2023

Annual Financial Report

The Annual Financial Report has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

Way

to go

Rai Way

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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.raiway.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
Roberto Cecatto

Directors
Romano Ciccone
Alessandra Costanzo
Michela La Pietra
Barbara Morgante
Umberto Mosetti
Gian Luca Petrillo
Paola Tagliavini

Secretary of the Board
Giorgio Cogliati

Board of Statutory Auditors

Chairman
Silvia Muzi

Standing Auditors
Massimo Porfiri
Barbara Zanardi

Alternate Auditors
Cristina Chiantia
Paolo Siniscalco

Auditing Company
EY S.pA. [2]

Control, Risks and Sustainability Committee

Paola Tagliavini (Chairman)
Alessandra Costanzo
Gian Luca Petrillo

Committee Remuneration and Appointments

Umberto Mosetti (Chairman)
Romano Ciccone
Barbara Morgante

[1] In office at the date of this Annual Financial 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 Corporate Governance and Ownership Structure Report relating to FY 2023, published on the Company website(www.raiway.it).

[2] Statutory Audit assignment approved by the Shareholders' Meeting of Rai Way on 27 April 2023.

LETTER TO SHAREHOLDERS

Dear Shareholders,

The financial statements for FY 2023 bring to a close the four-year cycle that began back in 2020 and has been characterised by the implementation of the 2020-23 Industrial Plan aimed at strengthening the core business - thanks to the massive investment made in the frequency refarming project - as well as the launch of new ways of expanding the portfolio of managed infrastructures and focusing on sustainability as a lever and amplifier of value creation.

The favourable completion of this Plan, with significantly better results than expected, has moreover confirmed a growth trajectory that has continued uninterrupted since our IPO in 2014: in 9 years, Rai Way has successfully increased its EBITDA by 60% and the related margins by around 12 percentage points, more than doubling net profit and dividend[1].

2023, characterised by a permanently complex geopolitical scenario and an economic situation that was not without its fragilities, but also by a marked slowdown in inflation, allowed the Company to take advantage of the strengths of its business model and development initiatives in TV broadcasting. At an operational level, in addition to the continued focus on traditional broadcasting and tower hosting activities, preparatory activities for the extension of Rai Way's digital infrastructure continued, particularly in relation to the construction of the first edge data centres, the content delivery network (CDN) and the completion of the fibre optic network extending for more than 6,000 kilometres.

[1] Net of the accounting impact of IFRS16, introduced as of 2019.

All key income statement metrics show significant progress compared to FY 2022. Revenues amounted to € 271.9 million, growing strongly on the one hand due to the effect of inflation index-linking, and on the other due to the contribution of the new regional digital terrestrial networks and the hosting activities with FWA operators and radio broadcasters. Adjusted EBITDA amounted to € 180.3 million, benefiting from both higher revenues and lower costs, not only in relation to electricity consumption and tariffs. The net result, while suffering the effect on amortisation/depreciation of the increasing development investments, in turn reached a new record of € 86.7 million, allowing us to propose a dividend to the Shareholders' Meeting of 32.22 euro cents, taking the resources distributed to Shareholders since the IPO to over € 580 million.

From the financial point of view, while net debt that remained substantially stable at € 104.9 million, Rai Way finalised a new three-year loan agreement with a pool of top-tier financial institutions, for a maximum amount of € 185 million. This will contribute to guaranteeing financial flexibility to support the investments planned for the coming years.

Investments are indeed at the heart of the 2024-2027 Industrial Plan, which the new Board of Directors, after taking up office in May 2023, approved on 25 March 2024. The Plan outlines a clear industrial path, which - by combining organic growth in the traditional media services market, diversification into digital infrastructure and potential external growth opportunities - aims to maximise value creation, ensuring long-term sustainability and development to our business.

At the same time, the Board of Directors also approved the new 2024-27 Sustainability Plan, which also embraces new topics such as the circular economy and biodiversity, confirming the Carbon Neutrality target to 2025 and introducing new targets in terms of emissions, cybersecurity and training, further demonstrating Rai Way's strong commitment to meeting the needs of all its Stakeholders.

on behalf of the Board of Directors

The Chairman

Giuseppe Pasciucco

RAI WAY'S ACTIVITIES

Rai Way[3] (hereinafter the Company) is a digital infrastructure operator and a provider of media services for content distribution. It is the only operator of the radio and television broadcasting networks that carry the signals of RAI, the Italian public service concessionaire.

Rai Way has an extensive presence throughout Italy with around 600 employees at its headquarters in Rome and 21 regional offices, more than 2,300 telecommunication towers, a transmission network of radio links, satellite systems and around 6,000 km of proprietary fibre optics and 2 control centres.

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

Since 2014, Rai Way has been listed on the Euronext Milan market (previously called Electronic Stock Market) 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.

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 and services for the sale of transmission capacity;

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[3] Rai Way has joined the simplification regime provided for by Arts. 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.

(ii) Transmission services, for the transmission of radio and television signals via the dedicated network (radio links, satellite, fibre 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 Company's sites including, were required, maintenance services as well as other complementary activities;

(iv) Network Services 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.

In addition, following the development of a private CDN (Content Delivery Network) and of the first data centres, which are part of a more extensive infrastructure under construction and distributed nationwide, Rai Way will soon expand its portfolio of services, offering server housing and low-latency connectivity to meet new communication needs, as well as network solutions for content distribution over public IP networks (Internet), with high "Quality of Experience" for end users.

MAIN ALTERNATIVE PERFORMANCE MEASURES

The Company assesses performance on the basis of certain measures not considered by IFRS. In line with Consob Communication no. 0092543 of 3 December 2015, which implements the guidelines issued on 5 October 2015 by the *European Securities and Markets Authority* (ESMA) No. 2015/1415, the components of these indicators, relevant for the Company, are described below.

- Gross operating profit or EBITDA - earnings before interest, taxes, depreciation and amortisation: 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 amortisation: this is calculated as profit before income taxes, depreciation, amortisation, 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") as implemented by CONSOB Attention Notice no. 5/21 of 29 April 2021.

- 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 and/or cost optimisation 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 31 December 2023 compared to the results at 31 December 2022.

In addition, figures are also provided for the Company's Net Financial Position and Net Invested Capital at 31 December 2023 compared to equivalent figures at the close of the previous financial year.

For the purposes of better data analysis, it should be noted that the changes and percentages shown in the following tables are calculated using values expressed in Euro.

Main Indicators

(figures in millions of euro; %)	2023	2022	Delta	Change %
Key Income Statement Figures				
Core Revenues	271.9	245.4	26.5	10.8%
Other Revenues and income	0.9	0.5	0.4	74.7%
Other operating costs	(46.3)	(51.2)	4.9	9.6%
Personnel costs	(46.3)	(43.7)	(2.6)	(5.8%)
Adjusted EBITDA	180.3	151.0	29.2	19.4%
EBIT	126.0	103.8	22.1	21.3%
Net Income	86.7	73.7	13.0	17.7%
(figures in millions of euro; %)	2023	2022	Delta	Change %
Key Balance Statement Figures				
Capital expenditure	62.2	80.2	(18.0)	(22.5%)
of which maintenance	15.9	17.4	(1.5)	(8.6%)
(figures in millions of euro; %)	2023	2022	Delta	Change %
Net Invested Capital	293.5	281.2	12.4	4.4%
Shareholders' Equity	188.7	176.2	12.5	7.1%
Net Financial Debt	104.9	105.0	(0.2)	(0.2%)
Indicators				
Adjusted EBITDA / Core Revenues (%)	66.3%	61.5%	4.8%	7.7%
Net Income / Core Revenues (%)	31.9%	30.0%	1.9%	6.2%
Maintenance Capex/Core revenue (%)	5.9%	7.1%	(1.2%)	(17.5%)
Net financial debt/Adj EBITDA (%)	58.2%	69.5%	(11.4%)	(16.3%)

* "Other operating costs" are calculated net of the electricity tax credit for non-energy consuming companies, amounting to € 1.2 million in 2023 and € 2.6 million in 2022.

- Core Revenues amounted to € 271.9 million, up 10.8% compared to the values € 31 December 2022.
- Adjusted EBITDA is equal to € 180.3 million and shows an increase of € 29.2 million compared to the 31 December 2022 value. The Company defines this measure as EBITDA adjusted for non-recurring expenses.
- The ratio between *Adjusted* EBITDA and core Revenues was 66.3% compared to 61.5% as at 31 December 2022.
- EBIT is equal to € 126 million, and shows an increase of € 22.1 million compared to the 31 December 2022 value.
- Net income was € 86.7 million, up 17.7% compared to 31 December 2022.
- Operational Investment of € 62.2 million relates to the maintenance of network infrastructure and development projects.
- Net Invested Capital amounted to € 293.5 million, with Net Financial Debt of € 104.9 million and a Shareholders' Equity of € 188.7 million.

REPORT ON 2023 OPERATIONS

Indications and the overall performance of the economy [4]

In 2023, global GDP growth proved unexpectedly resilient (+3.0% in 2023 compared to a previous estimate of +2.7% at the end of 2022), despite initial expectations of a more pronounced slowdown due to falling real incomes and the rapid and widespread tightening of monetary policy. Thanks to lower energy prices and the gradual loosening of bottlenecks in supply chains from their peak in 2021/22, inflation fell faster than expected and plans to support energy consumption helped to cushion household incomes and support activity in many economies.

While growth was particularly buoyant in the US due to strong consumer spending and increased government spending, the results in Europe were more subdued due to the continuing negative effects of the energy price shock, as well as the tightening of lending conditions linked to the rise in benchmark interest rates.

In the latter part of the year, the outbreak of conflict in the Middle East generated new criticalities in global supply chains and triggered new risks of a possible further rise in oil prices.

As a result, the GDP growth of all the major economies - although positive (+2.1% in the US, +0.7% in the Eurozone, +0.7% in Italy) - returned to pre-pandemic values and inflation progressively eased (+4.1% in the US, +5.6% in the Eurozone, +6.0% in Italy).

During the course of the year, these underlying dynamics were undermined by a number of different events and factors, such as bank insolvencies, the outbreak of a new conflict on Europe's doorstep, and an often volatile macroeconomic picture.

[4] Source: International Monetary Fund, *World Economic Outlook*, October 2023

The Company's reference market

Rai Way is a leading operator in the Italian radio and television transmission infrastructure market. The main television transmission platforms in the European television broadcasting market are as follows:

- DTT (Digital Terrestrial Television, free and pay television),
- DTH (satellite),
- OTT (broadband),
- cable TV.

