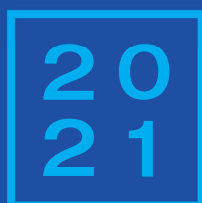




INTERIM FINANCIAL REPORT

AS AT 30 SEPTEMBER



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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-up
Registered Office: Via Teulada, 66 – 00195 Rome
Tax and VAT code: 05820021003
Company website: www.rairway.it
Managed and coordinated by RAI - Radiotelevisione Italiana S.p.A.
The Company does not have any branch offices.

Corporate Bodies and Committees ¹

Board of Directors

Chairman

Giuseppe Pasciucco

Chief Executive Officer

Aldo Mancino

Directors

Stefano Ciccotti
Riccardo Delleani
Annalisa Raffaella Donesana
Barbara Morgante
Umberto Mosetti
Donatella Sciuto
Paola Tagliavini

Secretary of the Board

Giorgio Cogliati

Board of Statutory Auditors

Chairman

Silvia Muzi

Standing Auditors

Massimo Porfiri
Barbara Zanardi

Substitute Auditors

Cristina Chiantia
Paolo Siniscalco

Auditing Company

PricewaterhouseCoopers S.p.A.

Control, Risks and Sustainability Committee

Paola Tagliavini (Chairman)
Barbara Morgante
Donatella Sciuto

Remuneration and Appointments Committee

Riccardo Delleani (Chairman)
Annalisa Raffaella Donesana
Umberto Mosetti

¹ In office at the date of this report.

For information on the Company's governance system, reference should be made to the Corporate Governance and Ownership Structure Report for the year 2020 published on the Company's website (www.rairway.it), where it is also reported that the Company will adopt the Corporate Governance Code (new edition) for Listed Companies in 2021 and, in this context, the above-mentioned new name assumed by the Control and Risk Committee.

Rai Way S.p.A.'s activities

Rai Way² (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 competences 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, using 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 Italy, it has 21 local network centres and it avails itself of highly specialised workforce.

The services offered by the Company include:

- (i) Broadcasting services, meaning services for the terrestrial and satellite transmission of television and radio signals, through the network infrastructure, to the final users within a geographical area;
- (ii) Transmission services, for the transmission of radio and television signals via the dedicated network (radio links, satellite, optical fibre) and in particular the provision of Contribution Services, meaning one-directional transport services;

² Rai Way has joined the simplification regime provided for by articles 70, paragraph 8, and 71, paragraph 1-bis, of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and integrations (Consob Issuers Regulation), and, therefore, it 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.

(iii) *Tower Rental services*, meaning hosting of third party transmission and broadcasting equipment at Company's sites including, were required, maintenance services, as well as other complementary activities;

(iv) *Network Services*, that 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.

The services mentioned above 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 Communication CESR/05–178b.

- *Gross operating profit or EBITDA - earnings before interest, taxes, depreciation and amortization*: this is calculated as profit before income taxes, depreciation, amortisation, 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 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 adjusted for non-recurring income/expenses.

- 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 debt: the scheme for the calculation complies with that provided for in paragraph 175 et seq. of the recommendations contained in the document prepared by ESMA, no. 32-382-1138 dated 4 March 2021 (guidelines on disclosure requirements under EU Regulation 2017/1129 (the "Prospectus Regulation").
- Capital expenditure: equal to the sum of the expenditure for the maintenance of the infrastructure of the Company's network (Maintenance Investments) and for the development/launch of new commercial initiatives (Development Investments). The item does not include the increases in financial fixed assets and in lease rights of use.

SUMMARISED ECONOMIC AND FINANCIAL DATA

The following is a summary of the economic data of Rai Way at 30 September 2021 compared to the results at 30 September 2020.

In addition, figures are also provided for the Company's Net Financial Position and Net Invested Capital at 30 September 2021 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 Euro.

Main Indicators

<i>(figures in millions of euro; %)</i>		9 months		9 months	
		2021	2020	Delta	Change %
Key Income Statement Figures					
Core Revenues		171.8	168.0	3.7	2.2%
Other Revenues and income		0.5	0.0	0.5	N.M.
Other operating costs		(30.6)	(30.8)	0.3	0.8%
Personnel costs		(31.7)	(32.7)	1.0	3.0%
Adjusted EBITDA		110.0	104.5	5.5	5.2%
EBIT		73.3	70.7	2.6	3.7%
Net Income		52.8	50.8	1.9	3.8%
Key Balance Statement Figures					
<i>(figures in millions of euro; %)</i>		9 months		9 months	
		2021	2020	Delta	Change %
Capital expenditure		54.4	34.2	20.2	59.1%
of which maintenance		8.9	6.2	2.7	43.3%
Indicators					
<i>(figures in millions of euro; %)</i>		9 months		12 months	
		2021	2020	Delta	Change %
Net Invested Capital		251.8	210.9	40.9	19.4%
Shareholders' Equity		153.7	164.8	(11.1)	(6.7%)
Net financial debt		98.1	46.1	52.0	112.9%
Adjusted EBITDA / Core Revenues (%)		64.0%	62.2%	1.8%	2.9%
Net Income / Core Revenues (%)		30.7%	30.3%	0.5%	1.5%
Maintenance Capex / Core Revenues (%)		5.2%	3.7%	1%	40.2%
Net financial debt/Adj EBITDA (%)		89.2%	44.1%	45.1%	102.4%

* data for the comparison of Net Invested Capital, Shareholders' Equity and Net Financial Debt are expressed as at 31 December 2020.

- Core Revenues amounted to € 171.8 million, up 2.2% compared to the values as at 30 September 2020.
- Adjusted EBITDA is equal to € 110.0 million and shows an increase of € 5.5 million compared to the 30 September 2020 value. The increase is mainly due to higher core revenues. The Company defines this measure as EBITDA adjusted for non-recurring expenses.
- Adjusted EBITDA to core Revenues ratio was 64% compared to 62.2% as at 30 September 2020.
- EBIT is equal to € 73.3 million, and shows an increase of € 2.6 million compared to the 30 September 2020 value.
- Net Profit was € 52.8 million, up 3.8% compared to 30 September 2020.
- Capital expenditure of € 54.4 million relates to the maintenance of network infrastructure and development projects.

- Net Invested Capital amounted to € 251.8 million, with Net Financial Debt of € 98.1 million and a Shareholders' Equity of € 153.7 million.

