect on financial expenses of the increase in interest rates and debt stock, while the tax rate remained substantially stable at 28.3%.

During the year, **Capex**ⁱⁱ amounted to € 54.9 million, more than half of which spent in the last quarter of the year, confirming the traditional seasonality of the capex cycle. Development investments

absorbed € 39.6 million, mainly dedicated to diversification initiatives. In 2023, capex amounted to € 62.2 million, of which € 46.3 million in development activities.

Net invested capital^{vii} amounted to € 320.0 million, while **Net debt**^{i,iv} stood at € 127.6 million (including the IFRS-16 accounting standard effect for € 33.6 million) compared to € 104.9 million as at 31 December 2023, confirming - net of dividend payments and development investments - the positive trend in **recurring cash generation**ⁱⁱⁱ, which amounted to € 117.9 million (+3.5% compared to € 113.9 million in 2023).

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 the Shareholders' Meeting - scheduled for April 30, 2025 in single call - the allocation of the net income for 2024 to dividend to Shareholders for an amount of approx. € 89.7 million and to "Retained earnings reserve" for an amount of approx. € 0.2 million. Consequently, the proposal envisages - taking into account the 3,459,579 treasury shares in portfolio whose right to dividend is attributed proportionally to the other shares^{viii} - the payment of a total gross dividend of € 0.3340 per each outstanding ordinary share^{ix}, to be paid on 21 May 2025 and with record date (the date which determines the Shareholders entitled to receive the dividend) set at 20 May 2025, with the share going ex-dividend on 19 May 2025 upon detachment of coupon no. 11.

Outlook

For the 2025 financial year, Rai Way expects a performance in line with the trends outlined in the 2024-27 Industrial Plan, with further growth of the Adjusted EBITDA in the traditional business, substantially offset by the lower level of non-core benefits compared to 2024, the expected increase in energy tariffs and the planned rise in diversification-related costs.

Maintenance capex is expected to increase compared to 2024 above the average level planned over the Industrial Plan period due to certain non-recurring activities, while development investments are expected to be substantially stable, primarily allocated to diversification initiatives and to the development of the DAB network for RAI.

Notice of call for the Shareholders' Meeting

The Board of Directors has resolved to call an ordinary Shareholders' Meeting on the date - already indicated in the financial calendar disclosed to the market - of 30 April 2025, in single call.

The Shareholders' Meeting will be called to resolve on:

- the approval of the 2024 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 issuance - subject to revocation of the authorisation by the shareholders' meeting resolved on 29 April 2024 - of a new authorisation to purchase and dispose of treasury shares.

The notice of the Shareholders' Meeting - containing details and information on its holding and attendance - will be published within the prescribed time limits and in the prescribed manner.

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 above mentioned Shareholders' Meeting - following the revocation of the authorization approved on April 29, 2024 - to reauthorize the purchase, for the period of eighteen months following the date of the Shareholders' Meeting approval and 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 or in the session preceding the date of the announcement of the transaction - depending on the technical procedures identified by the Board of Directors - by any of the means permitted by applicable rules (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 29, 2024 – 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 section Governance/Shareholders' Meeting/Ordinary Shareholders' Meeting 2025/Documentation) and within the prescribed time periods.

Rai Way announces that today, Wednesday 19 March 2025 at 5:30pm CET, the results for 2024 financial year 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 attend the conference call:

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

Alternatively, please register [here](#) to receive the weblink to the event directly in your inbox and Outlook Calendar. The replay of the conference call will be available after the end of the event in the Investor Relations – Presentations and Events section of the website www.raiway.it.

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.

Disclaimer

This release contains forward looking statements on the future events and results of Rai Way that are based on current expectations, estimates and forecasts about the sector in which Rai Way operates and on management's current opinions. By their nature these items contain an element of risk and uncertainty as they depend on the occurrence of future events. The actual results could differ, even materially, from those stated for a variety of reasons such as: global economic conditions, the effect of competition and political, economic and regulatory developments in Italy.

Rai Way S.p.A.

Rai Way is an integrated digital infrastructure operator and service provider for media content distribution. It is the sole operator of the broadcasting and transmission networks that carry the signals RAI, Italy's public service concessionaire.

Listed since 2014 on Euronext Milan, Rai Way has a widespread presence throughout Italy with about 600 employees between its headquarters in Rome and 21 regional offices, more than 2,300 telecommunications towers, a transmission network in radio links, satellite systems, a proprietary CDN, about 6,000 km of proprietary fiber optics, a network of distributed data centers and 3 control centers.

Its infrastructural assets, excellent technological and engineering know-how, and the high level of professionalism make Rai Way the ideal partner for companies seeking integrated solutions for the development of their network and for the management and the transmission of data and signals.

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FY 2024 Income Statement

(€m; %)	4Q23	4Q24	FY23	FY24
Core revenues	67,8	69,6	271,9	276,1
Other revenues and income ¹	0,5	0,2	2,1	1,9
Purchase of consumables	(0,4)	(0,4)	(1,3)	(1,3)
Cost of services	(13,4)	(12,1)	(43,8)	(42,0)
Personnel costs	(13,8)	(13,0)	(51,4)	(46,5)
Other costs	(0,6)	(1,1)	(2,7)	(2,9)
Opex	(28,2)	(26,6)	(99,1)	(92,7)
Depreciation, amortization and write-downs	(13,0)	(13,0)	(47,3)	(51,1)
Provisions	(1,7)	(2,2)	(1,7)	(2,2)
Operating profit (EBIT)	25,5	28,1	126,0	131,9
Net financial income (expenses)	(1,6)	(1,6)	(4,5)	(6,6)
Profit before income taxes	23,9	26,5	121,5	125,4
Income taxes	(7,0)	(7,1)	(34,8)	(35,4)
Net Income	16,9	19,4	86,7	89,9
EBITDA	40,2	43,3	174,9	185,3
EBITDA margin	59,2%	62,2%	64,3%	67,1%
Non recurring costs	(1,7)	(0,1)	(5,3)	(0,3)
Adjusted EBITDA	41,9	43,4	180,3	185,6
Adjusted EBITDA margin	61,8%	62,3%	66,3%	67,2%

1) Other Revenues and income in FY2023 include tax credits related to electricity expenses.