Compared to the other countries of Western Europe, Italy is characterized by a far greater diffusion of the digital terrestrial television (DTT) platform. In the other countries, the reduced extent of the use of the DTT platform is due to a broader and more competitive presence of satellite platforms (e.g. in the United Kingdom and Germany) and cable (e.g. Germany and France). The solid positioning of DTT in the Italian broadcasting scenario is further supported by the absence of cable TV (at a European level operators capable of providing television services via cable usually represent the strongest competitors on the market, as regards both television and broadband) and an average audience on the DTT platform that shows effective resilience, despite the simultaneous strong growth seen in the spread of OTT platforms in recent years.

Regarding the Italian radio market, programs are transmitted in both analogue (FM) and digital format (DAB - Digital Audio Broadcasting) and no expiry dates have been set for a switch-off of the analogue signal, in line with many other European countries.

As a consequence of the features of its network, Rai Way also operates in the sector of telecommunications towers, providing its customers with tower rental services.

Rai Way also launched an investment plan aimed at expanding its assets in the broader digital infrastructure market (e.g. data centres), which will play a central role in enabling the digital transition process in the coming years. The Italian market currently still shows an imbalance between supply and demand resulting from the limited availability and geographical distribution of quality assets.

Rai Way on the financial markets [5]

In 2023, international financial markets continued the marked recovery that had already begun in the last quarter of 2022 and was driven by factors such as lower commodity costs, stabilising inflationary dynamics, expectations of an end to monetary tightening and a less pronounced economic slowdown than expected (the so-called "soft landing") as evidenced by corporate earnings growth, business confidence and a robust labour market.

However, the picture remained characterised by elements of uncertainty linked to geopolitical risks, recessionary risks and the restrictive policies of central banks, which underpinned the corrections in March (concerns about the soundness of the financial system) and in the latter part of the summer (sharp rise in rates and deterioration of the macro framework). This uncertainty brought investors to favour liquidity and lowered volatility of large cap stocks over small-medium caps.

In Italy, in particular, the FTSE Italia All-Share index recorded a gain of 26.3%, while the Mid Cap list grew by 13.1%.

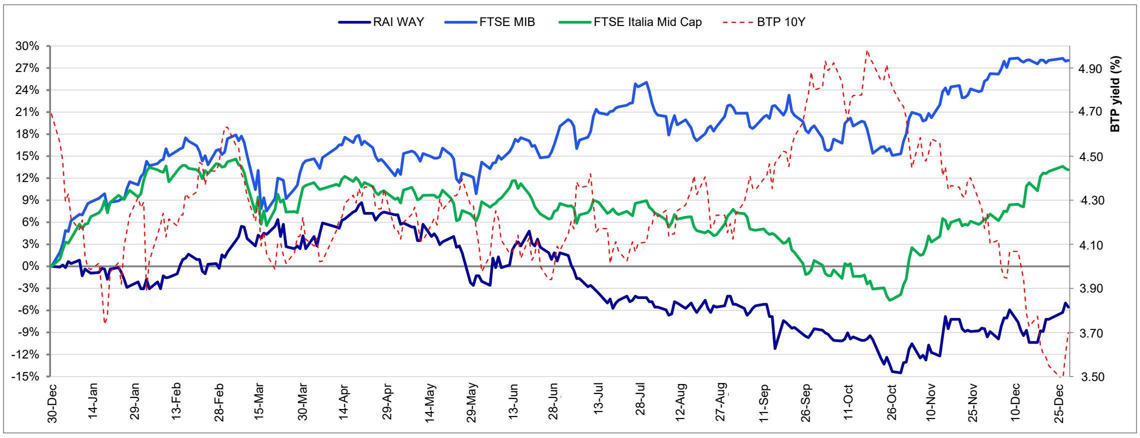
During the year, the Rai Way share, which is listed on the Euronext Milan market (formerly Mercato Telematico Azionario) of Borsa Italiana, fell by 5.5% (-0.5% if the dividend distribution is taken into account). The underperformance with respect to the indices can be attributed to a repositioning of the market on cyclical and growth sectors that had suffered the most in 2022, to the penalisation due to the limited liquidity of the stock and to the greater sensitivity of the infrastructure

[5] Borsa Italiana data processing (www.borsaitaliana.it)

sector to the progressive increase in interest rates (also common to the main peers[6]).

Rai Way ended 2023 with a market capitalisation of € 1,390 million.

Rai Way shares compared to FTSE Italia All-Share and FTSE Italia Mid Cap in 2023



[6] During 2023, the median Total Shareholders' Return (TSR) of the Peer Group companies in the Long-Term Incentive Plan listed as of 31.12.2023 was +8.9% (+6.0% excluding stocks in the Utilities segment). In 2023, Rai Way's TSR came to -0.5%.

The following table sets out key market figures:

Key market data

General data	ISIN	IT0005054967
	Number of shares	272,000,000
	of which Treasury Shares	*3,625,356*
	Free float	33.70%

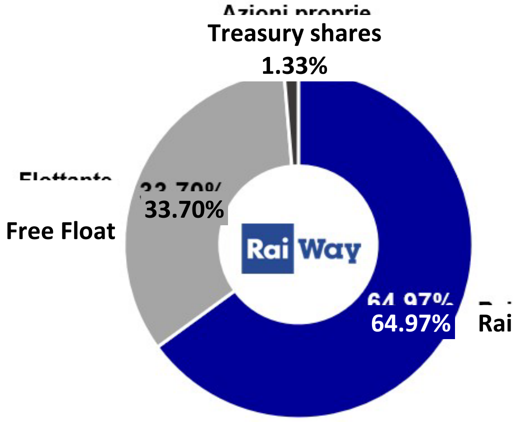
Price (Eur; %)	IPO Price (19/11/2014)	2.95
	Price at 30/12/2022	5.41
	Price at 29/12/2023	5.11
	Performance as of 29/12/2023 vs. IPO	+73.2%
	Performance at 29/12/2023 vs 30/12/2022	-5.5%
	Maximum price (closing) in 2023	5.88
	Minimum price (closing) in 2023	4.63

Daily volumes ('000)	Average volumes in 2023	166,975
	Maximum volumes in 2023	1,522,088
	Minimum volumes in 2023	36,020

Capitalisation (€ million)	Capitalisation at IPO (19/11/2014)	802.4
	Capitalisation as of 31/12/2022	1,471.5
	Capitalisation as of 31/12/2023	1,389.9

Shareholding structure

As of 31 December 2023, 64.97% of Rai Way's share capital is held by Rai - Radiotelevisione Italiana SpA, 33.70% is traded on the stock market and the remaining 1.33% consists of treasury shares, with no change on the previous year.



Commercial performance

2023 was a year of substantial consolidation of the trend of revenue growth, both from the sale of hospitality and broadcasting services.

In particular, with regard to RAI, the main customer, refarming activities continued to characterise 2023 with interventions on the platforms of the MR MUX and the activation of new sites, some of which were significant in terms of their catchment area (Milan Isozaki, Velo Veronese), as well as measurement campaigns aimed at verifying the quality of the DTT service in the territory, which led to an increase in revenues from RAI.

During the year, additional services continued to be provided in favour of RAI, including numerous contribution and connectivity services for various events, such as: the Serie A football championship, the opera season of the La Scala theatre in Milan, the Fukuoka World Swimming Championship, the Tokyo World Athletics Championship, and the 80th Venice Film Festival. A 4k upgrade of the connections was carried out on the occasion of the opening of the opera season at the La Scala theatre in Milan. The fibre optic network in the area of the Foro Italico in Rome was extended for the launch of the TV show "Viva Rai2" and a system was designed and set up to provide fast connections from the terrace of the Vatican Press Office. In addition, Rai Way provided Rai Italia signal distribution services to foreign operators with SRT protocol over the public network and renewed connectivity services for Rai's foreign offices and transmission and broadcasting services for Rai World programmes in Africa. A campaign of electromagnetic field measurements inside and outside all Rai settlements on national territory was initiated for risk and environmental impact assessment.

With regard to the Tower Rental segment, especially for MNOs, activities focused on the development of new hospitality and simultaneous stabilisation of third-party sites potentially at risk. With regard to FWAs, new agreements are being finalised with major industry players. On the radio front, important agreements were concluded with major local consortia, totalling more than 100 new stations, for the development of the DAB digital network. A great deal of effort was also put into facilitating changes to existing customer locations, with a view to development towards 5G. With regard to the "Broadcast" business line towards third parties, in 2023 Rai Way consolidated its role as a provider of the digital terrestrial television service in the eight most relevant technical areas in Italy, maintaining the number of providers of audiovisual media services (FSMA) in the local area transmitted on its muxes (about 140).

Significant events

The significant events were as follows:

- Following the end, on 31 December 2022, of the transitional period provided for by Art. 44-bis, paragraph 2, of Decree Law no. 76 of 16 July 2020, i.e. the two financial years following the 2020 financial year, the Company - pursuant to Art. 2-ter of the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999 ("Issuers' Regulation") - ceased, since 1 January 2023, to qualify as an "SME" (Small and Medium Enterprise) pursuant to Art. 1, paragraph 1, letter w-quater.1) of Italian Legislative Decree no. 58 of 24 February 1998 ("TUF" [Consolidated Law on Financial Intermediation]). It is recalled that the loss of SME status by the Company entails, in particular, the application of the new threshold for the purposes of disclosure obligations of significant shareholdings, pursuant to Article 120 of the Consolidated Law on Finance, equal to 3% of the share capital. Therefore, shareholders holding stakes of more than 3% and less than 5% of the Company's capital at the date of this press release must notify Consob and the Company in accordance with and within the terms set forth in Articles 117, paragraph 2-bis, and 121, paragraph 3-bis, of the Issuers' Regulations;

- On 08 March 2023, the Board of Directors resolved to convene the Shareholders' Meeting for, among other things, the approval of the financial statements for the year ended 31 December 2022, on single call, on 27 April 2023;
- On 16 March 2023, the Board of Directors approved the draft financial statements for 2022, which closed with a profit of approximately € 73.7 million, and the proposal to distribute a dividend of € 0.2745 per share.
- On 27 April 2023, the Shareholders' Meeting, among other things:
  - approved the Financial Statements of the Company as at 31 December 2022 and the distribution of a dividend as proposed by the Board of Directors;
  - approved the first section (relating to the remuneration policy for 2023) and voted in favour of the second section (relating to compensation for 2022) of the prepared Report on the remuneration policy and compensation paid;
  - approved the proposal of the Board of Directors authorising the purchase and disposal of treasury shares, previously revoking the corresponding authorisation approved at the Meeting of 27 April 2022;
  - appointed for the years 2023 - 2025 (and therefore until the Shareholders' Meeting is called to approve the financial statements as at 31 December 2025) the Board of Directors comprised of nine members: Giuseppe Pasciucco, appointed as Chairman, Roberto Cecatto, Michela La Pietra, Paola Tagliavini, Barbara Morgante, Alessandra Costanzo, Gian Luca

Petrillo, Romano Ciccone (taken from the majority list presented by RAI - Radiotelevisione italiana S.p.A) and Umberto Mosetti (taken from the minority list presented by some asset management/asset management companies);

- approved, following the relevant reasoned proposal of the Board of Statutory Auditors, the appointment of the independent auditors EY S.p.A. for the financial years 2023 - 2031 and the determination of the relevant fee.