A summary of the Company's income statement for the years ended 30 September 2021 and 30 September 2020 is set out in the following table:

Income Statement

<i>(figures in millions of euro; %)</i>	9 months		9 months	
	2021	2020	Delta	Change %
Revenues from RAI	148.4	142.8	5.6	3.9%
Revenues from third parties	23.4	25.2	(1.8)	(7.2%)
Core Revenues	171.8	168.0	3.7	2.2%
Other revenues and income	0.5	0.0	0.5	1413.2%
Personnel costs	(31.7)	(32.7)	1.0	3.0%
Other operating costs	(30.6)	(30.8)	0.3	0.8%
Adjusted EBITDA	110.0	104.5	5.5	5.2%
<i>EBITDA Margin</i>	64.0%	62.2%	1.8%	2.9%
Adjustments	-	(1.1)	1.1	100.0%
EBITDA	110.0	103.5	6.5	6.3%
Depreciation and amortisation	(36.6)	(32.7)	(3.9)	(11.9%)
Bad Debt Provisions	(0.1)	(0.0)	(0.1)	(464.8%)
Provisions	0.1	(0.0)	0.1	227.1%
EBIT	73.3	70.7	2.6	3.7%
Net Financial Expenses	(1.1)	(0.7)	(0.4)	(63.7%)
Pre-Tax Profit	72.2	70.0	2.2	3.1%
Taxation	(19.4)	(19.2)	(0.3)	(1.3%)
Net Income	52.8	50.8	1.9	3.8%
<i>NET INCOME Margin</i>	30.7%	30.3%	0.5%	1.5%

Rai Way had revenues of € 171.8 million, an increase of € 3.7 million compared to the previous period (+2.2%).

The activities carried out for the Rai Group generated revenues of € 148.4 million, an increase of 3.9% compared to the same period of the previous year; the increase of € 5.6 million derived partly from new additional services requested by the customer (known as "new services"), and partly from the increase in the consideration for network services set forth in the agreement finalised on 10 December 2019 with Rai relating to the refarming process and effective from 1 July 2021. With regard to commercial transactions with other customers, revenues from third parties totalled € 23.4 million, or € 1.8 million less than in the same period

last year, mainly due to non-recurring income recorded last year and a decrease in revenues from *Tower Rental* services.

Operating costs

Personnel costs recorded a balance of € 31.7 million as at 30 September 2021, down by € 1 million compared to the previous period, mainly due to the effect of the reduction in the average number of employees and higher capitalised costs, partly offset by the increase in travel and overtime costs, which in 2020 were positively impacted by the slowdown in business following the spread of the Covid-19 virus. The Company's workforce is 600 as at 30 September 2021.

“Other operating costs” – which consist of consumables, services and other costs net of non recurring items – amounted to € 30.6 million, down by € 0.2 million over the previous period. The costs reduction is mainly due to electricity costs (€ 1.2 million) as a result of the benefit of concessions on tariff components connected to general system charges. Excluding electricity, the other costs therefore rose by € 1.0 million, mainly due to the gradual normalisation of production activities compared to the previous year, in particular the second quarter of 2020, when the impact of the lock-down following the spread of the Covid-19 virus had led to a reduction in variable costs.

Adjusted EBITDA amounted to € 110 million, an increase of € 5.5 million compared to the value of € 104.5 million as at 30 September 2020, representing a margin of 64%.

<i>(figures in millions of euro; %)</i>	9 months		9 months		
	2021	2020	Delta	Change %	
Adjusted EBITDA	110.0	104.5	5.5	5.2%	
Non-recurring costs	-	(1.1)	1.1	100.0%	
EBITDA	110.0	103.5	6.5	6.3%	

During the first nine months of 2020, there were non-recurring costs of € 1.1 million, mainly referring to a voluntary redundancy initiative for the Company's personnel.

The Operating Result of € 73.3 million was € 2.6 million higher than in the same period of the previous year due to the effects described previously and to the increase in depreciation and amortization of € 3.9 million caused by the growth in Development Investments.

Financial expenses closed with a balance of € 1.1 million, a decrease of € 0.4 million over the previous period.

Net Income amounted to € 52.8 million, marking an increase of € 1.9 million compared to the same period of 2020, benefiting from the concession measures under the Support Decree (*Decreto Sostegni*) of 22 March 2021, which resulted in a positive impact on IRAP.

Capital Expenditure

During the first nine months of 2021, capital expenditure amounted to € 54.4 million (€ 34.2 million in the same period of 2020), of which € 8.9 million relating to the maintenance of the Company's network infrastructure (€ 6.2 million in the same period of 2020) and € 45.5 million to development investments (€ 28.0 million in the same period of 2020).

<i>(figures in millions of euro; %)</i>	9 months	9 months	Delta	Change %
	2021	2020		
Maintenance Investments	8.9	6.2	2.7	43.3%
Development Investments	45.5	28.0	17.5	62.6%
Total Capital expenditure	54.4	34.2	20.2	59.1%
Lease investments (IFRS 16)	5.5	2.8	2.7	95.2%
Investments for opportunistic initiatives	1.1	-	1.1	N.M.

The most significant Maintenance Investments, aimed at ensuring higher service standards, concerned the strengthening and adjustment of the IP network and, in general works aiming to improve reliability and renew the management systems currently in use.

Development Investments mainly concerned activities relating to the refarming process, for the release of the 700 MHz bandwidth and the transition to the DVB-

T2 standard, which include the project to extend coverage of the population with reference to the digital terrestrial television broadcasting service. During the year, works also began on the construction of television networks for local television broadcasting in the technical areas where Rai Way was awarded the rights to use frequencies.

Investments for opportunistic initiatives include the impact of the acquisition of a business relating to the provision of infrastructure services at a transmission site located in north-eastern Italy, effective from 1 April 2021.

Statement of financial position

<i>(figures in millions of euro; %)</i>	9 months	12 months		
	2021	2020	Delta	Change %
Fixed Assets	275.7	251.4	24.3	9.7%
Net Working Capital	1.5	(13.8)	15.3	110.7%
Provisions	(25.3)	(26.6)	1.3	4.9%
NET INVESTED CAPITAL	251.8	210.9	40.9	19.4%
Shareholders' Equity	153.7	164.8	(11.1)	(6.7%)
Net Financial Debt	98.1	46.1	52.0	112.9%
TOTAL FUNDING	251.8	210.9	40.9	19.4%

Net Invested Capital as at 30 September 2021 was € 251.8 million. Fixed assets also include the rights of use for leasing in application of the IFRS 16 accounting standard for € 28.8 million, net of the dismantling and restoration provision of € 2.1 million.

Net Financial Debt amounted to € 98.1 million, an increase of € 52 million compared to 31 December 2020. The item includes lease financial liabilities in application of the IFRS 16 accounting standard for a value of € 33.8 million. Please refer to the paragraph "Net Financial Debt" for additional details (note 17).