Balance Sheet at 31 December 2024

(€m)	2023FY	2024FY
Non current assets		
Tangible assets	297,4	306,0
Rights of use for leasing	33,0	33,6
Intangible assets	24,7	27,0
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	2,9	3,1
Total non-current assets	359,0	370,7
Current assets		
Inventories	0,8	0,8
Trade receivables	74,8	75,1
Other current receivables and assets	1,4	1,9
Current financial assets	0,3	0,0
Cash and cash equivalents	34,1	13,5
Current tax receivables	0,1	0,1
Total current assets	111,3	91,3
TOTAL ASSETS	470,3	462,0
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,7	37,2
Retained earnings	86,7	90,3
Treasury shares	(20,0)	(19,3)
Total shareholders' equity	188,7	192,5
Non-current liabilities		
Non-current financial liabilities	100,4	100,6
Non-current leasing liabilities	17,5	17,4
Employee benefits	8,9	8,5
Provisions for risks and charges	17,9	20,0
Other non-current liabilities	0,3	0,3
Total non-current liabilities	145,0	146,7
Current liabilities		
Trade payables	65,0	53,5
Other debt and current liabilities	48,9	46,0
Current financial liabilities	1,1	6,9
Current leasing liabilities	20,2	16,2
Current tax payables	1,4	0,3
Total current liabilities	136,6	122,8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	470,3	462,0

FY 2024 Cash Flow Statement

(€m)	4Q2023	4Q2024	FY2023	FY2024
Profit before income taxes	23,9	26,5	121,5	125,4
Depreciation, amortization and write-downs	13,0	13,0	47,3	51,1
Provisions and (releases of) personnel and other funds	5,9	4,2	7,0	5,3
Net financial (income)/expenses	1,5	1,5	4,3	6,4
Other non-cash items	0,0	0,4	0,4	0,6
Net operating CF before change in WC	44,3	45,7	180,4	188,9
Change in inventories	-	-	0,0	-
Change in trade receivables	5,3	6,5	(9,1)	(1,1)
Change in trade payables	28,2	10,8	4,5	(11,6)
Change in other assets	2,4	2,4	1,1	(0,6)
Change in other liabilities	(7,4)	(5,6)	3,6	(1,2)
Use of funds	(1,6)	(0,1)	(2,2)	(1,1)
Payment of employee benefits	(1,9)	(0,9)	(3,6)	(2,7)
Change in tax receivables and payables	(0,1)	(0,0)	(2,3)	(0,1)
Taxes paid	(2,7)	(4,5)	(25,5)	(38,3)
Net cash flow generated by operating activities	66,7	54,2	146,9	132,3
Investment in tangible assets	(27,0)	(20,4)	(47,4)	(41,9)
Investment in intangible assets	(5,7)	(5,2)	(10,0)	(8,1)
Change in other non-current assets	0,0	0,0	0,0	(0,1)
Net cash flow generated by investment activities	(32,7)	(25,6)	(57,4)	(50,1)
(Decrease)/increase in medium/long-term loans	100,4	-	100,4	-
(Decrease)/increase in current financial liabilities	(105,1)	(24,9)	(101,4)	5,0
(Decrease)/increase in IFRS 16 financial liabilities	(4,6)	(3,7)	(13,4)	(16,6)
Change in current financial assets	0,5	0,0	0,1	(0,0)
Net Interest paid	(1,6)	(2,8)	(2,6)	(4,7)
Dividends paid	(0,2)	(0,1)	(73,8)	(86,5)
Net cash flow generated by financing activities	(10,6)	(31,5)	(90,7)	(102,8)
Change in cash and cash equivalent	23,4	(2,9)	(1,1)	(20,6)
Cash and cash equivalent (beginning of period)	10,7	16,4	35,2	34,1
Cash and cash equivalent (end of period)	34,1	13,5	34,1	13,5

Notes

ⁱ 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.

ⁱⁱ Excluding investments related to the application of new IFRS 16 Accounting Standard, equal to €4.1m as of 30 September 2024; investments for the first 9 months include € 0.6m related to the CDN project represented as IFRS-16 financial liabilities in the statement of cash flows.

ⁱⁱⁱ Cash generation (Recurring FCFE) defined as Adj. EBITDA net of Leases, Net Financial Charges, P&L Taxes and Recurring Maintenance Capex. Leases are estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts.

^{iv} Net Debt including the effect of the application of the IFRS-16 accounting standard.

^v Dividend yield based on the closing price recorded on 18 March 2025 on Euronext Milan, managed by Borsa Italiana (5.86 €/share)

^{vi} Normalized growth excluding certain residual, non-recurring, impacts related to the refarming process.

^{vii} Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets.

^{viii} Pursuant to art. 2357-ter of the Italian Civil law.

^{ix} Possible changes in the number of treasury shares in the portfolio at the time of distribution of the dividend will not affect the amount of the unit dividend, but only the total amount, with an increase or decrease of the amount allocated to the retained profits.