- On 28 April, the Board of Directors appointed:
  - Roberto Cecatto as new Chief Executive Officer and General Manager;
  - the Control, Risks and Sustainability Committee - which also acts as the Related Parties Committee - and the Remuneration and Appointments Committee, both of which are always composed solely of independent directors, with the following respective compositions
    - Control, Risks and Sustainability Committee Paola Tagliavini (Chairman), Alessandra Costanzo and Gian Luca Petrillo;
    - Remuneration and Appointments Committee: Umberto Mosetti (Chairman), Romano Ciccone and Barbara Morgante;
  - subject to the favourable opinion of the Board of Statutory Auditors, Mr. Adalberto Pellegrino in the position, already held by the latter, of manager responsible for drafting corporate accounting documents, in accordance with Art. 154-bis of Legislative Decree no. 58/1998, until the Shareholders' Meeting called to approve the Financial Statements as at 31 December 2025.

- On 23 June 2023, the Company signed an agreement with former Chief Executive Officer and General Manager Aldo Mancino regarding the consensual termination of the executive employment relationship and a non-competition agreement. The parties agreed to mutually terminate the management employment relationship as of 30 September 2023 in order to ensure management fluidity, also in relation to specific projects, in the handover with the current CEO and General Manager. The Company recognised Mr. Mancino, as a redundancy incentive, the sum of € 1,523,912 gross in addition to his legal entitlements. Mr. Mancino will continue to benefit from the 2021-2023 Share Plan approved by the Shareholders' Meeting of Rai Way on 27 April 2021, under the terms set forth by the provisions of the same Plan for good leaver hypotheses. Mr. Mancino also undertook non-competition obligations with the Company in the tower hosting sector (tower infrastructure) for radio and television broadcasting or in favour of companies or entities of any nature operating in the same sector, throughout Italy and for a duration of 13 months from the date of termination of the employment relationship, for a gross consideration of € 250,000.

- On 23 October 2023, the Company signed a new loan agreement with a pool of financial institutions consisting of Mediobanca – Banca di Credito Finanziario S.p.A., BPER Banca S.p.A., Unicredit S.p.A. and Cassa depositi e prestiti S.p.A. The new loan agreement, with a duration of three years, provides for the granting of a term credit line of up to € 143 million and a revolving credit line of up to € 42 million, both to be used through cash disbursements and with a maturity date of 23 October 2026.

Results for the year

The Company registered a net income of € 86.7 million in 2023 representing an in- crease of € 13.0 million over the previous year corresponding figure (+17.7%).

A summary of the Company's income statement for the years ended 31 December 2023 and 31 December 2022 is set out in the following table:

Income Statement

(figures in millions of euro; %)	2023	2022	Delta	Change %
Revenues from RAI	230.2	210.5	19.6	9.3%
Revenues from third parties	41.8	34.9	6.9	19.6%
Core Revenues	**271.9**	**245.4**	**26.5**	**10.8%**
Other revenues and income	0.9	0.5	0.4	74.7%
Personnel costs	(46.3)	(43.7)	(2.6)	(5.8%)
Other operating costs	(46.3)	(51.2)	4.9	9.6%
Adjusted EBITDA	**180.3**	**151.0**	**29.2**	**19.4%**
EBITDA Margin	*66.3%*	*61.5%*	*4.8%*	*7.7%*
Adjustments	(5.3)	-	(5.3)	N.M.
EBITDA	**174.9**	**151.0**	**23.9**	**15.8%**
Amortisation, allocations and write-downs	(49.0)	(47.2)	(1.8)	(3.7%)
EBIT	**126.0**	**103.8**	**22.1**	**21.3%**
Net Financial Expenses	(4.5)	(2.1)	(2.4)	(118.2%)
Pre-Tax Profit	**121.5**	**101.8**	**19.7**	**19.4%**
Taxation	(34.8)	(28.1)	(6.7)	(23.8%)
Net Income	**86.7**	**73.7**	**13.0**	**17.7%**

Rai Way revenues came to € 271.9 million, an increase of € 26.5 million compared to the previous period (+10.8%).

The activities carried out for the Rai Group generated revenues of € 230.2 million, an increase of 9.3% compared to the same period of the previous year. The increase of € 19.6 million derived from the indexation of service contract revenues to inflation, partially absorbed by the impacts of the discontinuation of the radio broadcasting service in medium wave. With regard to commercial relations with other customers, revenues from third parties amounted to € 41.8 million, an increase of € 6.9 million compared to the same period of the previous year, with a growth in the period of almost 20%, benefiting from the launch of the new local television broadcasting services in the technical areas where Rai Way was awarded the rights to use frequencies.

Personnel costs amounted to € 46.3 million at 31 December 2023, an increase of € 2.6 million compared to the previous period mainly due to extraordinary benefits recorded in 2022 in connection with releases of provisions made in previous years and the impact of the actuarial calculation related to the staff severance provision. The Company's workforce is 580 at 31 December 2023.

"Other operating costs" – which consist of consumables, services and other costs net of non recurring items – amounted to € 46.3 million, down by € 4.9 million over the previous period. The reduction in costs is mainly attributable to lower electricity costs of € 7.5 million due to reduced average unit costs and consumption. There was an increase in service costs, mainly attributable to a 5G technology testing initiative, as well as higher costs for consultancy and other services.

Adjusted EBITDA amounted to € 180.3 million, an increase of € 29.2 million compared to the value of € 151 million at 31 December 2022, representing a margin of 66.3%.

(figures in millions of euro; %)	2023	2022	Delta	Change %
Adjusted EBITDA	**180.3**	**151.0**	**29.2**	**19.4%**
Non-recurring costs	(5.3)	-	(5.3)	N.M.
EBITDA	**174.9**	**151.0**	**23.9**	**15.8%**

In 2023, non-recurring expenses amounted to € 5.3 million, mainly referring to a voluntary redundancy incentive initiative for the company's personnel and the termination agreement with the previous CEO.

The Operating Result of € 126 million was € 22.1 million higher than in the same period of the previous year due to the effects described previously and an increase in amortisation, depreciation and impairment of € 1.7 million.

Financial expenses closed with a balance of € 4.5 million, a worsening of € 2.4 million over the previous period due to the increased interest rates and the growing financial debt.

Net profit amounted to € 86.7 million, an increase of € 13 million over the same period in 2022.

Capital expenditure and Other Investments

In 2023, capital expenditure amounted to € 62.2 million (€ 80.2 million in 2022), of which € 15.9 million relating to the evolutionary maintenance and renewal of the Company's network infrastructure (€ 17.4 million in 2022) and € 46.3 million to the development of new initiatives (€ 62.8 million in 2022).

(figures in millions of euro; %)	2023	2022	Delta	Change %
Maintenance Investments	**15.9**	**17.4**	**(1.5)**	**(8.6%)**
Development Investments	**46.3**	**62.8**	**(16.5)**	**(26.3%)**
Total Capital expenditure	**62.2**	**80.2**	**(18.0)**	**(22.5%)**
Investments for property leases and car fleet	**4.7**	**7.4**	**(2.7)**	**(36.9%)**

Development Investments mainly related to the implementation of a private CDN (Content Delivery Network) network and the first edge data centres, which are part of a more extensive infrastructure being built and distributed nationwide; in addition, there were investments related to the refarming process at both national and local level, the development of a national fibre optic backbone infrastructure, and digital transformation projects.

Capital expenditure for real estate leasing and car fleet amounted to € 4.7 million, down € 2.7 million compared to 2022, when the car fleet was renewed.

Statement of financial position

(figures in millions of euro; %)	2023	2022	Delta	Change %
Net fixed assets	355.7	334.3	21.4	6.4%
Net Working Capital	(38.4)	(29.8)	(8.6)	(28.7%)
Provisions	(23.8)	(23.4)	(0.4)	(1.9%)
NET INVESTED CAPITAL	**293.5**	**281.2**	**12.4**	**4.4%**
Shareholders' Equity	188.7	176.2	12.5	7.1%
Net Financial Debt	104.9	105.0	(0.2)	(0.2%)
TOTAL FUNDING	**293.5**	**281.2**	**12.4**	**4.4%**

Net Invested Capital € 31 December 2023 was € 293.5 million. Fixed assets also include the lease rights of use in application of the IFRS 16 accounting standard for € 31.4 million, net of the dismantling and restoration provision of € 1.6 million.

Net Financial Debt amounted to € 104.9 million, in line with 31 December 2022. The item includes lease financial liabilities in application of the IFRS 16 accounting standard for a value of € 37.8 million. Please refer to the paragraph "Net Financial Debt" for additional details (note 20).

Human Resources and Organization

As at 31 December 2023, Rai Way had a workforce of 557 people employed on a permanent basis: 27 executives, 169 managers, 359 technicians or office staff and 2 workers. 23 other workers with fixed-term employment contracts are to be added to the above.

In order to better represent the company's workforce, a table containing details of the average composition and average age of the staff in service is attached.

	Executives		Middle Managers		White-collar employees and technicians		Manual workers	
Years	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**
Men	20	21	137	139	327	321	7	4
Women	4	6	32	35	63	62	0	0
Average age	55	56	51	52	44	44	60	58

(*) Annual average values

The distinctive features of the Rai Way action in the field of human resources are expressed in a framework of constant attention to human capital, intended as a strategic factor for corporate growth, in a perspective that supports and favours the creation of value and the achievement corporate objectives, while ensuring an increasingly sustainable and innovative workplace, able to uphold external evolutions and changes in progress, both social and technological, making them into stimuli and opportunities. An integrated, future-oriented corporate approach that respects, protects and focuses on its people and community.

In 2023, the following areas were consistently covered:

- safeguarding the optimal and consistent sizing of the workforce perimeter, with specialised graft for the development of business challenges;
- development of the Company's organisational model in order to control the technological and business challenges currently under way, also through the implementation of virtual organisation models
- constant appreciation of results and behaviours expressed by personnel, enriched with instruments for the conciliation of employees' well-being needs;
- confirmation of smart working organisational solutions and work-life balance options;
- qualified investment in both technical and managerial training, with a focus on the learning component of occupational health and safety;
- a continuous process of industrial relations at national and local level, in order to seek appropriate and shared solutions;
- consolidation of the openness to the social dimension of business, with active routes with the school and university network, aimed at encouraging targeted internship and school-work programme experiences;
- promotion of recruiting paths, including digital ones, open from the age of majority, inspired by criteria which, while respecting equal opportunities and diversity, ensure pluralism of professionalism;
- implementation of the on-boarding process to intercept new contributions and contamination of knowledge, positively affect the sense of belonging, also through interactive dialogue, transfer corporate values/goals related to the role;

- attention to staff engagement, also through the promotion and development of internal climate surveys aimed at periodically surveying staff satisfaction, monitoring the results in correlation with the requests expressed;
- guarantee and enhancement of diversity and equal opportunities, which led to the certification of the company's Gender Equality Management System in accordance with the UNI/PdR 125:2022 Reference Practice. This result testifies to Rai Way's active commitment to reducing the gender gap in all the most critical aspects for the professional development of the female component.

