

An aerial night photograph of a city, likely Milan, showing a dense urban landscape with illuminated buildings and streets. In the foreground, there are modern architectural structures, including a large, brightly lit square area. Overlaid on the left side of the image is a series of concentric white circles, resembling a ripple effect or a signal, which extend across the upper half of the frame.

**Rai Way**

**Interim  
Financial  
Report at  
31 March 2020**

**Rai Way.**  
La strada della comunicazione.



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## Company name, share capital and registered office

Company name: Rai Way S.p.A.  
Share capital: € 70,176,000 fully paid  
Registered office: Via Teulada 66, 00195 Rome  
Tax and VAT code: 05820021003  
Company website: [www.raiway.it](http://www.raiway.it)  
Subject to management and coordination by RAI - Radiotelevisione Italiana S.p.A.  
The Company has no secondary offices.

## Corporate Bodies and Committees <sup>1</sup>

### Board of Directors

#### **Chairperson**

Mario Orfeo

#### **Chief Executive Officer**

Aldo Mancino

#### **Directors**

Joyce Victoria Bigio  
Fabio Colasanti  
Umberto Mosetti  
Donatella Sciuto  
Gian Paolo Tagliavia  
Paola Tagliavini

#### **Secretary to the Board**

Giorgio Cogliati

#### Control and Risks Committee

Paola Tagliavini (Chairperson)  
Fabio Colasanti  
Donatella Sciuto

### Board of Statutory Auditors

#### **Chairperson**

Silvia Muzi

#### **Standing Auditors**

Maria Giovanna Basile  
Massimo Porfiri

#### **Alternate Auditors**

Nicoletta Mazzitelli  
Paolo Siniscalco

#### External Auditors

PricewaterhouseCoopers S.p.A.

#### Remuneration and Appointments Committee

Joyce Victoria Bigio (Chairperson)  
Umberto Mosetti  
Paola Tagliavini

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<sup>1</sup> In office at the date of this report.

Information on the powers assigned within the Board of Directors and the Company's system of corporate governance in general can be found in the Report on Corporate Governance and Ownership Structures relating to the year 2019, published on the Company website ([www.raiway.it](http://www.raiway.it)).

Rai Way<sup>2</sup> (hereafter the Company) is a leading provider of integrated networks infrastructures and services for broadcasters, telecommunication operators, corporates and public administrations; the Company uses its own assets and its own competencies to guarantee the public radio and television service and the transport and broadcast of television and radio content to its customers, in Italy and abroad, leveraging its excellent wealth of technological, engineering and management know-how, in addition to its infrastructures.

Since 2014 Rai Way has been listed on the Electronic Stock Market (MTA) of Borsa Italiana following the Global Offering promoted by the shareholder RAI, which allowed the Company to confirm its previously initiated opening to the market, reinforcing its image as an independent enterprise.

In carrying out its activities, Rai Way also operates in over 2,300 sites equipped with infrastructure and systems for transmitting and broadcasting television and radio signals throughout the whole of Italy, has 21 local network centers and avails itself of a highly specialized workforce.

The services offered by the Company include:

- (i) Broadcasting services, meaning services for the terrestrial and satellite transmission of television and radio signals to the end users within a geographical area;
- (ii) Transmission services, for the transmission of television and radio signals via the connecting network (radio links, satellite systems, fiber optic) and in particular the provision of Contribution services, meaning one-directional transport services;
- (iii) Tower Rental services, meaning hosting of third-party transmission and broadcasting equipment at the Company's sites including, where required, maintenance services as well as other complementary activities;
- (iv) Network services, which consist of a vast range of heterogeneous services, which the Company is able to provide in relation to electronic and telecommunications networks in general such as, for example, planning and consultancy services.

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<sup>2</sup> Rai Way has opted for the simplified system set forth in Art. 70, para. 8 and Art. 71, para. 1-bis of Consob Regulation no. 11971 of 14 May 1999 as amended (Consob Issuers' Regulations), and therefore does not need to meet the informational document publication obligations set forth for significant merger, spin-off, capital increase by means of the contribution of assets in kind, acquisition and disposal transactions.

The services described are offered by Rai Way to different categories of customers: Broadcasters (a category that also includes local and national radio and television network operators and players, which includes RAI), telecommunication operators (mainly MNOs, or Mobile Network Operators), public administrations and private companies.

### **Main alternative performance measures**

The Company assesses performance 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 as stated in Recommendation CESR/05–178b.

- Gross operating profit or EBITDA – earnings before interest, taxes, depreciation and amortization: this is calculated as profit before income taxes, depreciation, amortization, provisions, write-downs and financial income and expenses. EBITDA also excludes profits and losses from managing equity investments and securities, as well as gains and losses arising from the sale of equity investments, which are classified in the financial statements as "financial income and expenses".
- Adjusted gross operating profit or Adjusted 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 to exclude non-recurring expenses/income.
- Net operating profit or EBIT – earnings before interest and taxes: this is calculated as profit before income taxes and before financial income and expenses, without adjustment. EBIT also excludes profits and losses from managing equity investments and securities, as well as gains and losses arising from the sale of equity investments, which are classified in the financial statements as "financial income and expenses".
- Net Invested Capital: this is defined as the sum of Fixed Assets and Net Working Capital less Provisions.
- Net Financial Position: the format for the calculation of NFP is compliant with the provisions of paragraph 127 of CESR Recommendation 05-054b, which implements Regulation (EC) no. 809/2004.
- Capital expenditure: equal to the sum of the expenditure for the maintenance of the infrastructure of the Company's network (Maintenance Expenditure) and for the development/launch of new commercial initiatives (Development Investments). The

item does not include the increases in financial fixed assets and in rights of use for leases.

## Summarized economic and financial data

The following is a summary of the economic data of Rai Way at 31 March 2020 compared to the results at 31 March 2019.

In addition, figures are also provided for the Company's Net Financial Position and Net Invested Capital at 31 March 2020 compared to equivalent figures at the close of the previous financial year-

The changes and percentages shown in the following tables are calculated using values expressed in Euros.