Human Resources and Organization

As at 30 September 2021, Rai Way had a workforce of 573 people employed on a permanent basis: 22 executives, 168 middle managers, 376 technicians or white-collar employees and 7 manual workers; considering the 27 workers on fixed-term contracts, the workforce reached a total of 600.

The average number of employees was 593 in the first nine months of 2021, while in the same period of 2020 it was 610.

Relationships with RAI Group Companies

Relationships mostly of a commercial nature were maintained with the Parent Company RAI - Radiotelevisione Italiana, while an intercompany current account agreement used for residual payments was financial in nature. 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 11 March 2021, the Board of Directors resolved to convene the Shareholders' Meeting for the approval of the annual report as at 31 December 2020, on first or single call, on 27 April 2021.
- On 18 March 2021, the Board of Directors approved the draft financial statements for 2020, which closed with a profit of approximately € 64.0 million, and a proposal to distribute a dividend of € 0.2385 per share.
- On 27 April 2021, the Shareholders' Meeting, among other things:
 - in the extraordinary session:
 - approved various amendments to the articles of association concerning the identification of shareholders, in order to bring the articles of association into line with the provisions of the new article 83-duodecies of Legislative Decree no. 58/1998 (article 6.3); the reference to the Corporate Governance Code for Listed Companies (articles 17.4 and 28.2) and the holding of meetings of the Board of Directors (article 19.1) and the Board of Auditors (article 28.15) by remote means;
 - in the ordinary session:
 - approved the Financial Statements of the Company as at 31 December 2020 and the distribution of a dividend as proposed by the Board of Directors;

- approved the First Section (relating to the remuneration policy for 2021) and voted in favour of the second section (relating to compensation for 2020) of the Report on the remuneration policy and compensation paid, as prepared by the competent offices;
- approved the proposal to adopt a long-term incentive plan pursuant to Art. 114-bis of Legislative Decree no. 58/1998;
- approved authorization to purchase and dispose of treasury shares, subject to revocation of the corresponding authorization to purchase, for the part not executed, resolved by the Shareholders' Meeting on 24 June 2020;
- appointed the Board of Auditors for FYs 2021-2023 (i.e., expiring on the date of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2023), comprising: Silvia Muzi (Chairman), Massimo Porfiri and Barbara Zanardi (Standing Auditors), Cristina Chiantia and Paolo Siniscalco (Substitute Auditors).

The year 2021 saw the continuation of the spread of the Covid-19 virus, with the issue of additional regulatory provisions to tackle the health crisis. It should be noted that the Company did not experience any significant impact on its performance in the first nine months of 2021. It should also be noted that the Company benefited in the first nine months of 2021 from the increase in the maximum limit granted for "state aids" at Group level from € 800 thousand to € 1,800 thousand provided by the Decree Law of 22 March 2021 (Support Decree) in relation to the tax relief measure on IRAP (regional production tax) provided by the Relaunch Decree (*Decreto Rilancio*) to which the Company had previously adhered.

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 2020 Annual Report - Report on Operations ("Risk factors related to the Company" paragraph), published on the Company's website.

Events subsequent to 30 September 2021

There are no events to report.

Business outlook

Based on the information available to date regarding the development of the Covid-19 emergency, the previously communicated targets for FY 2021 are confirmed:

- an adjusted EBITDA growth supported by higher revenues, although limited by an increase in operating costs resulting from the expected reduction in the effects recorded in 2020 due to the pandemic emergency and the implementation of new services;
- Maintenance capex on core revenues ratio above the 2020 value and growth development investments pushed by refarming investments.

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 2020 Annual Report - Report on Operations, "Management and coordination" paragraph, published on the Company's website.

Rome, 11 November 2021

on behalf of the Board of Directors

The Chairman

Giuseppe Pasciucco

Interim financial report as at 30 September 2021

Financial statements

RAI WAY SPA INCOME STATEMENT (*)

<i>(Figures in Euro)</i>	Note (**)	9 months as at	
		30/09/2021	30/09/2020
Revenues	5	171,753,049	168,017,415
Other revenues and income	6	533,691	35,269
Purchase of consumables	7	(987,816)	(529,521)
Cost of services	7	(27,526,183)	(28,494,316)
Personnel costs	7	(31,749,959)	(33,711,553)
Other costs	7	(2,037,379)	(1,862,745)
Write-downs of financial assets	7	(135,901)	(24,063)
Depreciation, amortisation and other write-downs	8	(36,582,904)	(32,694,319)
Provisions	8	54,000	(42,489)
Operating profit		73,320,598	70,693,678
Financial income	9	-	24,747
Financial expenses	9	(1,129,104)	(714,397)
Total net financial income/(expenses)		(1,129,104)	(689,650)
Pre-tax profit		72,191,494	70,004,028
Income taxes	10	(19,420,287)	(19,167,130)
Income for the period		52,771,207	50,836,898

STATEMENT OF COMPREHENSIVE INCOME RAI WAY SPA (*)

<i>(Figures in Euro)</i>	Note (**)	9 months as at	
		30/09/2021	30/09/2020
Income for the period		52,771,207	50,836,898
Items that will be recognized in the Income Statement			
Profit/(loss) on cash flow hedges		-	-
Tax effect		-	-
Items that will not be recognised in the Income Statement			
Actuarial Profit / (Loss) for employee benefits		(28,377)	78,741
Tax effect		6,811	(18,898)
Comprehensive income for the period		52,749,640	50,896,741

(*) Schedule prepared in accordance with the 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.

RAI WAY STATEMENT OF FINANCIAL POSITION(*)

(Figures in Euro)	Note (**)	9 months as at 30/09/2021	12 months as at 31/12/2020
Non-current assets	11		
Tangible assets		227,722,851	200,934,674
Rights of use for leasing		30,879,710	32,466,103
Intangible assets		15,198,555	15,891,578
Equity investments		500,000	500,000
Non-current financial assets		208,431	352,433
Deferred tax assets		2,288,366	2,845,768
Other non-current assets		1,161,292	1,207,578
Total non-current assets		277,959,205	254,198,134
Current assets	12		
Inventories		805,901	868,975
Trade receivables		76,711,450	62,553,246
Other current receivables and assets		4,425,305	4,245,263
Current financial assets		599,756	664,820
Cash and cash equivalents		6,527,507	4,052,690
Current tax receivables		62,196	62,196
Total current assets		89,132,115	72,447,190
Total assets		367,091,320	326,645,324
Shareholders' equity	13		
Share capital		70,176,000	70,176,000
Legal reserve		14,035,200	14,035,200
Other reserves		37,219,122	37,078,970
Retained earnings		52,236,653	63,494,365
Treasury shares		(19,974,011)	(19,974,011)
Total shareholders' equity		153,692,964	164,810,524
Non-current liabilities	14		
Non-current financial liabilities		56,000,000	15,088,305
Non-current lease liabilities		22,684,540	23,926,023
Employee benefits		12,262,533	13,198,256
Provisions for risks and charges		15,370,623	16,286,025
Other non-current payables and liabilities		-	-
Total non-current liabilities		106,317,696	68,498,609
Current liabilities	15		
Trade payables		42,732,982	45,545,566
Other debt and current liabilities		36,180,023	35,987,626
Current financial liabilities		15,474,205	327,206
Current lease liabilities		11,081,613	11,452,429
Current tax payables		1,611,837	23,364
Total current liabilities		107,080,660	93,336,191
Total liabilities and shareholders' equity		367,091,320	326,645,324

(*) Schedule prepared in accordance with the 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.