During the year, Rai Way embarked on a process of reviewing and adapting work spaces, enabled by smart working and the evolution of work models, starting from Headquarters down to the territorial offices, inspired by the following pillars:

- Office as "HUB", a place where people come together to interact with each other, to be productive and to open up to relationships;
- Identity & Sense of Belonging, as an inspiring criterion for the design and symbols that characterise working environments;
- Shared collaboration spaces to enhance social and collaborative dynamics with dedicated environments and advanced technological solutions;
- Flexibility of environments, to change according to needs;
- Standardisation of equipment and technologies that can enable and accelerate collaboration

In general terms, Rai Way's system of remuneration and incentives aims to reflect and support consistency and fairness at the company's organizational level and the optimisation of merit in terms of appreciation of the results achieved and qualitative performances and competitiveness with respect to best global practices.

With reference to key management, cardinal elements of the remuneration policy have been the correlation with strategies, corporate principles, the selectivity of beneficiaries and the internal coherence with respect to positions, competences, areas of responsibility and the roles carried out, the competitiveness with remuneration levels in the external market.

Of particular importance is the Company's Result Award, valid for the 2022-2024 three-year period, which allows the Company's non-executive personnel to benefit from a collective economic incentive linked to Rai Way's results, with independent corporate objectives resting upon the Company's technical-productive specificities and competitive positioning.

Within this framework, as further evidence of the achievement of corporate objectives and of the effectiveness of the policies and lines of action adopted for the various reference areas, Rai Way confirmed the Top Employers Italy certification as Employer of Choice. It is an award that once again testifies to the company's ability to develop the best working conditions, reconciling demands for competitiveness and wellbeing in the organisation, to proactively manage ongoing changes and to act continuously in creating value towards and with its people.

Furthermore, in relation to the Quality Management System, Rai Way has confirmed its ISO 9001:2015 certification with the following scope: "Provision of services for the design of systems and networks for broadcasting and transmission of radio and television signals. Provision of coordination and planning services for the routine maintenance of plants and networks for the transmission and broadcasting of radio and television signals. Provision of network infra- structure and services for telecommunications operators".

Safety and the environment

Rai Way, in confirming its focus on the issues, strictly linked to its business activities, relative to the protection of the environment, of employees' health and safety, and with respect to the citizens living in proximity of its plants, implemented an Integrated Environment, Health and Safety Management System, in compliance with the requirements of the ISO 14001 regulations, with regard to the environment and the population, and ISO 45001 regulations, with regard to health and safety in the workplace.

As required by the two regulations, the entire process was subjected to surveillance during 2023 by an external Certification Body that confirmed the correct implementation of the System.

In particular, the ISO 14001:2015 certification attests the compliance of Rai Way environment management system to the regulations requirements that, in the 2015 review, in addition to confirming the credibility gained over the years, it consolidates its own good practice in support of the sustainable development, a very relevant issue at present, with the objective of reaching a balance between environment, society and economy.

On the other hand, the ISO 45001:2018 certification attests to the compliance of the System with the requirements of this regulation, in order to guarantee the health and safety of its employees and of all the economic operators present in the company, as well as to constantly monitor all the aspects related to them with specific reference to the "Design and management of networks and plants for the transmission and broadcasting of the radio and television signal in Italy and abroad".

For more information on the environmental aspects, see the section in the Notes to the Financial Statements entitled "Climate Change" (Note 42).

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. The main sources of risk and uncertainty are discussed in summary form below.

Risk factors related to the Company

Risks related to the concentration of revenues in a small number of customers

As a result of the concentration of the Company's clientèle, any problem arising in trading relationships with the Company's main customers could have an adverse effect on its economic and financial position.

The Company's largest customers are Rai and the main MNOs (Mobile Network Operators) in Italy with whom it enters into agreements for tower rental services, generally for several years.

Please note that there is no certainty either that these relations will continue or that they will be renewed on their natural expiry. In addition, even if these arrangements are continued and/or renewed, there is no certainty that the Company will be able to keep turnover and/or the current contractual terms unaltered.

In addition to the above, as a consequence of the concentration of its revenues the Company is also exposed to the credit risk deriving from the possibility that its trade counterparties will be unable to fulfil their obligations.

The interruption to relationships with its main customers, the reduction in the number of stations, the inability to renew existing agreements on expiry or the non- performance by one of its trade counterparties could have a negative effect on the Company's economic and financial position.

Risks related to the Service Contract with Rai

Given the importance of the Service Contract with Rai to the Company's revenues, the same could suffer negative effects in terms of economic and financial position if such agreement was terminated – even in part – in advance, if the levels of the contractual services are not complied with or if there are significant increases in production costs (i.e. electricity) necessary to provide the services (also as the result of measures taken by the competent authorities) that are not absorbed by a corresponding increase in the consideration payable by Rai.

It should be remembered, with reference to the cases of partial termination, that Rai in 2021 terminated, with effect from 2022, the analogue terrestrial radio broadcasting service in medium wave and the digital terrestrial television broadcasting service relating to the so-called French-speaking MUX for the Valle d'Aosta region, for an amount equal to 1.6% of the total value of the services provided to Rai in 2021.

In relation to any failure to comply with contractual service levels, it should be noted that the Service Contract with RAI provides for a maximum amount applicable to service credits equal to 1% of the annual value of the contract.

Risks related to the expiry and renewal of the Rai concession

By decree of the President of the Council of Ministers of 28 April 2017, Rai was designated as the exclusive concessionaire of the public radio, television and multimedia service for the ten-year period from 30 April 2017 to 30 April 2027.

The renewal of the concession took place in compliance with Article 9 of Law No. 198 of 26 October 2016 (the so-called Publishing Law) which, by amending Article 49 of L.D. No. 177 of 31 July 2005, entitled Testo unico dei servizi di media audiovisivi e radiofonici, prescribed a new procedure for the concession of public radio, television and multimedia services. If the concessionary agreement between the Italian government and Rai is terminated or not renewed on expiry, or if a renewal s stipulated under terms and conditions that differ from those currently existing, there could be material negative effects on the Company’s economic and financial position. There is a connection between the contractual relationship between the Italian government and Rai and the contractual relationship between Rai and the Company. As a result, the former has an effect on the latter. Pursuant to the Rai – Rai Way Service Agreement, the expiry and/or failure to renew the concession is an institutional modifying event which entitles Rai to withdraw from it.

Risks related to the stipulation of a new service contract between Rai and the Ministry

The national service contract between Ministry of Enterprise and Made in Italy (MIMIT) and Rai for the period 2023 - 2028 was approved by RAI's Board of Directors and the Council of Ministers on 18 January 2024 and 20 March 2024 respectively.

Therefore, an uncertainty persists, following the expiry of the current contract, on the future technical prescriptions related to the provision of the Public Service, which could potentially lead to negative impacts on the Company's medium- and long-term economic and financial situation.

Risks related to the ownership and/or potential modifications of the frequencies held by broadcasting customers

The Company's customers defined as Broadcasters, a category that also includes network operators and national and local radio and television players, including Rai, may own frequencies or, in particular with reference to local audiovisual media service providers (local FSMA), must be authorised by the Ministry of Enterprise and Made in Italy (MIMIT) in order to operate in the market. With reference to these customers. the loss and/or modification of the ownership of the frequencies and/or the revocation or non-renewal of the aforesaid authorisations, in whole or in part, could result in a loss of customers for the Company or in the redefinition of the scope of the services provided, with negative effects on its revenues, as well as on its economic and financial position also due to possible increases in costs and investments that the Company could be required to incur.

With reference to Rai, there is a connection between Rai's ownership of its frequencies and the contractual relationship between Rai and Rai Way. Consequently, if ownership of the frequencies were to cease or be modified this would have an effect on that contractual relationship. Pursuant to the Service

Contract, revocation of the availability of one or more frequencies (MUX) is an institutional modifying event which entitles Rai to withdraw from such, also partially.

Risk related to the contractual and administrative structure of the Sites

Given the importance of Rai Way's network infrastructures for its business, negative events affecting such infrastructure could have negative effects on the Company's economic and financial position.

In particular, among the potential risks relating to the contractual and administrative provisions regarding the Sites is the risk that the agreements for the use of the Sites (other than those wholly owned by Rai Way) on which the infrastructures are located will not be renewed, with the resulting obligation for the Company to return the land used in its original condition, or the risk that any renewals will not be obtained on terms at least as favourable as those applicable at the reporting date, with resulting negative effects on the profitability from managing the Sites and consequently on the Company's economic and financial position.

In addition, given the importance of the Company's property, any changes in existing taxes or the introduction of new taxes could have a material effect on the Company's tax expense.

Risks related to Rai's management and coordination activities

The Company is a member of the Rai Group and is subject to the management and coordination of the Parent Company pursuant to articles 2497 and following of the Italian Civil Code. Without prejudice to the above, the Company is capable of working in conditions of operational autonomy, to the extent appropriate for a listed company and in compliance with the best practices followed by listed issuers and in any case with the rules for the proper functioning of the market, generating revenues from its customers and using its own skills, technologies, human resources and funds. In particular, Rai carries out its management and coordination activities by the means described in the Management and Coordination Regulation which became effective on the First Trading Day (19 November 2014) and aims on the one hand to match the need for an informational link and functional interaction underlying Rai's management and coordination activities and on the other to ensure that Rai Way's status as a listed company leads to its operational and financial autonomy at all times.

In particular, Rai's management and coordination activity does not have the general character and is implemented exclusively through the following activities: *(i)* the drafting by Rai of certain general rules designed to coordinate – to the extent possible and in accordance with the respective needs – the main guidelines for the management of Rai and Rai Way; *(ii)* the requirement for Rai Way to inform the Parent Company in advance before approving or executing, depending on the case, any operations and/or transactions, determined and drawn up independently within Rai Way, that are considered to be of particular significance and importance with respect to the strategic lines and planning of the operations of the Rai Group; *(iii)* the provision of certain information obligations of Rai Way in respect of the regulation and the general management guidelines.

In no event does the Parent Company have any power of veto over any extraordinary operation that Rai Way may wish to perform or over the hiring or dismissal of executives by the Company, which has full and exclusive decisional power over matters of appointing or employing persons and setting their career paths.