<i>(figures in millions of euro; %)</i>	3 months 2020	3 months 2019	Delta	Delta %
<b>Key income statement figures</b>				
Core revenues	55.6	55.0	0.5	1.0%
Other revenues and income	0.0	0.1	(0.1)	(85.2%)
Other operating costs	(10.5)	(10.3)	(0.2)	(2.3%)
Personnel costs	(11.9)	(11.9)	0.0	0.1%
Adjusted EBITDA	33.1	32.9	0.3	0.8%
EBIT	22.5	22.5	0.1	0.3%
Net profit	16.0	15.7	0.3	2.0%
<i>(figures in millions of euro; %)</i>	3 months 2020	3 months 2019	Delta	Delta %
<b>Key statement of financial position figures</b>				
Capital expenditure	8.7	2.6	6.1	230.7%
of which maintenance	0.8	0.9	(0.1)	(14.4%)
<i>(figures in millions of euro; %)</i>	3 months 2020	12 months 2019	Delta	Delta %
Net Invested Capital	202.8	193.7	9.0	4.7%
Shareholders' Equity	200.2	184.2	16.0	8.7%
Net Financial Position (NFP)	2.6	9.5	(7.0)	(72.9%)
<b>Ratios</b>				
Adjusted EBITDA / Core revenues (%)	59.6%	59.7%	(0.1%)	(0.2%)
Net profit / Core revenues (%)	28.8%	28.5%	0.3%	1.0%
Maintenance CAPEX / Core revenues (%)	1.4%	1.6%	(0.3%)	(15.3%)
Cash conversion rate (%)	97.7%	92.0%	5.7%	6.2%
NFP / Adjusted EBITDA (%)	7.8%	29.1%	(21.2%)	(73.1%)

- Core revenues amounted to € 55.6 million, representing an increase of 1.0% compared to the values recorded at 31 March 2019.
- Adjusted EBITDA amounted to € 33.1 million, an increase of € 0.3 million compared to the values at 31 March 2019. The increase is mainly due to higher core revenues of € 0.5 million, partially offset by higher operating costs of € 0.2 million. The Company defines this indicator as EBITDA adjusted for non-recurring expenses.
- The ratio between Adjusted EBITDA and core revenues was 59.6% compared to 59.7% at 31 March 2019.
- Operating profit (EBIT) amounted to € 22.5 million, an increase of € 0.1 million over the figure posted at 31 March 2019.
- Net profit was € 16.0 million, up 2.0% compared to 31 March 2019.
- Capital expenditure of € 8.7 million relates to the maintenance of network infrastructure and development projects.
- Net Invested Capital amounted to € 202.8 million, with a Net Financial Position of € 2.6 million and a Shareholders' Equity of € 200.2 million.

A summary of the Company's income statement for the periods ended 31 March 2020 and 31 March 2019 is set out in the following table:



## Income statement

	3 months	3 months		
(figures in millions of euro; %)	2020	2019	Delta	% Change
Revenues from RAI Group	47.3	46.7	0.6	1.3%
Revenues from third parties	8.2	8.3	(0.1)	(0.8%)
<b>Core revenues</b>	<b>55.6</b>	<b>55.0</b>	<b>0.5</b>	<b>1.0%</b>
Other revenues and income	0.0	0.1	(0.1)	(85.2%)
Personnel costs	(11.9)	(11.9)	0.0	0.1%
Other operating costs	(10.5)	(10.3)	(0.2)	(2.3%)
<b>Adjusted EBITDA</b>	<b>33.1</b>	<b>32.9</b>	<b>0.3</b>	<b>0.8%</b>
EBITDA margin	59.6%	59.7%	(0.1%)	(0.2%)
Adjustments	-	-	-	N.M.
<b>EBITDA</b>	<b>33.1</b>	<b>32.9</b>	<b>0.3</b>	<b>0.8%</b>
Amortization/Depreciation	(10.6)	(10.4)	(0.2)	(1.6%)
Bad debt provisions	(0.0)	0.0	(0.0)	N.M.
Provisions	-	-	-	N.M.
<b>Operating profit</b>	<b>22.5</b>	<b>22.5</b>	<b>0.1</b>	<b>0.3%</b>
Net financial expenses	(0.2)	(0.4)	0.2	46.1%
<b>Profit before income taxes</b>	<b>22.3</b>	<b>22.1</b>	<b>0.2</b>	<b>1.1%</b>
Income taxes	(6.3)	(6.4)	0.1	1.0%
<b>Net income</b>	<b>16.0</b>	<b>15.7</b>	<b>0.3</b>	<b>2.0%</b>
NET INCOME margin	28.8%	28.5%	0.3%	1.0%

Rai Way had revenues of € 55.6 million, an increase of € 0.5 million compared to the previous period (+1.0%).

The activities carried out for the Rai Group generated revenues of € 47.3 million, an increase of 1.3% compared to the same period of the previous year. The increase of € 0.6 million derived from new services requested by the customer (known as "new services"), referring primarily to extending the MUX coverage. With regard to commercial relationships with other customers, revenues from third parties were € 8.2 million, a decrease of € 0.1 million over the same period of the previous year (-0.8%). The reduction is attributable to Tower Rental services, predominantly due to the economic effects of the optimization activities implemented by the leading MNO customers on their networks, mitigated by the positive performance of revenues relating to Fixed Wireless Access Providers (FWAP), Broadcasters and Corporate customers.

Other revenues and income is down € 0.1 million from the same period in the previous year.

### Operating costs

The income statement item "Personnel costs" – excluding non-recurring costs for retirement incentives classified as part of adjustments – amounted to € 11.9 million, in line with the prior period. The Company's average workforce decreased by 5 during the period under review, from an average of 616 in the first three months of 2019 to an average of 611 in the corresponding period of 2020.

"Other operating costs" – which consist of consumables, services and other costs net of non-recurring items – amounted to € 10.5 million, up by € 0.2 million over the previous period. The increase is mainly due to higher costs for electricity as a result of the increase in unit costs and higher consumption relating to new development initiatives.

Other operating costs do not include the non-recurring costs for extraordinary operations that are not included in the calculation of Adjusted EBITDA.

Adjusted EBITDA amounted to € 33.1 million, an increase of € 0.3 million compared to the value of € 32.9 million for 31 March 2019, representing a margin of 59.6%. There were no non-recurring costs during the period.

Operating profit (EBIT) amounted to € 22.5 million, an increase of € 0.1 million compared to the same period of the prior year.

Financial expenses closed with a balances of € 0.2 million, an improvement of € 0.2 million over the previous period, also due to the effect of lower interest expense on lease contracts. Net profit amounted to € 16.0 million, an increase of € 0.3 million over the same period in 2019.

### Capital expenditure

During the first quarter of 2020, capital expenditures amounted to € 8.7 million (€ 2.6 million in the same period of 2019), of which € 0.8 million relating to the maintenance of the Company's network infrastructure (€ 0.9 million in the same period of 2019) and € 7.9 million to the development of new initiatives (€ 1.7 million in the same period of 2019).