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

	Share capital	Legal reserve	Other reserves	Retained earnings	Treasury shares	Total
<i>(Figures in Euro)</i>						
As at 01 January 2020	70,176,000	14,035,200	37,078,970	62,906,561	-	184,196,731
Income for the period				50,836,898		50,836,898
Actuarial gains and losses (**)				59,843		59,843
Dividends for shareholders				(63,348,800)		(63,348,800)
Distribution of dividends				-		-
Purchase of treasury shares					(7,654,836)	(7,654,836)
As at 30 September 2020	70,176,000	14,035,200	37,078,970	50,454,502	(7,654,836)	164,089,836
Income for the period				13,171,155		13,171,155
Actuarial gains and losses (**)				(131,292)		(131,292)
Distribution of dividends				-		-
Purchase of treasury shares					(12,319,175)	(12,319,175)
As at 31 December 2020	70,176,000	14,035,200	37,078,970	63,494,365	(19,974,011)	164,810,524
Income for the period				52,771,207		52,771,207
Actuarial gains and losses (**)				(21,567)		(21,567)
Distribution of dividends				(64,007,352)		(64,007,352)
Stock option plan reserves			140,152			140,152
As at 30 September 2021	70,176,000	14,035,200	37,219,122	52,236,653	(19,974,011)	153,692,964

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

(**) These items are listed net of relative tax effects.

RAI WAY CASH FLOW STATEMENT (*)

<i>(Figures in Euro)</i>	30/09/2021	30/09/2020
Pre-tax profit	72,191,494	70,004,028
adjustments for:		
Depreciation, amortisation and write-downs	36,718,805	32,718,382
Provisions and (releases of) personnel and other funds	865,804	3,038,157
Net financial (income)/expenses (**)	1,001,241	531,428
Retained earnings/(losses) - Effect of first time adoption of IFRS	-	-
Other non-monetary items	78,589	90,293
Cash-flows generated by operating activities before changes in net working capital	110,855,933	106,382,288
Change in inventories	63,074	15,282
Change in trade receivables	(14,294,105)	5,166,861
Change in trade payables	(2,812,584)	(16,177,248)
Change in other assets	(180,042)	32,064
Change in other liabilities	4,729,970	8,045,894
Use of risk funds	(285,220)	(2,513,518)
Payment of employee benefits	(2,381,060)	(1,553,640)
Change in current tax receivables and payables	(46,647)	(62,196)
Paid taxes	(21,840,920)	(21,733,490)
Net cash flow generated by operating activities	73,808,398	77,602,297
Investments in property, plant and equipment	(53,088,814)	(31,543,316)
Disposals of property, plant and equipment	10,380	-
Investments in intangible assets	(1,419,245)	(2,661,522)
Purchase of business unit	(1,000,000)	-
Disposals of intangible assets	37	-
Decommissioning of rights of use	-	-
Change in non-current financial assets	144,002	-
Change in equity investments	-	-
Change in other non-current assets	46,286	60,301
Net cash flow generated by investment activities	(55,307,354)	(34,144,537)
(Decrease)/increase in medium/long-term loans	40,911,695	(85,601)
(Decrease)/increase in current financial liabilities	15,146,999	20,762,420
Repayments of lease liabilities	(7,656,650)	(6,728,267)
Change in current financial assets	65,064	(162,441)
Net interest expense for the period	(496,137)	(512,706)
Purchase of treasury shares	-	(7,654,836)
Dividends to be paid	-	-
Dividends paid	(63,997,198)	(63,348,800)
Net cash flow generated by financing activities	(16,026,227)	(57,730,231)
Change in cash and cash equivalents	2,474,817	(14,272,471)
Cash and cash equivalents at the beginning of the period	4,052,690	30,167,740
Cash and cash equivalents of newly consolidated companies	-	-
Cash and cash equivalents at the end of the period	6,527,507	15,895,269

(*) 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.

Notes to the Interim Financial Report as at 30 September 2021

Introduction (note 1)

The Interim financial report as at 30 September 2021, consisting of a Balance Sheet, an Income Statement, a Statement of Comprehensive Income, a Cash Flow Statement, a Statement of Changes in Shareholders' Equity, and these Notes, has been prepared in accordance with Art. 154-ter of Italian Legislative Decree 58/1998 and subsequent amendments, as well as with the Issuers Regulation issued by Consob.

The Interim Financial Report as at 30 September 2021 has been prepared in accordance with IAS 34 – Interim financial report, issued by the International Accounting Standards Board (IASB).

The Interim financial report as at 30 September 2021 was approved on 11 November 2021 by the Board of Directors, which authorized its publication.

The structure and content of the accounting statements in the Interim financial report as at 30 September 2021 and the related compulsory schedules conform to those prepared for the Annual financial statements. In the preparation of this Report, the same accounting criteria and principles have been used, where applicable, as those adopted in the preparation of the Financial Statements for the year ended 31 December 2020 - with the exception of those specifically applicable to interim situations and the standard required for share-based payment transactions (IFRS 2), the latter not included in the Annual report, as the case covered was not present in 2020.

Following the approval by the Shareholders' Meeting of 27 April 2021 of a long-term incentive plan, pursuant to art. 114-bis of Legislative Decree No. 58/1998, having as its object the free assignment of ordinary shares of Rai Way S.p.a. upon the achievement of certain performance targets, the Company began to recognise additional benefits to strategic managers through participation in the share capital. The aforementioned plan is accounted for in accordance with IFRS 2.

The above-mentioned standard states that share subscription and purchase options granted by the Company to employees and directors give rise to the recognition of an expense recognized in personnel costs with a corresponding increase in shareholders' equity. Specifically, options to subscribe to and purchase shares are measured at their *fair value* at the grant date, amortized over the vesting period. Changes in *fair value* after the assignment date do not affect the initial measurement. At the end of each financial year, an estimate of the number of rights that will accrue until maturity is updated. The change in the estimate is recognized as an adjustment to shareholders' equity with a balancing entry to personnel costs.