Risks related to the powers of the Italian government (golden powers)

The assumption of certain corporate resolutions by the Company or the acquisition of certain shareholdings relevant to the control of the Company by parties outside the European Union could be limited by the special powers of the State (so-called " golden powers") provided for by the Legislative Decree no. 21 of 15 March 2012, converted with amendments into Law no. 56 of 11 May 2012, which governs the special powers of the State regarding, *inter alia*, strategic assets in the communications sector, as identified by art. 3 of Decree Law no. 85 of 25 March 2014.

Risks related to the Company's inability to implement its strategy or results of the implementation of activities not in line with expectations

The inability of the Company to successfully implement any of its strategies, also in connection with the implementation of diversification and/or non-organic growth initiatives, could lead to negative effects on its business and on its economic and financial position.

Furthermore, owing to the dynamic context in which the Company operates, the applicable regulatory requirements, the uncertainty surrounding exogenous scenarios, the complexity of the reference business – also with reference to infrastructural and technological aspects – activities put in place by the company could have results not in line with expectations, with a negative impact on the Company's economic and financial position.

Risks related to key personnel

If the relationship between Rai Way and its key personnel ends, this could have negative effects on the Company's business and its economic and financial position.

The results achieved by Rai Way also depend on the contribution provided by people having key roles within the Company and who – in certain cases – have played a crucial role in developing the Company from the time of its establishment. At the balance sheet date, all these persons considered key for the purposes of the above are tied to the Company by permanent employment contracts.

Risks related to the licensing agreement for the brand name "Rai Way"

The use of the name "Rai Way" by the Company is directly connected with the continuation in force of the Brand Transfer and Licensing Agreement with Rai.

Although the name "Rai Way" does not have any specific importance for the purpose of identifying a product or service, given the particular nature of the business the Company performs, in the case of termination of the Brand Transfer and Licensing Agreement for any reason, the Company's right to use the name "Rai Way" would cease and accordingly the Company would no longer be able to use it and would have to change its corporate name.

Risks related to related party transactions

The Company has had and continues to have relationships of a trade and financial nature with related parties, and in particular with Rai. These relationships have allowed and continue to allow the Company, depending on the case, to obtain benefits from the use of common skills and services, the use of Group synergies and the application of unified policies in the financial field; in the Company's opinion these provide for terms and conditions in line with those of the market. Despite this, there is no certainty that if these transactions had been carried out with third parties, such would have negotiated and stipulated the relative agreements, or carried out the transactions, under the same terms and conditions and by the same means.

Risks related to financial and other covenants contained in the Loan Agreement

On 23 October 2023, the Company signed a new loan agreement with a pool of financial institutions consisting of Mediobanca – Banca di Credito Finanziario S.p.A., BPER Banca S.p.A., Unicredit S.p.A. and Cassa depositi e prestiti S.p.A. The new loan agreement, with a duration of three years, provides for the granting of a term credit line of up to € 143 million and a revolving credit line of up to € 42 million, both to be used through cash disbursements and with a maturity date of 23 October 2026.

This loan provides for general commitments and *covenants* of the Company, including negative ones, which, although in line with market practice for loans of a similar amount and nature, could limit its operations. It should be noted that the financial parameters set out in the related loan agreement (covenants) have been fully complied.

Further details on this matter may be found in the section "Current and non-current financial assets and liabilities" in the notes to the financial statements.

Risks related to judicial and administrative proceedings and the possibility that the Company's provision for risks and charges may not be adequate

At the reporting date, the Company considers the provisions recognised in the financial statements to be adequate also in relation to any negative outcomes in the main disputes in which it is involved; however, these negative outcomes could be different from expectations, with possible impacts on its economic and financial position.

Risk factors related to the industry in which the Company operates

Risks related to obtaining administrative authorisations and/or to the fact that these may be revoked

Failure to obtain or delay in obtaining authorisations and permits in favour of the Company, their delayed issuance or the issuance of partial acceptance measures with respect to what has been requested, as well as their subsequent revocation, could have negative effects on the Company's operations, also in relation to possible diversification strategies, and, consequently, on its economic, equity and financial situation.

<u>Risks related to the effects of natural disasters or other force majeure events on infrastructure and climate change</u>

It is essential for the network to work properly if the Company is to conduct its business and provide services to its customers. Although the Company believes that its insurance coverage will adequately cover all the costs of any damage that may be caused by natural disasters or force majeure events, and that in any case it has operating procedures that will come into play if such events should occur, any partial or total damage to the Company's towers or, more generally, its Sites, and to its main locations such as its Control Centre and regional centres, caused by natural disasters or other *force majeure* events, also as a consequence of climate change, could hinder, or in certain cases prevent, the Company from carrying out its normal operations and its ability to provide services to its customers, with possible negative effects on its business and on its economic and financial position.

Among the risks due to the effects of climate change, it is also worth mentioning the increase in electricity consumption resulting from the rise in average temperature. The adoption of new and more efficient transmission technologies introduced with the renewal of digital television broadcasting equipment (refarming) will make it possible to mitigate the effects of this risk. In order to cope with the risk of an increase in electricity consumption Rai Way intends to implement further initiatives that expressly pursue energy saving objectives.

For more information, see the section in the Notes to the Financial Statements entitled "Climate Change" (Note 42).

<u>Risks related to the interruption of the activities of the technological and IT infrastructures</u>

To provide its services and, more generally, to carry out its activities, the Company uses sophisticated infrastructure and computer technology, which by its nature is prone to interruptions or other malfunctions caused by, among other things, natural disasters, prolonged electricity outages, process errors, viruses and malware, the actions of hackers and health and security issues (also in relation to possible pandemics or diseases) or failures of suppliers. The interruption of the activities of the technological and IT infrastructures could have negative effects on the Company's business and on its economic and financial position. In order to deal with this type of risk, the likelihood of which is also influenced by the seriousness of the geopolitical context, the Company, after carrying out targeted risk assessment activities, has decided to enhance technologies and methods capable of mitigating their possible impact.

<u>Risks related to the maintenance and technological upgrading of the Company's Network</u>

Rai Way's ability to maintain a high level of services depends on its ability to maintain the proper operating condition of its infrastructure, which requires substantial amounts of capital and long-term investments, included that related to the technological renewal, optimization or improvement of its existing Network. The Company's failure to maintain its Network or to introduce technological changes to the Network on a timely basis could have negative effects on its economic and financial position.

The Company constantly monitors the proper operating condition of its Network, developing projects designed to improve the level of its services and enhance the infrastructure on the basis of the technologies applicable from time to time.

<u>Risks related to technological change</u>

The reference market in which Rai Way operates is characterized by constant changes in the technology used for the transmission and broadcasting of television and radio signals, which leads to the requirement: (i) to constantly develop the skills required for rapidly and fully understanding the needs of its customers, in order to develop its service offer on a timely basis with the aim of having a reputation on the market as a full service provider; and (ii) to provide constant training to its personnel.

Any failure by Rai Way to identify and develop technological solutions required to deal with changes and future development on its markets of reference could have negative effects on the Company's economic and financial position.

Particularly in the long term, with regard to the television and radio market, the gradual development of the mode of viewing streaming content could have a negative impact on the demand for services by the Company's customers.

In 2021 Rai Way started various initiatives oriented towards the development and marketing of services based on broadband platforms as well as new managed infrastructures such as Data Centres and Edge Data Centres. In particular, the development of a CDN platform is configured as an alternative technological solution for the delivery of video services, potentially able to meet the new needs of the television market. During 2023, the company carried out several preparatory activities for the implementation of these new services.

Risks related to increased competition

Significant increases in competition in the sectors of activity in which the Company operates – for example the entry into the Tower Rental market of players with notably small dimensions and aggressive pricing – could have a negative impact on the Company's economic and financial position, which, however, the Company is ready to address through the pursuit of new business and the optimisation of the company's assets.

Risks related to environmental protection and electromagnetic radiation

The Company is subject to comprehensive regulation at national and EU level aimed at the protection of the environment and health.Compliance with such regulations and requirements, moreover, is one of the conditions for the eligibility for and renewal of licenses and permits which the Company requires for the installation and operation of equipment emitting electronic waves. Any breaches of the applicable environmental rules could have negative effects on the Company's economic and financial position.

The Company places particular emphasis on complying with environmental protection regulations and undertakes to be constantly updated in this respect, as moreover attested by its ISO14001:2015 e ISO 45001 certifications. For more information, see the section in the Notes to the Financial Statements entitled "Climate Change" (Note 42).

Risks related to the reference regulatory framework in relation to the business of the customers of Rai Way

The Company's business, as well as that of its customers, is subject to a wide-ranging regulatory regime, stemming from both domestic and EU rules and requirements, in particular with respect to administrative matters and environmental concerns, as part of which importance is also assumed by the numerous legislative requirements imposed by the competent authorities on the Company's customers, by virtue of the indirect effects which the failure of these customers to comply with such could have on Rai Way's business. In particular, broadcasting customers and mobile telephone operators, which the Company hosts at its Sites are subject to the legislation designed to protect persons and the environment from exposure to magnetic fields.

Should any of Rai Way's customers be deemed to be in violation of these regulations, they could be exposed to sanctions, including the shut-down of transmission activities. These interruptions could have negative effects on the Company's revenues and, as a consequence, on its economic and financial position.

Risks related to the possible decline in demand for services by customers

The Company provides integrated products and services to its customers with an approach geared towards full service hosting with the aim, on the basis of the operating model adopted, of covering the entire tower hosting chain – from the basic lease of equipment to all the services required to keep this in proper working order and provide maintenance for this at the Sites. The possible decline in the demand for the services carried out by Rai Way could have negative effects on the Company's economic and financial position.

Risks arising from stoppages and strikes

In carrying out its business the Company is subject to the risk of strikes, stoppages and similar action by its employees in connection with events or circumstances that may not relate directly to the Company, but more generally to the Parent Company or the Rai Group. However, with regard to services provided to Rai, which are considered to be essential public services, the right to strike may only be exercised to the extent of enabling indispensable services to be provided, also by virtue of a trade union agreement of 22 November 2001 relating to the employees of the Rai Group.

The decision by large numbers of employees to take part in strikes or industrial action could have negative effects on the Company's economic and financial position.

Risks related to global economic conditions

A possible decline in the demand of customers for the services carried out by Rai Way arising from the persistence of the global economic and financial crisis could have negative effects on the Company's economic and financial position. This risk could also be amplified by the spread of pandemics and diseases, in Italy and in the world and by possible effects relative to the Russian-Ukrainian and Israeli-Palestinian conflicts.

Risk of change in the unit cost of electricity due to the high volatility recorded

The strong volatility of electricity prices recorded over the last two years could persist with the risk of unforeseen increases in plant operating costs with negative impacts on the company's income statement, it being understood that the continuation of high prices would lead to an increase in inflation with a positive impact on next year's revenues, thanks to the component indexed to this rate, which represents a natural form of hedging for this risk.