(figures in millions of euro; %)	3 months	3 months	Delta	Delta %
	2020	2019		
Maintenance expenditure	0.8	0.9	(0.1)	(14.4%)
Development investments	7.9	1.7	6.2	358.5%
Total capital expenditure	8.7	2.6	6.1	230.7%
Lease investments (IFRS 16)	1.2	-	1.2	N.M.

The most significant maintenance expenditures, designed to ensure higher service standards, concerned the DAB radio service in order to improve reliability, availability, and enhancement of the management system.

Development investments referred primarily to the extension of the MUX coverage.

#### Statement of financial position

(figures in millions of euro; %)	3 months	12 months	Delta	% Change
	2020	2019		
Fixed assets	228.8	229.4	(0.7)	(0.3%)
Net working capital	1.7	(8.0)	9.7	121.2%
Provisions	(27.7)	(27.7)	(0.0)	(0.1%)
<b>NET INVESTED CAPITAL</b>	<b>202.8</b>	<b>193.7</b>	<b>9.0</b>	<b>4.7%</b>
Shareholders' Equity	200.2	184.2	16.0	8.7%
Net Financial Position *	2.6	9.5	(7.0)	(72.9%)
<b>TOTAL FUNDING</b>	<b>202.8</b>	<b>193.7</b>	<b>9.0</b>	<b>4.7%</b>

(\*) In this representation, the Net Financial Position is expressed with the opposite sign to the table shown in the Notes to the financial statements - Net Financial Position (note 17).

Net Invested Capital at 31 March 2020 was € 202.8 million. Fixed assets include the rights of use for leases in application of the IFRS 16 accounting standard for € 31.8 million.

The Net Financial Position amounted to € 2.6 million and included leases financial liabilities in application of the IFRS 16 accounting standard for a value of € 40.4 million. Please refer to the paragraph "Net Financial Position" for additional details (note 17).

## **Human Resources and Organization**

Rai Way had a workforce of 606 people at 31 March 2020 employed on a permanent basis: 23 executives, 162 middle managers, 409 technicians or office staff and 12 workers; considering the 9 workers on fixed-term contracts, the workforce reached a total of 615.

The average number of employees fell from 616 in the first three months of 2019 to 611 in the same period of 2020.

## **Relationships with Rai Group Companies**

Relationships of a commercial and financial nature were maintained with the Parent Company RAI - Radiotelevisione Italiana; relationships with other companies of the RAI Group are exclusively of a commercial nature. Further details may be found in the section "Related party transactions" in the Notes to the financial statements.

## **Significant events**

The significant events were as follows:

- On 12 March 2020, the Board of Directors approved the 2019 draft financial statements, which closed with a profit of € 63.4 million, and a proposal to distribute a dividend of € 0.2329 per share.
- On the same date, the Board of Directors approved the 2020-2023 industrial plan.
- On 18 March 2020, the Board of Directors of Rai Way, in consideration of the provisions contained in Art. 106 of Law Decree no. 18 of 17 March 2020, resolved to convene the Shareholders' Meeting to approve the financial statements at 31 December 2019, in the first or only call, on a date between 15-26 June.

The initial months of 2020 were characterized by the health emergency due to the spread of the COVID-19 virus, with the issue of various regulatory provisions. For more information on this matter, please refer to the "Business outlook" paragraph of this document and to what is included in the Report on Operations for the 2019 draft financial statements ("General

indications and the overall performance of the economy" and "Risk factors related to the industry in which the Company operates" paragraphs).

## **Disclosures on the main risks and uncertainties faced by the Company**

The pursuit of the corporate mission and the Company's economic and financial position are affected by various potential risk factors and uncertainties.

A detailed analysis of risks was presented in the Rai Way 2019 Annual Report - Report on Operations ("Risk factors related to the Company" paragraph), published on the Company's website.

## **Events subsequent to 31 March 2020**

The significant events were as follows:

- On 20 April 2020, the Board of Directors resolved to convene the Ordinary Shareholders' Meeting in a single call, at the Company's registered office in Rome, Via Teulada no. 66, at 11:00 am on 24 June 2020.

The Shareholders' Meeting will be asked to approve the 2019 financial statements and the proposal to allocate the profit for the year, as well as to resolve on:

- the appointment of the Board of Directors (by list voting) and its chairperson, after determining the number of members and term of office, as well as deciding on the related remuneration;
- a new authorization for the purchase and disposal of treasury shares, following the withdrawal of the authorization resolved by the Shareholders' Meeting on 18 April 2019, according to the main conditions described below;
- the Report on Remuneration Policy and Remuneration Paid pursuant to, respectively, Art. 123-ter, paras. 3-bis and 3-ter (that is, on the first section of the Report, with a binding vote) and Art. 123-ter, para. 6 (that is, on the second section of the Report, with an advisory vote) of Legislative Decree no. 58/1998.



- On 21 April 2020, Ms. Anna Gatti - non-executive and independent Director and Chairperson of the Remuneration and Appointments Committee - resigned from her position as Director of the Company, effective immediately.
- On 6 May, the Company's Board of Directors appointed Ms. Paola Tagliavini, non-executive and independent Director, as a member of the Remuneration and Appointments Committee, to replace Ms. Anna Gatti. Also in replacement of the latter, the Board of Directors appointed Ms. Joyce Bigio, a non-executive and independent Director who is already a member of the Remuneration and Appointments Committee, as Chairperson of the Committee.

## **Business outlook**

The results of the first three months of 2020 highlighted a limited impact from the COVID-19 emergency.

Based on the information available to date, it is believed that these impacts can be managed throughout the year, maintaining the 2020 targets communicated to the market on 12 March, which entail:

- a further organic growth in Adjusted EBITDA;
- maintenance expenditures as a ratio of core revenues that are essentially in line with 2019.

If the COVID-19 emergency develops differently than what is foreseeable to date, the Company reserves the right to update the forecasts for the current year.

## **Management and coordination**

Rai Way is subject to management and coordination by RAI pursuant to Art. 2497 of the Italian Civil Code. Further details may be found in the 2019 Annual Report - Report on Operations section, "Management and coordination" paragraph, published on the Company's website.