The Notes were drawn up in accordance with the minimum contents required by IAS 34 – Interim financial report, 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 as at 31 December 2020.

The Interim financial report presents a comparison with data from the last Financial Statements of Rai Way as at 31 December 2020 with regard to the balance sheet, and with data from the Interim financial report of Rai Way as at 30 September 2020 with regard to the income statement and cash flow statement.

The preparation of the Interim financial report as at 30 September 2021 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 as at 30 September 2021.

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.

It should be noted that on 31 March 2021, with effect from 1 April 2021, the Company acquired a business unit relating to the provision of infrastructure services at a transmission station located in north-east Italy.

Amendments and interpretations of current standards, effective as at 1 January 2021 (note 2)

With regard to application of current accounting standards and recently issued ones, please refer to the Rai Way 2020 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 as at 31 December 2020.

In addition, it should be noted that, during the first nine months of 2021, the following approved standards were issued, although their application is still not mandatory:

- with regulation no. 2021/1080 issued by the European Commission on 28 June 2021, the documents "Amendments to IFRS 3 Business combinations; IAS 16 Property, plant and equipment; IAS 37 Provisions, contingent liabilities and contingent assets and the 2018-2020 Annual improvement cycle" were approved. The package of documents contains amendments restricted to three standards, as well as annual improvements and they clarify the wording or correct oversights or conflicts between the requirements of the standards.

The amendments to IFRS 3 "Business combinations" update a reference to the conceptual framework for financial reporting without changing the accounting requirements for business combinations. The amendments to IAS 16 "Property, plant and equipment" prohibit a company from deducting from the cost of property, plant and equipment, income from the sale of items produced while the company is preparing the asset for its intended use. Income from sales and related costs should be booked to the income statement. The amendments to IAS 37 "Provisions, contingent liabilities and contingent assets" specify which costs should be included in assessing whether a contract is in deficit. The annual improvements make minor amendments to IFRS 1 "First-time adoption of international financial reporting standards", IFRS 9 "Financial instruments", IAS 41 "Agriculture" and to the illustrative examples accompanying IFRS 16 "Leases".

All the amendments are effective for financial years beginning on or after 1 January 2022. The Company has assessed that these changes will have no impact on the separate financial statements.

In addition, it should be noted that, during the first nine months of 2021, the following accounting standards were issued, although not yet approved by the European Union:

- on 18 May 2017, the IASB issued IFRS 17 "Insurance Contracts", which was subsequently amended by "Amendments to IFRS 17" issued on 25 June 2020. The standard addresses the accounting treatment of insurance contracts issued and reinsurance contracts held. IFRS 17 is effective for financial years beginning on or after 1 January 2023.
- on 23 January 2020 and on 15 July 2020, respectively, the IASB issued "Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current" and "Classification of Liabilities as Current or Non-current - Deferral of Effective Date" to clarify the requirements for classifying liabilities as current or non-current. More precisely:

- the amendments specify that the conditions existing at the end of the reporting period are those that must be used to determine whether there is a right to defer the settlement of a liability;
- management's expectations regarding events after the balance sheet date, for example in the event of a breach of a covenant or in the event of early settlement, are not relevant;
- the amendments clarify the situations that are considered as a settlement of a liability.

Due to the Covid-19 pandemic, the IASB proposed to defer the effective date of the document to 1 January 2023, to give companies more time to implement any classification changes resulting from the amendments.

- On 12 February 2021, the IASB issued the document “Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies”. The aim of the amendments is to develop guidance and examples to assist entities in applying a judgement of materiality in accounting policy disclosures. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for financial years beginning on or after 1 January 2023.
- On 12 February 2021, the IASB issued the document “Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”. The amendments clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates, relevant because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments are effective for financial years beginning on or after 1 January 2023.

- On 31 March 2021, the IASB issued the document "Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021". The amendment increases by twelve months, from 30 June 2021 to 30 June 2022, the period of application of the practical expedient, which was introduced on 28 May 2020, for accounting for Covid-19-related leases. The practical expedient allows lessees to disregard lease concessions as lease amendments if they occur as a direct result of the Covid-19 pandemic and meet specified conditions. The amendment is effective for financial years beginning on or after 1 April 2021.
- On 7 May 2021, the IASB issued the document "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document addresses the uncertainty in practice about applying the exemption in paragraphs 15 and 24 of IAS 12 to transactions that give rise to both an asset and a liability on initial recognition and may result in temporary tax differences of the same amount. Under the proposed amendments, the exemption from initial recognition in IAS 12 would not apply to transactions that give rise to equal and offsettable amounts of taxable and deductible temporary differences when entered into. The amendments are effective for financial years beginning on or after 1 January 2023.

The Company is currently analysing the above-mentioned standards and assessing whether their adoption will have a significant effect on the financial statements.

Segment information (note 3)

The segment information, to which the reader is referred, was set out in the 2020 Annual financial report - Report on operations section ("Reference market" paragraph) published on the Company's website.

Seasonality of the reference business (note 4)

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

Notes on the main changes in the Income Statement

Revenues (note 5)

	9 months	
(in thousand of euro)	2021	2020
Revenues from RAI Group (*)	148,366	142,813
Revenues from third parties	23,387	25,205
- Hospitality fees for equipment and apparatus	21,454	21,919
- Other	1,933	3,286
Total revenues of sales and performances	171,753	168,018

(*) Revenues are shown net of margin costs of € 14,022 (€ 16,198 thousand as at 30/09/2020).

The item "Revenues", which includes revenues for the period attributable to the provision of services falling within the normal business activity, recorded an increase of € 3,735 thousand compared to the same period of 2020, going from € 168,018 thousand at 30 September 2020 to € 171,753 thousand at 30 September 2021.

"Revenues from RAI Group" amounted to € 148,366 thousand, equal to 86% of total Revenues as at 30 September 2021 and are up by € 5,553 thousand compared to the same period of 2020, mainly due to the increase in the fee for network services provided by the agreement finalised on 10 December 2019 with Rai relating to the refarming process and for additional services provided to the Parent Company (so-called evolutionary services).

"Revenues from third parties" mainly includes revenues from (i) *Tower Rental services*, (ii) *broadcasting services*, (iii) *transmission services*, and (iv) *network services*, which the Company provided to third parties other than RAI. Revenues are down by € 1,818 thousand compared to the same period last year, mainly due to higher contingent assets recorded in 2020 and the decrease in turnover for Tower Rental services.