The reduction in consumption due to the use of more energy-efficient equipment (installed as a result of the implementation of the refarming project) and constant monitoring of electricity unit prices constitute further actions to mitigate this type of risk.

Financial risks

The Company may be exposed as a whole to the following financial risks:

- currency risk: over 2023 the currency risk was not significant as the Company’s operations are mainly concentrated in the European Union;
- interest rate risk: in 2023, the interest rate risk mainly arose from a medium-term loan agreement that expired in October and from a new one entered into on 23 October to replace it, for a total maximum amount of € 185 million, of which € 143 million relative to the Term line and € 42 million relative to the Revolving line and with a duration of three years. With regard to the loan that was repaid, the company hedged the risk of an increase in the Euribor rate by concluding an interest rate cap. With regard to the new loan,assessment activities are underway to identify specific hedging instruments. The current variable-rate debt exposure has a residual maturity of just over two years. In the current macroeconomic environment that hints at the prospect of lower interest rates, it cannot be ruled out that upward changes in interest rates could negatively affect the level of net financial expenses recognised in the Income Statement and the value of future cash flows. Assuming a +/- 50 bps change in interest rates, the effect on the income statement, considering the amount of the drawn financial debt of € 101,000 thousand, would have been higher/lower financial expenses of about € 505 thousand, which, net of the tax effect, would have affected the result for the year and

shareholders' equity by about +/- € 384 thousand. In order to limit the potential adverse effects of interest rate fluctuations, the Company adopts policies aimed at limiting the cost deriving from interest rate fluctuations over time, also through negotiations with credit institutions, chosen among banks of primary standing, in order to optimise the average cost of debt also through the stipulation of rate hedging contracts.

- the liquidity risk is connected with the Company's ability to meet the commitments arising mainly, at specific times during the financial year, from its financial and tax liabilities. In order to meet these commitments, the Company has provided, as indicated in the previous point, with a revolving credit facility, called Revolving, in addition to the term one, with the proper purpose of using it to support working capital and for general cash requirements.

To this end, it should be noted that the Company is able to meet its financial commitments thanks to the generation of liquidity from operating activities and to cover any short periods of extra demand with the loans it has taken out.

A more detailed analysis may be found in the section of the Explanatory notes entitled "Financial risk management".

<u>Credit risk</u>

In respect of credit risk it should be noted that in addition to Rai, the Company's main customers are public administration entities, leading telephone operators and various broadcasting companies that settle their obligations on a regular basis; this situation enables the Company to state that at the present time there are no particular risks connected with the failure to collect its receivables other than those discussed in the section of the notes entitled "Financial risk management", to which reference should be made for further details.

Requirements in relation to privacy

The Company, which was already in 2018 compliant to the provisions of EU Regulation 679/2016 in force from 25 May 2018 and to the correlated Italian government implementation decree no. 101/2018, during the year continued with the monitoring of the environments affected by privacy issues.

Research and development

Rai Way's activity of research, development and innovation, historically mainly focused on media and broadcasting, in the last few years stretched to other sectors in the field of telecommunications, also driven by the advent of disruptive technologies, which tend to deeply innovate and merge previously distinct market sectors, generating new risks to be faced and new opportunities.

In order to make this approach to innovation more structured, pervasive and effective, the Company dedicated facilities to innovation and research, to prepare the company for medium-long term changes, with the objective of acquiring technological competencies and incubate new ideas in innovative project, in order to develop new services and business capacity, processes, organizational and business models to place adequately the Company also in relation to the new challenges of the next few years.

As regards the most significant initiatives in 2023, Rai Way, which won a MISE tender called "5G Audiovisual 2022" together with a broad aggregation of partners (a project that lasted from July 2022 to July 2023), continued and completed all the activities envisaged in the project concerning the experimentation of 5G Broadband and in particular Broadcast technologies, associated with the production and distribution of particularly innovative audiovisual content (VR360, distributed audio/video production, automotive). The cities involved in the project were Turin and Palermo.

Rai Way has also carried out Proof of Concept in 2023 concerning the application of Augmented Reality (AR) technology in the equipment rooms of Rai Way centres and data centres, with the aim of assessing improvements in plant maintenance processes and procedures, and the application of Artificial Intelligence technology through the use of Neural Networks and Deep Learning algorithms to automatically identify and quantify deteriorations in Rai Way pylons with the help of drones and photogrammetry techniques. This activity was carried out in cooperation with the Politecnico di Torino.

Other research and development activities of Rai Way in 2023 focused on enhanced video contribution services on public/private 5G fixed and mobile networks, on the expansion of the media chain with playout services, storage and OTT distribution of multi-device content and HbbTV, on a dedicated terrestrial radio network for the command and control (C2 link) of drones in BVLoS (Beyond Visual Line of Sight), with shelter and recharging infrastructure for drones at Rai Way centres, and finally on a 180° virtual reality (VR180) live filming service for shows in theatres with use on VR viewers, smart TVs and "Cardboard" type sets with smartphones.

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 were exclusively of a commercial nature. Further de- tails may be found in the section "Related party transactions" in the Explanatory notes to the financial statements.

Related party transactions

Details of the transactions the Company carried out with related parties in the years ended 31 December 2023 and 2022, identified on the basis of IAS 24 Related Party Disclosures, are provided in the paragraph "Related party transactions" (note 40).

Treasury shares

Following the authorization resolved by the Shareholders' Meeting of 24 June 2020, the Company launched, as of 5 August 2020, a share buyback programme, the main contents of which were the subject of a specific communication to the market.

The programme was aimed at investing medium and long-term liquidity, optimising the structure of the share capital as well as providing a portfolio of treasury shares available for uses deemed to be in the Company's interest, including for any share incentive plans or in the context of the assignment of free shares to shareholders.

The purchases, made on the MTA market of Borsa Italiana S.p.A., took place in the period between 05 August 2020 and 27 November 2020 (both included), resulted in the acquisition of a total of 3,625,356 treasury shares, for an average price of € 5.509531 per share and a total countervalue of € 19,974,010.41. The aforementioned shares, corresponding to all those held by the Company as at today's date, amount to approximately 1.3329% of the share capital. It should also be noted that no shares in the Company are held by companies controlled by it.

Events subsequent to 31 December 2023 (note 39)

There are no significant events to report.

Business outlook

Consistently with the development of strategic initiatives assumed in the Business Plan, for the financial year 2024 the Company envisages:

- further growth in Adjusted EBITDA, albeit limited by the start-up costs of diversification initiatives and the loss of incentives on energy tariffs;

- Maintenance investments higher than the previous year; development investments substantially in line with 2023.

Management and coordination

The Company is subject to the management and coordination of Rai pursuant to article 2497 of the Italian Civil Code.

The key data of the Parent Company stated below in the summary form as required by Article 2497-bis of the Italian Civil Code have been taken from the last financial statements available, relative to the year ended 31 December 2022. It should be noted that the parent company Rai draws up the group's consolidated financial statements.

For an adequate and complete understanding of the financial position of Rai-Radiotelevisione Italiana S.p.A. at 31 December 2022 as well the economic result of the Company for the year then ended reference should be made to the financial statements which together with the auditors' report are available in the form and means prescribed by law.

RAI Spa - financial statements at 31/12/2022
summary report of key figures

Statement of Financial Position:

(in thousand of euro)	**Financial year closed at 31 December 2022**
Property, plant and equipment	909,053
Lease rights of use	47,513
Intangible assets	364,577
Equity investments	917,710
Non-current financial assets	2,457
Other non-current assets	28,185
Total non-current assets	**2,269,495**
Total current assets	**571,843**
Total assets	**2,841,338**
Share capital	242,518
Reserve	465,697
Retained profits (losses)	(34,310)
Total shareholders' equity	**673,905**
Non-current financial liabilities	299,557
Non-current lease liabilities	34,020
Employee benefits	273,486
Provisions for non-current risks and charges	170,497
Deferred tax liabilities	7,836
Other non-current payables and liabilities	52,637
Total non-current liabilities	**838,033**
Total current liabilities	**1,329,400**
Total liabilities	**2,167,433**
Total shareholders’ equity and liabilities	**2,841,338**

Comprehensive income statement

(in thousand of euro)	**Financial year closed at 31 December 2022**
Total revenues	2,539,072
Total costs	(2,695,700)
EBIT	**(156,628)**
Financial income	78,359
Financial expenses	(13,404)
Result of equity investments valued with the equity method	634
Profit before tax	**(91,039)**
Income taxes	61,200
Result for the financial year - Profit (loss)	**(29,839)**
Components of the comprehensive income statement	45,907
Overall result for the financial year	**16,068**

Following the Company's shares admission to trading and listing, Rai continues to exercise control pursuant to art. 93 of the Consolidated Finance Act and exercise management and coordination activities with respect to Rai Way. In the Company's opinion though, although it is subject to the management and coordination of Rai, it works in conditions of operational autonomy, generating revenues from its customers and using its own skills, technologies, human resources and funds. On 4 September 2014, the boards of directors of Rai and Rai Way, to the extent of their competence, approved the Management and Coordination Regulation of the Parent Company with respect to Rai Way in a manner completely different from that of the other companies of the Rai Group subject to management and coordination by Rai.

This Management and Coordination Regulation, which became effective on the date on which trading began in the Company's shares, aims on the one hand to match the need for an informational link and functional interaction underlying Rai's management and coordination activities and on the other to ensure that Rai Way's status as a listed company leads to its operational and financial autonomy at all times.

Rai mainly performs its management and coordination activities with respect to Rai Way in the following manner:

- the drafting of certain general rules designed to coordinate, to the extent possible and in accordance with the respective needs, the main guidelines for the management of Rai and Rai Way;
- the requirement for Rai Way to inform the Parent in advance before approving or executing, depending on the case, any operations and/or transactions, determined and drawn up independently within Rai Way, that are considered to be of particular significance and importance with respect to the strategic lines and planning of the operations of the Rai Group;

- the requirement for Rai Way to provide certain information necessary in accordance with the regulation and general operational guidelines.