Rome, 14 May 2020

On behalf of the Board of Directors  
The Chairperson  
Mario Orfeo

## Interim Financial Report at 31 March 2020

### Financial statements

#### INCOME STATEMENT RAI WAY SPA (\*)

(Figures in Euro)	Notes (**)	3 months at	
		31/03/2020	31/03/2019
Revenues	5	55.567.822	55.020.428
Other revenues and income	6	9.572	64.664
Purchase of consumables	7	(239.371)	(277.990)
Costs of services	7	(9.709.738)	(9.484.847)
Personnel costs	7	(11.934.464)	(11.944.113)
Other costs	7	(566.600)	(514.984)
Write-downs of financial assets	7	(16.440)	7.089
Amortization, depreciation and write-downs	8	(10.578.418)	(10.408.795)
Provisions	8	-	-
<b>Operating profit</b>		<b>22.532.363</b>	<b>22.461.452</b>
Financial income	9	4.478	(5.100)
Financial expenses	9	(208.806)	(374.011)
<b>Total net financial income/(expenses)</b>		<b>(204.328)</b>	<b>(379.111)</b>
<b>Profit before income taxes</b>		<b>22.328.035</b>	<b>22.082.341</b>
Income tax	10	(6.333.146)	(6.397.556)
<b>Profit for the period</b>		<b>15.994.889</b>	<b>15.684.785</b>

#### STATEMENT OF COMPREHENSIVE INCOME RAI WAY SPA (\*)

(Figures in Euro)	Notes (**)	3 months at	
		31/03/2020	31/03/2019
<b>Profit for the period</b>		<b>15.994.889</b>	<b>15.684.785</b>
<b>Items that will be recognised in the income Statement</b>			
Profit/(Loss) on cash flow hedge instruments		-	-
Tax effect		-	-
<b>Items that will not be recognised in the income Statement</b>			
Actuarial Profit / (Loss) for employee benefits		-	-
Tax effect		-	-
<b>Comprehensive profit for the period</b>		<b>15.994.889</b>	<b>15.684.785</b>

(\*) Statement drawn up in compliance with International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union ("IFRS").

(\*\*) The notes refer only to the items commented upon in these Explanatory Notes.

**STATEMENT OF FINANCIAL POSITION RAI WAY(\*)**

(Figures in Euro)	Notes (**)	3 months at 31/03/2020	12 months at 31/12/2019
<b>Non-current assets</b>	11		
Property, plant and equipment		178,523,004	177,638,308
Rights of use for leases		35,254,156	36,241,596
Intangible assets		13,716,388	14,286,790
Non-current financial assets		1,659	1,659
Deferred tax assets		2,840,415	2,688,561
Other non-current assets		1,267,697	1,267,760
<b>Total non-current assets</b>		<b>231,603,319</b>	<b>232,124,674</b>
<b>Current assets</b>	12		
Inventory		885,247	885,247
Trade receivables		89,230,800	74,794,689
Other current receivables and assets		6,980,478	5,036,384
Current financial assets		289,949	260,089
Cash and cash equivalents		37,942,408	30,167,740
Current income tax credits		62,196	62,196
<b>Total current assets</b>		<b>135,391,078</b>	<b>111,206,345</b>
<b>Total assets</b>		<b>366,994,397</b>	<b>343,331,019</b>
<b>Shareholders' equity</b>	13		
Share capital		70,176,000	70,176,000
Legal reserve		14,035,200	14,035,200
Other reserves		37,078,970	37,078,970
Retained earnings		78,901,450	62,906,561
<b>Total shareholders' equity</b>		<b>200,191,620</b>	<b>184,196,731</b>
<b>Non-current liabilities</b>	14		
Non-current financial liabilities		260,807	260,807
Non-current lease liabilities		24,817,156	26,263,200
Employee benefits		14,439,368	14,433,918
Provisions for risks and charges		16,081,471	15,906,106
Other non-current payables and liabilities		-	-
<b>Total non-current liabilities</b>		<b>55,598,802</b>	<b>56,864,031</b>
<b>Current liabilities</b>	15		
Trade payables		47,778,745	54,278,159
Other current payables and liabilities		46,189,054	34,105,085
Current financial liabilities		212,428	182,986
Current lease liabilities		15,534,411	13,269,690
Payables for current taxes		1,489,337	434,337
<b>Total current liabilities</b>		<b>111,203,975</b>	<b>102,270,257</b>
<b>Total liabilities and shareholders' equity</b>		<b>366,994,397</b>	<b>343,331,019</b>

(\*) Schedule prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union ("IFRS").

(\*\*) Notes refer only to the items for which comments are provided in these Notes.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY RAI WAY (\*)

	Share capital	Legal reserve	Other reserves	Retained earnings	Total
<i>(Figures in Euro)</i>					
<b>At 1 January 2019</b>	<b>70,176,000</b>	<b>14,035,200</b>	<b>37,078,970</b>	<b>59,531,790</b>	<b>180,821,960</b>
Profit for the period				15,684,785	15,684,785
Actuarial gains/(losses) (**)					-
Gains/(losses) on first-time adoption of IFRS standards					-
Cash flow hedge reserve			-		-
Allocation of profit to reserves					-
Distribution of dividends					-
<b>At 31 March 2019</b>	<b>70,176,000</b>	<b>14,035,200</b>	<b>37,078,970</b>	<b>75,216,575</b>	<b>196,506,745</b>
Profit for the period				47,676,188	47,676,188
Actuarial gains/(losses) (**)				(255,002)	(255,002)
Gains/(losses) on first-time adoption of IFRS standards					-
Cash flow hedge reserve (***)			-		-
Allocation of profit to reserves					-
Distribution of dividends				(59,731,200)	(59,731,200)
<b>At 31 December 2019</b>	<b>70,176,000</b>	<b>14,035,200</b>	<b>37,078,970</b>	<b>62,906,561</b>	<b>184,196,731</b>
Profit for the period				15,994,889	15,994,889
Actuarial gains/(losses) (**)					-
Gains/(losses) on first-time adoption of IFRS standards					-
Cash flow hedge reserve (***)					-
Allocation of profit to reserves					-
Distribution of dividends					-
<b>At 31 March 2020</b>	<b>70,176,000</b>	<b>14,035,200</b>	<b>37,078,970</b>	<b>78,901,450</b>	<b>200,191,620</b>

(\*) Schedule prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Board and adopted by the European Union ("IFRS").