Other revenues and income (note 6)

The income statement item "Other revenues and income" amounted to € 534 thousand in the first 9 months of 2021 (€ 35 thousand as at 30 September 2020), marking an increase of € 499 thousand mainly due to the legal recovery of the additional provincial tax on excise duties applicable to electricity, unduly requested from the Company by the energy provider in the years 2008-2010. The item also includes grants under Law 488/92 and Law 190/14 for investments in research and development and compensation for damages.

Costs (note 7)

The item "Purchase of consumables and goods", which includes the purchase of technical materials for the warehouse, and fuels for generators and heating, went from € 530 thousand as at 30 September 2020 to € 988 thousand as at 30 September 2021, with an increase of € 458 thousand. The increase was primarily due to the purchase of fuel and miscellaneous tools due to the gradual recovery of manufacturing activity from 2020.

"Costs of services" amounted to € 27,526 thousand as at 30 September 2021 and decreased by € 968 thousand compared to 30 September 2020 (€ 28,494 thousand). The reduction is mainly due to the combined effect of lower costs for utilities and higher costs for external services, maintenance and ancillary personnel costs.

The income statement item "Personnel costs" amounted to € 31,750 thousand, down by € 1,962 thousand compared to 30 September 2020 (€ 33,712 thousand), mainly in relation to charges for a redundancy incentive plan incurred in the previous year, and the reduction in the Company's average headcount by 17 units to 593 as at 30 September 2021. Capitalised personnel costs amounted to € 3,843 thousand as at 30 September 2021 (€ 3,099 thousand as at 30 September 2020).

"Other costs" amounted to € 2,037 thousand, with an increase of € 174 thousand compared to 30 September 2020 (€ 1,863 thousand).

Amortisation/depreciation, Other write-downs and Provisions (note 8)

“Amortisation, Depreciation, and other Write-downs” amounted to € 36,583 thousand as at 30 September 2021 (€ 32,694 thousand as at 30 September 2020). This item posted an increase of € 3,889 thousand with respect to the same period in the previous year due to growth in Development Investments.

The item “Provisions” as at 30 September 2021 shows a negative balance (positive income component) of € 54 thousand (positive balance of € 42 thousand as at 30 September 2020), mainly referring to the release of certain items from the provision for risks related to civil and administrative litigation and legal expenses following judgements in the Company's favour.

Financial Income and Expenses (note 9)

“Financial income” showed a balance of € 0 as at 30 September 2021. In the same period of the previous year, the balance of “Financial income” was € 25 thousand.

“Financial expenses” amounted to € 1,129 thousand, an increase of € 415 thousand compared to the same period the previous year (€ 714 thousand as at 30 September 2020) mainly due to the interest related to the loan agreement signed by the Company on 29 October 2020, which guaranteed, among other things, coverage of the needs generated by the growth of development investments.

Income Tax (note 10)

The item breaks down as follows:

	9 months	
<i>(in thousand of euro)</i>	2021	2020
Current taxes	19,780	19,190
Deferred taxes	564	218
Substitute taxes	47	62
Taxes relating to previous financial years	(971)	(303)
Total	19,420	19,167

The item "Current taxes" is equal to € 19,780 thousand, marking an increase compared to the previous period of € 590 thousand, mainly due to the tax on productive activities (IRAP) that in the last financial year had benefited from the relevant State aids.

This item consists of:

- IRES (corporate income tax) of € 16,520 thousand;
- IRAP (regional business tax) of € 3,260 thousand.

The item "Deferred tax assets" showed a positive balance of € 564 thousand, with an increase of € 346 thousand compared to 30 September 2020, mainly due to lower provisions to taxed funds, offset by the reversal effect of uses, and to the accrual of the capital gain determined by the sale of a corporate site.

Deferred taxes consist of:

- Prepaid taxes of € 595 thousand;
- Deferred tax liabilities of € (31) thousand.

"Taxes relating to previous years" show a negative balance (positive income component) equal to € 971 thousand following the increase in the maximum limit granted for "state aids" at group level from € 800 thousand to € 1,800 thousand provided by the Decree of 22 March 2021 (Support Decree) in relation to the tax relief measure on IRAP provided by the Relaunch Decree to which the Company had previously adhered.

Notes on principal changes in the Balance Sheet

Non-Current Assets (note 11)

“Property, plant and equipment” amounted to € 227,723 thousand as at 30 September 2021, with an increase of € 26,788 thousand compared to 31 December 2020, due primarily to investments made in the first nine months of the year (€ 53,416 thousand), partially offset by depreciation for the period (€ 26,540 thousand).

“Rights of use for leasing”, recognised from FY 2019 due to the adoption of IFRS 16, amounted to € 30,880 thousand as at 30 September 2021 (€ 32,466 thousand as at 31 December 2020), a decrease of € 1,586 thousand following the combined effect of new investments for € 6,052 thousand, amortisation for € 7,258 thousand and termination notices and resignations for € 380 thousand.

“Intangible assets” amounted to € 15,198 thousand, a decrease of € 693 thousand compared to 31 December 2020, due to investments of € 2,092 thousand and amortisation of € 2,785 thousand.

Deferred tax asset closed with a balance of € 2,288 thousand as at 30 September 2021, marking a decrease of € 558 thousand compared to 31 December 2020, mainly due to lower receivables from the tax authorities for prepaid taxes.

The item “Other non-current assets” amounted to € 1,161 thousand as at 30 September 2021, a reduction of € 46 thousand compared to the previous year and it mainly relates for € 356 thousand to the security deposits receivable and for € 805 to the advance payment of substitute tax resulting from the tax redemption of the merger deficit generated by the merger by incorporation of the company Sud Engineering, which took place with effect from 22 June 2017. It should be noted that the Company has opted for the ordinary regime, pursuant to Article 176, paragraph 2-ter, of the T.U.I.R. (Income Tax Consolidation Act) and that the accounting model adopted is that relating to the recognition of the substitute tax as an advance on current taxes.

Investments amounted to € 500 thousand as at 30 September 2021, with no change compared to 31 December 2020 and they relate to the acquisition of shares representing the entire share capital of Sogepotel S.r.l., a company that was leasing a transmission site located in the province of Bergamo, acquired by Rai Way, which managed the commercial use. As of 30 December 2020, following the transfer to Rai Way of the entire business complex owned by Sogepotel S.r.l., the latter is no longer operational and the liquidation process for the voluntary winding-up has been launched

Current Assets (note 12)

Inventories, which include contract work in progress, inventories and spare parts for the maintenance and operation of technical capital goods, amounted to € 806 thousand, marking a decrease of € 63 thousand compared to the value as at 31 December 2020.