Set out below are details of the relationships between Rai and Rai Way after the date on which trading began in the Company's shares and the resulting application of the regulation:

- Strategic planning (budget and business plan). The Board of Directors of Rai Way is independently responsible for drawing up and approving the Company's long-term strategic plans, business plans and financial plans, as well as its annual budgets, and Rai's coordination consists mainly of providing Rai Way with guidelines for the sole purpose of compliance with the Parent Company's financial covenants – where relevant – and requirements deriving from the concession of the Public Service granted to Rai.
- General management guidelines. Rai's duties include the drafting, through its organization, of general operational guidelines in order to unify the procedures of Rai and Rai Way, maximizing possible synergies and reducing the costs incurred. These objectives can be pursued by centralizing certain services, arranging for common procurement of supplies and adopting the Rai Group's standard documents and procedures.
- Extraordinary operations. Rai will have no power of veto over Rai Way's extraordinary operations. In accordance with regulations in force at the time regarding the acquisition, management and use of privileged information (price sensitive information) and market abuse, Rai Way will be required to provide prior information to Rai regarding certain specific operational activities and transactions, determined and drawn up independently by Rai Way, which assume particular significance and importance, having regard in particular to the strategic lines, projects and planning of the Rai Group's operations. The Parent Company's Board of Directors will be able to formulate comments and observations whenever it believes that the approval or execution by Rai Way of the significant operation is inconsistent with the strategic lines, initiatives and projects drawn up by Rai, or else is liable to jeopardize uniform management of the Group. It is understood that Rai Way

shall be entitled to assess such comments and observations without any requirement to comply with them.

- Communication of information. Without prejudice to the above, the Company continues to periodically report to the Parent Company all the information necessary or useful for the purposes of exercising management and coordination activities in accordance with the regulations, including the information necessary for the preparation of the consolidated financial statements pursuant to art. 43 of Legislative Decree no. 127 of 09 April 1991, the report on operations pursuant to art. 2428, paragraph 1, of the Italian Civil Code, as well as the periodic information pursuant to art. 2381, paragraph 5, of the Italian Civil Code. Without prejudice to the above, Rai Way is responsible and bound to comply on an autonomous basis with all the requirements to provide continuous and periodic disclosures to the public and CONSOB.
- Staff and remuneration policies. Rai Way has exclusive responsibility for every decision regarding the appointment and hiring of the Company's personnel and executives, the management of employment relationships and the establishment of remuneration policies, including setting the career paths and implementing the appraisal and incentive systems for executives, in respect of which Rai has no power of veto. The Parent Company may adopt specific procedures, which will also be autonomously implemented by Rai Way, directed solely towards compliance with transparency and non-discriminatory criteria which must be a distinct feature, among other things, of the procedures for appointing and hiring the personnel.
- Treasury relationships. Rai Way no longer has a centralized treasury relationship with Rai and has its own autonomous treasury. The Company has the competence and responsibility for drawing up and approving its financial policy, including risk management and liquidity management policies.

It should also be noted that the Company has a Control and Risk and Sustainability Committee which also performs the functions of the Related Party Committee, and a Remuneration and Appointments Committee composed exclusively of independent directors in accordance with the criteria set out in article 148, paragraph 3, of Legislative Decree. 58/1998, the Self-Conduct Code (now Corporate Governance Code) of listed companies and Art. 16 of the Consob Market Regulations. The Company has a Board of Directors, the majority of whose members are independent directors.

Corporate Governance and Ownership Structure Report

The Corporate Governance and Ownership Structure Report that has been prepared pursuant to article 123-bis of the Consolidated Finance Act may be consulted on the Company's website www.raiway.it.

Non-financial disclosure

As an Entity of Significant Public Interest (EIPR), the Company prepares and submits the "Non-financial disclosure", in the form of a "separate report", as provided for in Article 5 Placement of the declaration and disclosure regime of the Legislative Decree. 254/2016 concerning the disclosure of non-financial and diversity information by certain undertakings and large groups. The aforementioned Declaration is published on the website www.raiway.it and it is accompanied by the report (certificate) issued by the auditor appointed in accordance with art. 3, paragraph 10, of Legislative Decree no. 254/2016.

Proposal for allocation of profit

With regard to the profit for the year, equal to € 86,721,406.22, it is expected that it will be allocated according to the proposed resolution to the Shareholders' Meeting, set out below:

"Having examined the explanatory report of the Board of Directors, the Shareholders' Meeting of Rai Way S.p.A.

resolves

a) to allocate the net income of the 2023 financial year of € 86,721,406.22, as follows:

- to ‘Retained profits’ in the amount of € 251,095.92;
- for each ordinary share entitled to payment on the record date (corresponding to 21 May 2024), a gross dividend - taking into account the 3,625,356 treasury shares held in the portfolio as of the date of this Report, whose right to profit is allocated proportionally to the other shares pursuant to Article 2357-ter of the Italian Civil Code - equal to Euro 0.3222, for a total amount, on the basis of the currently outstanding ordinary shares, equal to a total of Euro 86,470,310.30, with the caveat that possible changes in the number of treasury shares in the portfolio at the time of distribution will not affect the amount of the unit dividend as indicated above, which will cause an increase or a decrease of the above total amount and of the amount allocated to the retained profits reserve;

b) to pay the dividend starting 22 May 2024, with entitlement to payment, pursuant to Art. 83-*terdecies* of Legislative Decree no. 58 of 24 February 1998 and Art. 2.6.6, paragraph 2, of the Markets Regulations organised and managed by Borsa Italiana S.p.A. (the Italian Stock Exchange) on 21 May 2024 (the so-called “record date”) and subject to dividend no. 10 at 20 May 2024”.

Rome, 25 March 2024

on behalf of the Board of Directors

The Chairman

Giuseppe Pasciucco

FINANCIAL STATEMENTS

RAI WAY SPA INCOME STATEMENT (*)

(Figures in Euro)	Note (**)	12 months as at 31/12/2023	of which related-party transactions (***)	12 months as at 31/12/2022	of which related-party transactions (***)
Revenues	6	271,940,665	*230,155,896*	245,445,873	*210,516,309*
Other revenues and income	7	2,113,367	-	3,121,690	-
Purchase of consumables	8	(1,338,288)	*(5,432)*	(1,475,531)	-
Cost of services	9	(43,753,135)	*(7,718,110)*	(48,991,920)	*(6,966,524)*
Personnel costs	10	(51,357,612)	*(3,422,496)*	(43,708,202)	*(2,914,766)*
Other costs	11	(2,680,927)	*(138,166)*	(3,354,468)	*(79,291)*
Write-downs of financial assets	12	(524,354)	-	(319,150)	-
Amortisation/depreciation and other write-downs	13	(46,775,275)	*(3,848,552)*	(46,908,815)	*(3,819,562)*
Provisions	14	(1,668,000)	-	13,731	-
Operating profit		**125,956,441**		**103,823,208**	
Financial income	15	1,376,667	*6,949*	79,676	*1,563*
Financial expenses	15	(5,853,968)	*(86,179)*	(2,131,945)	*(130,382)*
Total net financial income/(expenses)		**(4,477,301)**		**(2,052,269)**	
Pre-tax profit		**121,479,140**		**101,770,939**	
Income taxes	16	(34,757,734)	-	(28,080,989)	-
Period profits		**86,721,406**		**73,689,950**	

RAI WAY SPA STATEMENT OF COMPREHENSIVE INCOME (*)

(Figures in Euro)	Note (**)	12 months as at 31/12/2023	of which related-party transactions (***)	12 months as at 31/12/2022	of which related-party transactions (***)
Period profits		**86,721,406**		**73,689,950**	
Items that will be recognised in the Income Statement					
Profit/(loss) on cash flow hedges		(878,606)	-	878,606	-
Tax effect		210,865	-	(210,865)	-
Items that will not be recognised in the Income Statement					
Actuarial Profit / (Loss) for employee benefits		(73,068)	-	1,314,222	-
Tax effect		17,536	-	(315,413)	-
Comprehensive income for the period		**85,998,133**		**75,356,500**	

(*) 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.
(***) For further details, please refer to the section "Related Party Transactions (Note 40)".

RAI WAY STATEMENT OF FINANCIAL POSITION (*)

(Figures in Euro)	Note (**)	12 months as at 31/12/2023	of which related-party transactions (***)	12 months as at 31/12/2022	of which related-party transactions (***)
Non-current assets					
Property, plant and equipment	17	297,370,513	-	280,773,127	-
Lease rights of use	18	33,021,450	*4,803,343*	33,434,083	*8,575,405*
Intangible assets	19	24,727,390	-	19,519,975	-
Deferred tax assets	21	2,945,580	-	1,764,013	-
Other non-current assets	22	888,105	-	947,641	-
Total non-current assets		**358,953,038**		**336,438,839**	
Current assets					
Inventories	23	755,679	-	756,234	-
Trade receivables	24	74,752,313	*63,442,133*	66,221,818	*58,298,245*
Other current receivables and assets	25	1,374,294	-	2,461,007	*91,271*
Current financial assets	20	263,122	*38,547*	1,480,192	*376,009*
Cash and cash equivalents	26	34,117,271	-	35,183,995	-
Current tax receivables	27	62,196	-	62,196	-
Total current assets		**111,324,875**		**106,165,442**	
Total assets		**470,277,913**		**442,604,281**	
Shareholders' equity	28				
Share capital		70,176,000	-	70,176,000	-
Legal reserve		14,035,200	-	14,035,200	-
Other reserves		37,732,829	-	38,200,449	-
Retained profits		86,723,289	-	73,726,254	-
Treasury shares		(19,974,011)	-	(19,974,011)	-
Total shareholders' equity		**188,693,307**		**176,163,892**	
Non-current liabilities					
Non-current financial liabilities	20	100,386,841	-	-	-
Non-current lease liabilities	30	17,528,563	*988,386*	22,582,661	*4,891,414*
Employee benefits	31	8,912,821	*298,745*	10,000,616	*244,884*
Provisions for risks and charges	32	17,851,887	-	15,133,331	-
Other non-current payables and liabilities	34	290,909	-	327,273	-
Total non-current liabilities		**144,971,021**		**48,043,881**	
Current liabilities					
Trade payables	33	65,004,821	*4,804,802*	60,471,655	*3,780,770*
Other debt and current liabilities	34	48,924,975	*31,713,767*	38,455,148	*24,155,929*
Current financial liabilities	20	1,075,226	-	101,544,042	-
Current lease liabilities	30	20,240,767	*8,749,286*	17,550,507	*8,511,903*
Current tax payables	35	1,367,796	-	375,156	
Total current liabilities		**136,613,585**		**218,396,508**	
Total liabilities and shareholders' equity		**470,277,913**		**442,604,281**	

(*) 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.
(***) For further details, please refer to the section "Related Party Transactions (Note 40)".