(\*\*) The change is shown net of the related tax effects



## CASH FLOW STATEMENT RAI WAY (\*)

(Figures in Euro)	31/03/2020	31/03/2019
<b>Pre-tax profit</b>	<b>22,328,035</b>	<b>22,082,341</b>
Adjustments for:		
Amortization, depreciation and write-downs	10,594,858	10,401,706
Provisions and (releases of) personnel and other funds	948,480	600,345
Net financial (income)/expenses (**)	151,586	326,524
Other non-monetary items (***)	-	55
<b>Cash flow generated by operating activities before changes in net working capital</b>	<b>34,022,959</b>	<b>33,410,971</b>
Change in inventory	-	251
Change in trade receivables	(14,452,551)	(14,654,947)
Change in trade payables	(6,499,414)	(74,281)
Change in other assets/liabilities (***)	4,650,101	6,574,560
Use of provisions for risks	(214,876)	(5,440)
Payment of employee benefits (***)	(457,957)	(491,224)
Taxes paid	-	-
<b>Net cash flow from operating activities</b>	<b>17,048,262</b>	<b>24,759,890</b>
Investments in property, plant and equipment	(8,614,723)	(2,585,232)
Disposals of property, plant and equipment	-	25
Investments in intangible assets	(78,672)	(43,654)
Disposal of intangible assets	-	-
Change in non-current financial assets	-	1
Change in other non-current assets	63	(13)
<b>Net cash flow from investing activities</b>	<b>(8,693,332)</b>	<b>(2,628,873)</b>
(Decrease)/increase in medium/long-term loans	-	-
(Decrease)/increase in current financial liabilities	(69,413)	(288,026)
Repayments of lease liabilities	(450,516)	(1,753,274)
Change in current financial assets	(29,860)	(59,095)
Net interest expense for the period	(30,474)	(22,605)
Dividends distributed	-	-
<b>Net cash flow from financing activities</b>	<b>(580,262)</b>	<b>(2,123,000)</b>
<b>Change in cash and cash equivalents</b>	<b>7,774,668</b>	<b>20,008,017</b>
Cash and cash equivalents at beginning of period	30,167,740	17,193,515
<b>Cash and cash equivalents at end of period</b>	<b>37,942,408</b>	<b>37,201,532</b>

(\*) Schedule prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union ("IFRS").

(\*\*) Note that the item Net financial income/expenses excludes financial expenses relative to the Dismantling and restoration provision as they are not considered to be financial in nature.

(\*\*\*) Note that for the items indicated, the following reclassifications were carried out: the item "Other non-monetary items" includes the gains/losses from sales of property, plant and equipment; the item "Change in other assets/liabilities" includes the payable for the additional monthly payments that was previously included in the item "Payment of employee benefits".

## **Notes to the Interim Financial Report at 31 March 2020**

### **Introduction (note 1)**

The Interim Financial Report at 31 March 2020, consisting of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Shareholders' Equity, and the related notes, has been prepared pursuant to Art. 154-ter of Italian Legislative Decree 58/1998 and subsequent amendments, as well as with the Issuers' Regulations published by Consob.

The Interim Financial Report at 31 March 2020 has been prepared in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

This Interim Financial Report at 31 March 2020 was approved on 14 May 2020 by the Board of Directors, which authorized its publication.

The structure and content of the accounting statements in the Interim Financial Report at 31 March 2020 and the related compulsory schedules conform to those prepared for the annual financial statements. Where applicable, the same criteria and standards applied to the financial statements at 31 December 2019 – except for those specifically applicable to interim reports - were used to prepare this report.

The notes were drawn up in accordance with the minimum contents required by IAS 34 – Interim Financial Reporting, and with the instructions issued by Consob in Communication no. 6064293 of 28 July 2006. In accordance with IAS 34, the notes are presented in summary form and do not include all of the information required in the annual financial statements; they refer exclusively to components which, due to amount, composition, or transactions, are essential for purposes of understanding the Company's economic and financial position. Therefore, this Interim Financial Report must be read together with the financial statements at 31 December 2019.

This Interim Financial Report presents a comparison with data from the last financial statements of Rai Way at 31 December 2019 with regard to the statement of financial position, and with data from the Interim Financial Report at 31 March 2019 with regard to the income statement.

The preparation of Interim Financial Report at 31 March 2020 required the use of estimates by the directors: the main areas in which significant evaluations and assumptions were conducted, and those with significant effects on the periodic situations presented, are reported below in the notes at 31 March 2020. Some of the measurement processes, especially the most complex ones, such as the determination of impairment of non-current assets, are generally conducted in a complete manner only when preparing the annual financial statements except when there are indicators that demand an immediate update of estimates.

### **Changes and interpretations of current standards, effective 1 January 2020 (note 2)**

With regard to application of current accounting standards and recently issued ones, please refer to the Rai Way 2019 Annual Report – Notes to the financial statements, "Summary of accounting standards" paragraph published on the Company's website.

With regard to accounting standards approved but not yet applicable or not yet approved by the European Union, please refer to the description provided in the specific paragraph of the Notes to the financial statements at 31 December 2019.

### **Segment information (note 3)**

The sector information, to which the reader is referred, was set out in the 2019 Annual Report - Report on Operations section ("Reference market" paragraph) published on the Company's website.

### **Seasonality of the business (note 4)**

There are no significant seasonality factors that affect the Company's results.

## Notes on principal changes to the Income Statement

### Revenues (note 5)

	3 months	
<i>(in thousands of Euro)</i>	2020	2019
Revenues from RAI Group (*)	47,349	46,732
Revenues from third parties	8,218	8,288
- Fees for equipment hosting and devices	7,349	7,464
- Other	869	824
<b>Total revenues from sales and services</b>	<b>55,567</b>	<b>55,020</b>

(\*) Revenues are shown net of marginal costs of € 5,489 thousand (€ 6,640 thousand at 31/03/2019).

"Revenues" includes revenues accruing in the year from the provision of services that are part of the Company's normal business operations.

At 31 March 2020, revenues increased by € 547 thousand compared to the same period of 2019, from € 55,020 thousand at 31 March 2019 to € 55,567 thousand at 31 March 2020.

"Revenues from RAI Group" amounted to € 47,349 thousand, equal to 85% of total revenues at 31 March 2020, an increase of € 617 thousand compared to the same period of 2019. This increase mainly derives from additional services provided to the Parent Company (known as "new services").

"Revenues from third parties" includes revenues generated from the services of (i) Tower Rental, (ii) Broadcasting, (iii) Transmission, and (iv) Network services, that the Company provided to third parties other than RAI. These revenues posted a slight decline, equivalent to € 70 thousand, compared to the same period of the previous year, primarily attributable to the lower Tower Rental services.

### Other revenues and income (note 6)

"Other revenues and income" amounted to € 10 thousand in the first three months of 2020, a decrease of € 55 thousand compared to 31 March 2019, due to lower compensation for damages and other recoveries.

### Costs (note 7)

"Costs of consumables and goods" decreased by € 39 thousand, from € 278 thousand at 31 March 2019 to € 239 thousand at 31 March 2020. These costs mainly include costs for the purchase of technical materials for the warehouse, and fuels for generators and heating.