“Trade receivables”, amounting to € 76,711 thousand, increased by € 14,158 thousand compared to 31 December 2020 and are detailed as follows:

<i>(in thousand of euro)</i>	As at 30 September	As at 31 December
	2021	2020
Receivables from RAI	58,671	55,618
Receivables from customers and other Group companies	20,770	9,530
Provision for bad and doubtful debts	(2,730)	(2,595)
Total Trade receivables	76,711	62,553

It should be noted that the Provision for bad and doubtful debts as at 30 September 2021, amounting to € 2,730 thousand (€ 2,595 thousand as at 31 December 2020), was increased by € 135 thousand.

“Other current receivables and assets” amounted to € 4,425 thousand as at 30 September 2021, an increase of €180 thousand compared to 31 December 2020 due to the combined effect of higher accrued income and prepaid expenses, receivables from others and other tax receivables and lower receivables from the parent company for group VAT.

As at 30 September 2021, “Current financial assets” amounted to € 600 thousand, a decrease of € 65 thousand from the prior year.

“Cash and cash equivalents” amounted to € 6,527 thousand as at 30 September 2021, an increase of € 2,475 thousand compared to 31 December 2020 (€ 4,052 thousand).

Current income tax credits amounted to € 62 thousand as at 30 September 2021 and were unchanged from the previous year. The value refers to the recognition of substitute tax paid on the merger surplus, as reported above in the section on “Other non-current assets”.

Shareholders' Equity (note 13)

As at 30 September 2021, the Company's Shareholders' Equity amounted to € 153,693 thousand and showed a decrease of € 11,117 thousand compared to 31 December 2020 (€ 164,810 thousand) determined by the combined effect of the profit for the first nine months of 2021, the distribution of dividends, the actuarial valuation of employee benefits and the establishment of reserves for the long-term incentive plan, pursuant to Art. 114-bis of Legislative Decree no. 58/1998, whose target is the free assignment to strategic managers of ordinary shares of Rai Way S.p.a. upon the achievement of certain performance targets.

Non-current liabilities (note 14)

The item "Non-current financial liabilities" amounted to € 56,000 thousand as at 30 September 2021 with an increase of € 40,912 thousand compared to the values as at 31 December 2020, determined by the combined effect of the debt related to the utilisation for € 41,000 thousand under the Term Credit Line of the loan signed on 29 October 2020 with a pool of financial institutions consisting of Mediobanca - Banca di Credito Finanziario S.p.A., Banca Nazionale del Lavoro S.p.A., Unicredit S.p.A. and Cassa Depositi e Prestiti S.p.A. and the repayment of the instalments relating to the ordinary loan granted by Mediocredito Centrale related to the investments financed by Law 488/92 (31st call) and the subsidised loan granted by Cassa Depositi e Prestiti S.p.A..

"Non-current lease liabilities" totalled € 22,685 thousand, down € 1,241 thousand compared to 31 December 2020 (€ 23,926 thousand).

The item "Employee benefits", amounting to € 12,263 thousand, decreased by € 935 thousand compared to 31 December 2020 (€ 13,198 thousand), mainly due to personnel leaving as a result of the redundancy incentive plan.

The item "Provisions for risks and charges", equal to € 15,371 thousand, decreased by € 915 thousand compared to 31 December 2020 (€ 16,286 thousand), mainly due to use and transfer to payables of the provision for fees accrued.

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 legal and/or regulatory proceedings 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 € 42,733 thousand, can be broken down as follows:

<i>(in thousand of euro)</i>	As at 30 September	As at 31 December
	2021	2020
Payables to suppliers	40,157	43,520
Payables to Parent Company	2,576	2,026
Total Trade payables	42,733	45,546

The item "Other current payables and liabilities" was equal to € 36,180 thousand as at 30 September 2021, up by € 192 thousand with respect to the values at the end of 2020. The increase is mainly due to the combined effect of higher accrued expenses and deferred income and other payables and lower amounts owed to the Parent company in connection with the filing of a consolidated tax return and to pension and social security institutions and taxes payable.

The item "Current financial liabilities" amounted to € 15,474 thousand as at 30 September 2021, an increase compared to the value as at 31 December 2020 (€ 327 thousand) mainly due to the use of € 15,000 thousand as part of the Revolving Line of the loan signed on 29 October 2020 with a pool of financial institutions consisting of Mediobanca - Banca di Credito Finanziario S.p.A., Banca Nazionale del Lavoro S.p.A., Unicredit S.p.A. and Cassa depositi e prestiti S.p.A..

The item "Current lease liabilities" amounted to € 11,082 thousand, down by € 370 thousand compared to 31 December 2020 (€ 11,452 thousand) due to the combined effect of the reclassification of liabilities by maturity and the payments made during the period.

"Current income tax payables" amounted to € 1,612 thousand as at 30 September 2021, an increase of € 1,588 thousand compared to 31 December 2020 (€ 23 thousand) as a result of the payable to the tax authorities for IRAP accrued in the current financial year (€ 3,260 thousand), offset by the IRAP advance paid for 2021 (€ 658 thousand) and the effects generated by State aids regarding IRAP.

Earnings per Share (note 16)

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

<i>(in thousand of euro, unless otherwise indicated)</i>	As at 30 September	As at 31 September
	2021	2020
Profit for the year	52,771	50,837
Number of ordinary shares outstanding	268,374,644	270,624,144
Earnings per share in Euro	0.20	0.19

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 debt (note 17)

The following is the Net Financial Debt of the Company, determined in accordance with the provisions of paragraph 175 et seq. of the recommendations contained in the document prepared by ESMA, No. 32-382-1138 dated 4 March 2021 (guidelines on disclosure requirements under EU Regulation 2017/1129 (the "Prospectus Regulation").

<i>(in thousand of euro)</i>	As at 30 September 2021	As at 31 December 2020
A. Cash and cash equivalents	6,527	4,052
B. Cash equivalents	-	-
C. Other current financial assets	600	665
D. Cash and cash equivalents (A) + (B) + (C)	7,127	4,717
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	26,382	11,609
F. Current portion of non-current financial debt	174	170
G. Current financial debt (E + F)	26,556	11,779
H. Net current financial debt (G - D)	19,429	7,062
I. Non-current financial debt (excluding current portion and debt instruments)	78,685	38,975
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	39
L. Non-current financial debt (I + J + K)	78,685	39,014
M. Total financial debt (H + L)	98,114	46,076
Excluded effects of IFRS 16-Lease liabilities:		
ESMA net financial debt / Net financial position excluding IFRS 16	64,347	10,698

Commitments and guarantees (note 18)

Commitments, referring only to technical investments, amounted to € 46.4 million as at 30 September 2021 (€ 20.0 million as at 31 December 2020).