"Service costs" amounted to € 9,710 thousand at 31 March 2020, recording an increase of € 225 thousand compared to 31 March 2019 (€ 9,485 thousand), due to higher electricity costs following an increase in unit costs and incremental consumption related to new development initiatives.

The income statement item "Personnel costs" amounted to € 11,934 thousand, a decrease of € 10 thousand compared to 31 March 2019 (€ 11,944 thousand). The Company's average workforce decreased from 615 at 31 March 2019 to 611 at 31 March 2020; capitalized personnel costs amounted to € 823 thousand at 31 March 2020 (€ 580 thousand at 31 March 2019).

"Other costs" amounted to € 567 thousand, with an increase of € 52 thousand compared to 31 March 2019 (€ 515 thousand), mainly attributable to higher local taxes and stamp duties, subscriptions and membership fees.

"Write-downs of financial assets" amounted to € 16 thousand at 31 March 2020 and refers to provisions for bad and doubtful debts. At 31 March 2019, this item had a negative balance (positive income component) of € 7 thousand, resulting from the effects of the partial absorption of the provision for bad and doubtful debts.

### Amortization, Depreciation, Other write-downs, and Provisions (note 8)

"Amortization, Depreciation, and Other write-downs" amounted to € 10,578 thousand at 31 March 2020 (€10,409 thousand at 31 March 2019). This item posted an increase of € 169 thousand with respect to the same period in the previous year.

"Provisions" did not record any movements at 31 March 2020 or 31 March 2019.

### Financial income and expenses (note 9)

"Financial income" amounted to € 4 thousand at 31 March 2020, while the balance was negative for € 5 thousand in the same period of the previous year.



"Financial expenses" amounted to € 209 thousand, down € 165 thousand compared to the same period of the previous year (€ 374 thousand as at 31 March 2019).

#### Income tax (note 10)

The item breaks down as follows:

	3 months	
<b>(in thousands of Euro)</b>	<b>2020</b>	<b>2019</b>
Current taxes	6,485	6,500
Deferred taxes	(152)	(102)
<b>Total</b>	<b>6,333</b>	<b>6,398</b>

"Income tax" amounted to € 6,333 thousand, a decrease of € 65 thousand compared to the same period in the previous year.

### **Notes on principal changes to the Statement of Financial Position**

#### Non-current assets (note 11)

"Property, plant and equipment" amounted to € 178,523 thousand as at 31 March 2020, an increase of € 885 thousand compared to 31 December 2019 due primarily to investments made in the first three months of the year (€ 8,615 thousand), partially offset by depreciation for the period (€ 7,731 thousand).

"Rights of use for leases", recognized beginning in 2019 due to the adoption of the IFRS 16 accounting standard, amounted to € 35,254 thousand at 31 March 2020 (€ 36,242 thousand at 31 December 2019), a decrease of € 988 thousand following the combined effect of increases for € 1,212 thousand and amortization for € 2,200 thousand.

"Intangible assets" amounted to € 13,716 thousand, a decrease of € 570 thousand compared to 31 December 2019, due primarily to amortization for the period partially offset by investments carried out (€ 79 thousand).

"Deferred tax assets" recorded a balance of € 2,840 thousand at 31 March 2020, an increase of € 152 thousand compared to 31 December 2019, mainly in relation to higher credits with the tax authorities for prepaid taxes.

"Other non-current assets" amounted to € 1,268 thousand at 31 March 2020 and remains essentially in line with the values for the previous year. The amount includes € 353 thousand for guarantee deposit receivables and € 915 thousand for the substitute tax for the sheltering of the merger deficit generated by the merger by acquisition of the company Sud Engineering, which became effective as of 22 June 2017. In this regard, the Company opted for the ordinary regime provided by Art. 176, para. 2-ter of the Consolidated Income Tax Act, for which the substitute tax was recognized as a prepayment of current taxes.

#### Current assets (note 12)

"Inventory" amounted to € 885 thousand, unchanged with respect to 31 December 2019. Inventories include contract work in progress and stocks and spare parts for the maintenance and use of technical business assets.

"Trade receivables", equal to € 89,231 thousand, are broken down as follows:

	At 31 March	At 31 December
(in thousands of Euro)	2020	2019
Receivables from Parent Company	70,092	68,984
Receivables from customers and other Group companies	21,713	8,369
Bad debt provision	(2,574)	(2,558)
<b>Total trade receivables</b>	<b>89,231</b>	<b>74,795</b>

Compared to the previous year, receivables increased by € 14,436 thousand. This increase mainly refers to the receivables due to the Company from third-party customers.

At 31 March 2020, "Other current receivables and assets" amounted to € 6,980 thousand, an increase of € 1,944 thousand compared to 31 December 2019 due mainly to higher deferred income.

At 31 March 2020, "Current financial assets" amounted to € 290 thousand, an increase of € 30 thousand from the prior year.

"Cash and cash equivalents" amounted to € 37,942 thousand at 31 March 2020, an increase of € 7,775 thousand compared to 31 December 2019 (€ 30,168 thousand) deriving from the cash flows generated by operations.

Current income tax credits amounted to € 62 thousand at 31 March 2020 and were unchanged from the previous year. This value refers to the recognition of the substitute tax deriving from tax sheltering of the merger deficit as described in the previous paragraph for the item "Other non-current assets".

#### Shareholders' equity (note 13)

At 31 March 2020, the Company's "Shareholders' equity" amounted to € 200,192 thousand, an increase of € 15,995 thousand compared to 31 December 2019, as a result of the profit for the period.

#### Non-current liabilities (note 14)

At 31 March 2020, "Non-current financial liabilities" amounted to € 261 thousand, unchanged with respect to 31 December 2019.

"Non-current lease liabilities" totaled € 24,817 thousand, down € 1,446 thousand compared to 31 December 2019 (€ 26,263 thousand) as a result of the payments made in the quarter.

"Employee benefits" amounted to € 14,439 thousand, in line with the value at 31 December 2019 (€ 14,434 thousand).

"Provisions for risks and charges" totaled € 16,081 thousand, an increase of € 175 thousand compared to 31 December 2019 (€ 15,906 thousand), due primarily to provisions for benefits accrued by personnel.

The timing of disbursements for the item "Provision for risks and charges" cannot be estimated with any certainty as they mainly depend on the timing of judicial proceedings and strategic and/or legislative decisions on the composition and nature of the network for broadcasting radio and television signals which are currently not predictable.

#### Current liabilities (note 15)

"Trade payables", which amounted to € 47,779 thousand, can be broken down as follows:

	At 31 March	At 31 December
<i>(in thousands of Euro)</i>	2020	2019
Payables to suppliers	42,525	49,415
Payables to parent company	5,254	4,863
<b>Total trade payables</b>	<b>47,779</b>	<b>54,278</b>

At 31 March 2020, "Other current payables and liabilities" amounted to € 46,189 thousand, an increase of € 12,084 thousand compared to the end of 2019. The increase is mainly attributable to higher deferred income and a higher value of payables due to RAI for IRES tax consolidation.

"Current financial liabilities" amounted to € 212 thousand at 31 March 2020, an increase of € 29 thousand compared to 31 December 2019.

"Current lease liabilities" totaled € 15,534 thousand, an increase of € 2,264 thousand compared to 31 December 2019 (€ 13,270 thousand).

At 31 March 2020, "Current tax payables" amounted to € 1,489 thousand, an increase of € 1,055 thousand compared to 31 December 2019 due to the payable to tax authorities for IRAP accrued during the current period.

### Earnings per share (note 16)

The following table shows the calculation of basic and diluted earnings per share in the reference period.

	At 31 March	At 31 March
<i>(in thousands of Euro, except where otherwise indicated)</i>	2020	2019
Profit for the period	15,995	15,685
Average number of ordinary shares	272,000,000	272,000,000
<b>Earnings per share (basic and diluted) in Euro</b>	<b>0.06</b>	<b>0.06</b>

Diluted earnings per share is the same as basic earnings per share because there were no dilutive elements at the reference date of this Report.

## **Net Financial Position (note 17)**

The following table sets out the Company's Net Financial Position, determined in accordance with paragraph 127 of ESMA document no. 81 of 2011, implementing Regulation (EC) no. 809/2004.

One of the components of Rai Way's Net Financial Position is the loan agreement entered into on 15 October 2014 between the Company and Mediobanca, BNP Paribas S.A., Intesa Sanpaolo S.p.A. and UBI Banca Società Cooperativa per Azioni.

The loan agreement was extended until 30 September 2020 and includes a revolving credit facility of € 25 million, equal to half of the original amount of the agreement, that has not been utilized as of 31 March 2020.

This loan agreement contains a series of general commitments and covenants for which the Company is responsible, and events of default in line with market practice for loans of a similar amount and nature, but does not, however, include restrictions or limitations on the payment of dividends by the Company, as indicated in the 2019 Annual Report - Notes to the financial statements ("Current and non-current financial assets and liabilities" paragraph), published on the Company's website.

At 31 March 2020, the aforementioned general commitments and covenants are respected.

Interest is equal to the sum of the Euribor rate for the period of reference and a spread (120 bps for the revolving facility), with a floor of zero in the event that the Euribor is negative.

The table below shows the Net Financial Position, both including and excluding the effects from the application of the IFRS 16 accounting standard.



<i>(in thousands of Euro)</i>		At 31 March 2020	At 31 December 2019
A.	Cash	11	8
B.	Bank and post office cheques and deposits	37,931	30,160
C.	Securities held for trading	-	-
<b>D.</b>	<b>Cash and cash equivalents (A) + (B) + (C)</b>	<b>37,942</b>	<b>30,168</b>
<b>E.</b>	<b>Current financial receivables</b>	<b>290</b>	<b>260</b>
F.	Current payables to banks	(128)	(98)
G.	Current portion of non-current debt	-	-
H.	Other current financial payables	(84)	(84)
I.	Current lease liabilities	(15,534)	(13,270)
<b>J.</b>	<b>Current financial debt (F) + (G) + (H) + (I)</b>	<b>(15,746)</b>	<b>(13,452)</b>
<b>K.</b>	<b>Net current financial debt (J) - (E) - (D)</b>	<b>22,486</b>	<b>16,976</b>
L.	Non-current payables to banks	(144)	(144)
M.	Non-current lease liabilities	(24,817)	(26,263)
N.	Other non-current payables	(117)	(117)
<b>O.</b>	<b>Non-current financial debt (L) + (M) + (N)</b>	<b>(25,078)</b>	<b>(26,524)</b>
<b>P.</b>	<b>ESMA net financial debt / Net financial position</b>	<b>(2,592)</b>	<b>(9,548)</b>

Excluding effects of IFRS 16 - Lease liabilities:

<b>Q.</b>	<b>ESMA net financial debt / Net financial position excluding IFRS 16 (P) - (I) - (M)</b>	<b>37,759</b>	<b>29,985</b>
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## Commitments and guarantees (note 18)

Commitments, referring only to technical investments, amounted to € 29.1 million at 31 March 2020 (€ 19.2 million at 31 December 2019).

At 31 March 2020, guarantees amounted to € 63,057 thousand (€ 62,012 thousand at 31 December 2019) and mainly regard personal guarantees received for the obligations of other parties and guarantees of third parties pledged for the Company's obligations for liabilities and payables.

## Transactions deriving from abnormal and/or unusual operations (note 19)

Pursuant to Consob Communication no. DEM 6064293 of 28 July 2006, during the first three months of 2020, the Company was not party to any abnormal and/or unusual operations as defined in that communication.

## **Other information (note 20)**

### Contingent liabilities

The Company is party to certain legal disputes pending before Regional Administrative Courts relating to the use of radio and television signal transmission frequencies. In particular, the issue in dispute is the interference that this causes with the radio and/or television signal transmitted by other industry operators. All disputes are constantly monitored by the Company's legal office, which to this purpose engages the support of leading law firms specializing in administrative disputes. The amounts recognized in the financial statements as provisions for risks and charges represent management's best estimate of the outcome of the pending disputes and have been calculated by taking into account the opinions of the external legal counsels assisting the Company.

The Company is also party to a number of law suits brought by employees and former employees in relation to alleged faulty application of the current regulations governing employee agreements. As previously noted, as far as this type of litigation is concerned the Company makes use of support provided by leading law firms specializing in labor law during the litigation proceedings as well as employing the services of its in-house legal department. The amounts recognized in the financial statements to provide against the risk of losing the litigation have been calculated by management by estimating, on the basis of the professional assessment of the external lawyers representing the Company in court, the probable cost to be borne by Rai Way, taking into consideration the present stage of the litigation.

Finally, Rai Way is a party to a number of lawsuits of a civil nature relating to the correct quantification of the fee due for the occupation of public space by the Company's owned installations is calculated.

Although it is arguing its case in the applicable courts, assisted in this by the support of specialized law firms, also taking into account the professional opinions formulated by these firms concerning the expected outcome of the pending disputes, the Company has not recognized in the provisions for risks and charges in its financial statements the amounts that Senior Management considers it probable that it will be required to pay should it lose the cases.