As at 30 September 2021, guarantees amounted to € 81,769 thousand (€ 81,346 thousand as at 31 December 2020) and mainly regard 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 nine months of 2021, the Company was not party to any abnormal and/or unusual operations as defined in that communication.

Other Information (note 20)

Contingent Liabilities

The amounts recognised in this Interim Report on Operations as provisions for risks and charges represent the Company'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 party to certain legal disputes pending before Regional Administrative Courts relating to the use of radio and television signal transmission frequencies. All disputes are constantly monitored by the Company's legal department, which to this purpose engages the support of leading law firms specialising in administrative disputes. Again, in relation to administrative disputes, the Company is involved in a dispute relating to a selection procedure appeal pursuant to Articles 4 and 15 of Italian Legislative Decree 50/2016.

Rai Way is also a party to a number of lawsuits of a civil and tax nature relating to the correct quantification of the fee due for the occupation of public space of installations owned by the Company.

With regard to the aforementioned lawsuits, although it is arguing its case in the applicable courts, assisted in this by the support of leading 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 claimed, since it considers it probable that it will be required to pay, should it lose the cases.

The Company is also party to a very limited number of lawsuits brought by employees and former employees in relation to alleged faulty application of the current regulations governing employee agreements. The amounts recognized in this half-yearly report to provide against the risk of losing the litigation have been calculated by the Company 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.

In order to provide supplementary information on the matters discussed above, it should 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. Taking into account that such hospitality is ordinarily formalized through contracts or similar legal instruments (but not limited to: 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 it has created a provision for site decommissioning and restoration in the half-yearly financial report 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 financial statements becoming probable, all the necessary measures will be taken to protect the Company's interests and adequately portray the changed situation in the financial statements.

Related Party Transactions³

Details of the transactions the Company carried out with Related Parties are provided in the following; related parties are identified on the basis of IAS 24 "Related party disclosures". The company Rai Way carries out transactions mainly of a commercial and financial nature with the following Related Parties:

- RAI S.p.A. (hereinafter the "Parent Company");
- 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 as at 30 September 2021 and 31 December 2020:

³ 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, the joint control or a significant influence both on the entity that prepares the financial statements and on the other entity.

<i>(in thousand of euro)</i>	Parent Company	Senior Management	Other related parties	Total
Lease rights of use				
As at 30 September 2021	13,322		1	13,323
As at 31 December 2020	16,156		10	16,166
Non-current financial assets				
As at 30 September 2021	-		-	-
As at 31 December 2020	-		-	-
Current financial assets				
As at 30 September 2021	393		14	407
As at 31 December 2020	450		14	464
Current trade receivables				
As at 30 September 2021	58,671		313	58,984
As at 31 December 2020	55,618		315	55,933
Other current receivables and assets				
As at 30 September 2021	2,456		-	2,456
As at 31 December 2020	2,550		-	2,550
Non-current lease liabilities				
As at 30 September 2021	9,712		-	9,712
As at 31 December 2020	12,571		-	12,571
Current financial liabilities				
As at 30 September 2021	-		-	-
As at 31 December 2019	-		-	-
Current lease liabilities				
As at 30 September 2021	6,679		12	6,691
As at 31 December 2020	6,632		12	6,644
Trade payables				
As at 30 September 2021	2,576		-	2,576
As at 31 December 2020	2,026		-	2,026
Other debt and current liabilities				
As at 30 September 2021	16,810	219	994	18,023
As at 31 December 2020	21,140	507	1,394	23,041
Employee benefits				
As at 30 September 2021	-		108	108
As at 31 December 2020		129	122	251

The following table sets out details of the Company's income statement items with regard to related parties as at 30 September 2021 and 30 September 2020:

<i>(in thousand of euro)</i>	Parent Company	Senior Management	Other related parties	Total	
Revenues (*)					
As at 30 September 2021	161,426		961	162,387	
As at 30 September 2020	158,043		968	159,011	
Other revenues and income					
As at 30 September 2021	5		-	5	
As at 30 September 2020					
Purchase of consumables					
As at 30 September 2021	-		-	-	
As at 30 September 2020					
Cost of services					
As at 30 September 2021	4,964		-	4,964	
As at 30 September 2020	5,083		-	5,083	
Personnel costs					
As at 30 September 2021	-	29	2,238	537	2,746
As at 30 September 2020		8	1,717	-	1,725
Other costs					
As at 30 September 2021	18		-	18	
As at 30 September 2020	30		-	30	
Right of use depreciation and amortization					
As at 30 September 2021	2,855		9	2,864	
As at 30 September 2020	2,851		9	2,860	
Financial income					
As at 30 September 2021	-		-	-	
As at 30 September 2020				-	
Financial expenses					
As at 30 September 2021	135		-	135	
As at 30 September 2020	168		-	168	

(*) The amounts include the marginal costs towards the Parent for € 13,346 thousand (€ 15,522 thousand at as 30/09/2020) and Other related parties for € 676 thousand (€ 676 thousand at as 30/09/2020).

Parent Company

The relations with the Parent Company, RAI, as at 30 September 2021, mainly regard the Service Contract renegotiated on 31 July 2014, amended on 10 December 2019 in certain contractual terms and conditions, which relates to the provision of new integrated network services by the Company, in respect to which the parties have waived the right of termination at the second seven-year period already envisaged, effectively renewing it until 30 June 2028, without prejudice to the possible, already envisaged continuation for a further seven

years, save for termination of not only the RAI supply agreement (regarding personnel administration, general services, IT systems, administration and treasury and the research and technological innovation centre), the lease and supply Contract of connected services by RAI, the domestic tax consolidation, the VAT legislation consolidation and, lastly, an intercompany current account agreement used to deal with residual payments.

Senior Management

“Senior Management” refers to key managers who have the power and direct and indirect responsibility for planning, managing and controlling the activities of Rai Way, and includes the members of the Board of Directors of the Company.

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 provides transmission services and receives transmission services from Rai Way;
- Supplementary Employee and Manager pension funds.

Rome, 11 November 2021

on behalf of the Board of Directors

The Chairman

Giuseppe Pasciucco

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

The manager in charge of preparing the corporate accounting documents of Rai Way S.p.A., Adalberto Pellegrino, declares, pursuant to Art. 154-bis, paragraph 2 of the Consolidated Finance Act, that the accounting information contained in this interim financial report as at 30 September 2021 corresponds to the supporting documentation, accounting books, and records.

Rome, 11 November 2021

Adalberto Pellegrino

The Manager in charge of preparing
the corporate accounting documents