In order to provide supplementary information on the matters discussed above, it should forthwith be stated that in carrying out its ordinary operations the Company avails itself of

the hosting services of third parties to position its installations on the land, buildings or structures of such parties. Since these hosting services are generally formalized through contracts or similar legal instruments (for example: transfers of surface rights, concessions of public spaces, etc.), the Company may have to incur costs for the removal of network infrastructures in the event that the contractual relationships with the third party hosts are not renewed or expire. A number of specific disputes are currently in progress on this matter, which could lead to the determination of these costs, at present not quantifiable, in the near future. The Company accordingly believes that the possibility exists that it may in the future have to incur costs to satisfy the claims it has received, and in this respect has created a provision for site decommissioning and restoration in the financial statements for this purpose.

If the circumstances discussed above should change in the future, with the likelihood of the Company having to incur costs that exceed the amount recognized in the site dismantling and restoration provision becoming probable, all necessary measures will be taken to protect the Company's interests and adequately portray the changed situation in the financial statements.

### Related party transactions<sup>3</sup>

Details of the transactions between the Company carried out with related parties in the period ended on 31 March 2020 are provided in the following; related parties are identified on the basis of IAS 24 Related Party Disclosures. The Company carries out transactions mainly of a commercial and financial nature with the following related parties:

- RAI S.p.A.;
- the Group's key management, including the members of the Company's Board of Directors ("Senior Management");
- other subsidiaries of RAI and/or companies in which the Parent Company has an interest ("Other related parties").

Related party transactions are conducted under normal market conditions.

The following table sets out details of the Company's statement of financial position items with regard to related parties at 31 March 2020 and 31 December 2019:

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<sup>3</sup> In compliance with the provisions of IAS 24, paragraph 25, Rai Way is exempted from the disclosures specified in paragraph 18 (according to which the Company must indicate the nature of the related party transaction, besides providing the information on these transactions and the outstanding balances, including commitments, needed by the users of the financial statements to understand the potential effects of these transactions on the separate financial statements) in the case of relations with another entity that is a related party because the same governing entity has the control, joint control or a significant influence both on the entity that prepares the financial statements and on the other entity.

## Related Party Transactions (Statement of Financial Position)

<i>(in thousands of Euro)</i>	Parent Company	Senior Management	Other related parties	Total
<b>Software licences</b>				
At 31 March 2020	50			50
At 31 December 2019	50			50
<b>Rights of use for leases</b>				
At 31 March 2020	19,006		19	19,025
At 31 December 2019	19,957		22	19,979
<b>Non-current financial assets</b>				
At 31 March 2020				-
At 31 December 2019				-
<b>Current financial assets</b>				
At 31 March 2020	284			284
At 31 December 2019	252			252
<b>Current trade receivables</b>				
At 31 March 2020	70,092		315	70,407
At 31 December 2019	68,984		313	69,297
<b>Other current receivables and assets</b>				
At 31 March 2020	2,456			2,456
At 31 December 2019	2,477			2,477
<b>Non-current lease liabilities</b>				
At 31 March 2020	15,404			15,404
At 31 December 2019	16,343		12	16,355
<b>Current financial liabilities</b>				
At 31 March 2020	-			-
At 31 December 2019				-
<b>Current lease liabilities</b>				
At 31 March 2020	8,674			8,674
At 31 December 2019	7,677		12	7,689
<b>Trade payables</b>				
At 31 March 2020	5,254			5,254
At 31 December 2019	4,863			4,863
<b>Other current payables and liabilities</b>				
At 31 March 2020	26,454	293	390	27,137
At 31 December 2019	20,919	646	1,391	22,956
<b>Employee benefits</b>				
At 31 March 2020		-	112	112
At 31 December 2019		127	112	239

The following table sets out details of the Company's income statement items with regard to related parties at 31 March 2020 and 31 March 2019:

**Related Party Transactions (Income Statement)**

<b>(in thousands of Euro)</b>	<b>Parent Company</b>	<b>Senior Management</b>	<b>Other related parties</b>	<b>Total</b>
<b>Revenues (*)</b>				
At 31 March 2020	52,516		322	52,838
At 31 March 2019	53,056		315	53,371
<b>Other revenues and income</b>				
At 31 March 2020	2			2
At 31 March 2019				-
<b>Purchase of consumables</b>				
At 31 March 2020				-
At 31 March 2019	5			5
<b>Cost of services</b>				
At 31 March 2020	1,791			1,791
At 31 March 2019	1,806			1,806
<b>Personnel costs</b>				
At 31 March 2020		407	219	626
At 31 March 2019	3	399	217	619
<b>Other costs</b>				
At 31 March 2020	15			15
At 31 March 2019	2			2
<b>Right of use depreciation and amortization</b>				
At 31 March 2020	950		3	953
At 31 March 2019	950			950
<b>Financial income</b>				
At 31 March 2020	-			-
At 31 March 2019				-
<b>Financial expenses</b>				
At 31 March 2020	59			59
At 31 March 2019	69			69

(\*) The amounts include the marginal costs towards the Parent Company for € 5,264 thousand (€ 6,414 thousand at 31 March 2019)

Parent Company

The relations with the Parent Company, RAI, at 31 March 2020, mainly regard the Service Contract renegotiated on 31 July 2014 which relates to the provision of new integrated network services by the Company, the RAI supply agreement (regarding personnel administration, general services, IT systems, administration and treasury and the research

and technological innovation center), the lease and supply Contract of connected services by RAI, the domestic tax consolidation, the VAT legislation consolidation and, lastly, an agreement for an intercompany current account used to deal with residual payments.

### Senior Management

" Key management personnel" means key executives who have the power and direct and indirect responsibility for planning, managing and controlling the activities of Rai Way, and among others includes the members of the Company's Board of Directors.

### Other related parties

The Company has dealings of a commercial nature with other related parties and in particular with:

- Rai Com S.p.A. to which the Company provides transmission services;
- San Marino RTV which receives transmission services from Rai Way;
- Supplementary Employee and Executive pension funds.

Rome, 14 May 2020

On behalf of the Board of Directors

The Chairperson  
Mario Orfeo



**Declaration pursuant to Art. 154-bis, paragraph 5 of Legislative Decree no. 58/1998**

The manager in charge of preparing the corporate documents of Rai Way S.p.A., Adalberto Pellegrino, declares, pursuant to Art. 154-bis, para. 2 of the Consolidated Finance Act, that the accounting information contained in this Interim Financial Report at 31 March 2020 corresponds to the supporting documentation, accounting books, and records.

Rome, 14 May 2020

**Adalberto Pellegrino**

Manager in charge  
of preparing the corporate documents