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

(Figures in Euro)	Share capital	Legal reserve	Other reserves	Retained profits earnings	Treasury shares	Total
As at 01 January 2020	**70,176,000**	**14,035,200**	**37,078,970**	**62,906,561**		**184,196,731**
Period profits				64,008,053		64,008,053
Actuarial profits and losses (**)				(71,449)		(71,449)
Distribution of dividends				(63,348,800)		(63,348,800)
Purchase of treasury shares					(19,974,011)	(19,974,011)
As at 31 December 2020	**70,176,000**	**14,035,200**	**37,078,970**	**63,494,365**	**(19,974,011)**	**164,810,524**
Period profits				65,383,926		65,383,926
Actuarial profits and losses (**)				(457,380)		(457,380)
Distribution of dividends				(64,007,352)		(64,007,352)
Stock option plan reserves			186,869			186,869
As at 31 December 2021	**70,176,000**	**14,035,200**	**37,265,839**	**64,413,559**	**(19,974,011)**	**165,916,587**
Period profits				73,689,950		73,689,950
Actuarial profits and losses (**)				998,808		998,808
Distribution of dividends				(65,376,063)		(65,376,063)
Cash flow hedge reserve (***)			667,741			667,741
Stock option plan reserves			266,869			266,869
As at 31 December 2022	**70,176,000**	**14,035,200**	**38,200,449**	**73,726,254**	**(19,974,011)**	**176,163,892**
Period profits				86,721,406		86,721,406
Actuarial profits and losses (**)				(55,532)		(55,532)
Distribution of dividends				(73,668,839)		(73,668,839)
Cash flow hedge reserve (***)			(667,741)			(667,741)
Stock option plan reserves			200,121			200,121
As at 31 December 2023	**70,176,000**	**14,035,200**	**37,732,829**	**86,723,289**	**(19,974,011)**	**188,693,307**

(*) 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 STATEMENT OF CASH FLOWS (*)

(Figures in Euro)	12 months as at 31/12/2023	*of which with related parties*	12 months as at 31/12/2022	*of which with related parties*
Pre-tax profit	**121,479,140**	**-**	**101,770,939**	
Adjustments for:				
Amortisation, depreciation and impairment	47,299,629	*3,848,552*	47,227,965	*3,819,562*
Provisions and (releases of) personnel and other funds	6,956,986	*-*	2,821,971	*-*
Net financial (income)/expenses (**)	4,291,287	*79,230*	1,902,020	*128,819*
Other non-monetary items	374,011	*-*	1,110,637	*-*
Cash-flows generated by operating activities before changes in net working capital	**180,401,053**		**154,833,532**	
Change in inventories	555	*-*	33,879	*-*
Change in trade receivables	(9,054,849)	*(5,143,888)*	1,274,552	*(968,126)*
Change in trade payables	4,470,054	*1,024,031*	9,101,507	*1,211,602*
Change in other assets	1,086,712	*91,271*	758,833	*(153,284)*
Change in other liabilities	3,573,187	*7,557,838*	1,754,106	*1,703,929*
Use of risk funds	(2,195,941)	*-*	(2,867,950)	*-*
Payment of employee benefits	(3,580,490)	*-*	(3,078,869)	*-*
Change in current tax receivables and payables	(2,294,471)	*-*	(895,908)	*-*
Paid taxes	(25,457,502)	*(22,805,762)*	(23,925,663)	*(21,264,445)*
Net cash flow generated by operating activities	**146,948,308**		**136,988,019**	
Investments in property, plant and equipment	(47,372,982)	*-*	(68,865,853)	*-*
Disposals of property, plant and equipment	-	*-*	5,297	*-*
Investments in intangible assets	(10,026,056)	*-*	(6,723,247)	*-*
Change in other non-current assets	43,987	*-*	200,767	*-*
Net cash flow generated by investment activities	**(57,355,051)**		**(75,383,013)**	
Increase in medium/long-term loans	100,352,500	*-*	-	*-*
(Decrease)/increase in current financial liabilities	(101,373,762)	*-*	31,909,983	*-*
Repayments of lease liabilities	(13,365,014)	*(3,730,118)*	(8,993,398)	*(2,993,433)*
Change in current financial assets	142,665	*337,462*	(276,883)	*(31,424)*
Net interest expense for the period	(2,584,634)	*(128,031)*	(1,075,515)	*(138,811)*
Dividends paid	(73,831,737)	*(47,862,645)*	(65,229,195)	*(42,474,828)*
Net cash flow generated by financing activities	**(90,659,981)**		**(43,665,009)**	
Change in cash and cash equivalents	**(1,066,724)**		**17,939,997**	
Cash and cash equivalents at the beginning of the period	35,183,995		17,243,998	
Cash and cash equivalents of newly consolidated companies	-		-	
Cash and cash equivalents at the end of the period	**34,117,271**		**35,183,995**	

(*) 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 FINANCIAL STATEMENTS

Introduction (note 1)

Rai Way S.p.A. (hereinafter "Rai Way" or the "Company") prepares, in relation to the provisions of Italian Legislative Decree no. 38 of 28 February 2005, these financial statements for the year ended 31 December 2023, which were compared with those for the year ended 31 December 2022 (hereinafter the "Financial Statements") in accordance with the International Financial Reporting Standards (hereinafter "IFRS" or "international accounting standards"), issued by the International Accounting Standards Board (hereinafter "IASB") and adopted by the European Commission according to the procedure set out in art. 6 of (EC) Regulation no. 1606/2002 of the European Parliament and Council of 19 July 2002. The term IFRSs also includes all international accounting standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Commit- tee ("IFRIC") previously called the Standard Interpretations Committee (SIC). For drafting these Financial Statements the Company has provided complete information, applying IFRS consistently, where necessary, making the necessary reclassifications in order to improve the presentation of the Financial Statements. These reclassifications, where necessary, have also been made to the comparison figures to ensure that the figures are fully comparable.

It should also be noted that on 1 March 2017, the Company acquired the company Sud Engineering S.r.l., which carried out activities in the field of maintenance and installation of radio and television systems, providing on 20 June 2017 the subsequent merger by incorporation whose legal effects took effect from 22 June 2017 with the backdating of the accounting and tax effects to 1 March 2017. The purpose of the merger was to simplify the current corporate structure in which Sud Engineering S.r.l. was the only subsidiary of Rai Way S.p.A., allowing the latter to directly carry out the activities of the former, with greater functionality from an economic, managerial and financial point of view. Since the Company held the entire share capital of Sud Engineering S.r.l., it did not assign - in accordance with article 2504-ter of the Civil Code - its shares to replace the shares of Sud Engineering, which were therefore cancelled after the merger without a share swap or payment of the balance in cash. The merger did not change the shareholding structure of the Company or exclude its shares from being listed. With respect to the tax aspects, the merger operation is fiscally neutral and therefore did not generate fiscally significant capital losses or capital gains. The assets and liabilities of Sud Engineering were included in the financial statements of the Company on a fiscal continuity basis in accordance with article 172, paragraphs 1 and 2 of the Consolidated Income Tax Act.

It is also noted that the deficit generated in the intangible assets as part of the merger with the company Sud Engineering was allocated, with the consent of the Board of Statutory Auditors, to "Goodwill" and "Customer portfolio - business combination transactions".

According to international accounting standards, intangible assets with an indefinite useful life, such as goodwill, are not subject to amortisation/depreciation but to an annual impairment test, as provided for by IAS 36. The natural consequence of a different statutory/accounting and tax "regime" (where, in the latter, the principle of neutrality applies and, therefore, of irrelevance of the values recorded in the accounts) is the generation of a misalignment between accounting and tax values.

With the objective of absorbing the misalignments and differences arising following extraordinary transactions, the Company has opted for the "ordinary" redemption treatment pursuant to art. 176, paragraph 2-ter of the Consolidated Income Tax Act as required by our tax system which allows the transferee (incorporating) company to fiscally recognise (realigning them) the main values in the financial statements in the context of the above-mentioned transactions, eliminating or reducing this misalignment with statutory values following the payment of a substitute tax.

General Information (note 2)

Rai Way S.p.A. is a Company incorporated, domiciled and organized under the laws of the Republic of Italy, with registered office in Via Teulada 66, Rome.

The Company, which was incorporated on 27 July 1999, has been operational since 1 March 2000 following the contribution of the "Transmission and Broadcasting Division" business unit by its sole shareholder Rai Radiotelevisione Italiana S.p.A. (hereinafter referred to as "Rai").

Rai Way owns and manages the transmission and broadcasting networks of the Rai signal. The Company's activities are as follows:

- the design, installation, construction, maintenance, implementation, development and management of telecommunications networks and software, as well as the preparation and operation of a commercial, distribution and assistance network; these operations are aimed at the provision of services for the transmission, distribution and broadcasting of audio and visual signals and programs in favour of Rai, which is the concessionaire of Italian public radio and television broadcasting services, and of its subsidiaries, as well as of third parties, and of telecommunications services of any kind;
- f the provision of wireless infrastructures and related services to wireless operators (including telephone operators, local loop wireless operators, TETRA, UMTS and other existing or future mobile technology operators), including the lease of sites/aerials and co-lease services, built-to-suit services, network programming and design, site research and acquisition, site design and construction, site installation and commissioning, network optimization, infrastructure maintenance, network operation and maintenance and related microwave or fibre transmission services;
- research, consulting and training activities for people both inside and outside the Company, in the areas described in the two paragraphs above.

These Financial Statements were approved by the Company's Board of Directors at its meeting on 25 March 2024, which approved its distribution. These financial statements are subject to statutory audit by EY S.p.A. pursuant to Articles 14 and 16 of Legislative Decree 39/2010 by virtue of the audit assignment for the nine-year period 2023-2031 conferred by the Shareholders' Meeting of 27 April 2023.

Summary of Accounting Principles (note 3)

The main accounting principles and policies applied by the Company in preparing these financial statements are set out in the following.

Basis of Preparation

The financial statements have been prepared on a going concern basis, as the Directors have verified that there are no indicators of a financial, operational or other nature that may suggest critical issues connected with the Company's ability to meet its obligations in the foreseeable future, and in particular over the next 12 months. The means by which the Company manages financial risks is included in the section "Financial risk management".

The financial statements have been prepared and are presented in Euro, the currency of the prevalent economic environment in which the Company operates. All amounts stated in this document are expressed in thousands of Euro unless otherwise stated and the financial statements are expressed in Euro.

The following is a summary of the primary financial statements presented and the classification policies selected by the Company from the options available in IAS 1 Presentation of Financial Statements:

- statement of financial position prepared by classifying assets and liabilities on a "current/non-current" basis;
- the income statement prepared by classifying operating costs by their nature;

- the comprehensive income statement which in addition to net profit for the year includes other changes in the equity accounts arising from transactions not carried out with the Company's shareholders;
- a cash flow statement which has been prepared by presenting cash flows from operating activities using the "indirect method".

The Financial Statements have been prepared under the conventional historical cost criterion, other than for the measurement of financial assets and liabilities, which are required to be measured at fair value.

Translation of transactions in a currency other than the functional currency

Transactions in a currency other than the Euro are translated at the exchange rate at the transaction date. Any foreign exchange gains or losses on the assets or liabilities in currency arising from the closing of the transaction or from translation at the balance sheet date are recognised in profit or loss under the items "Financial income" and "Financial expenses".

Accounting policies

The following is a brief description of the most significant accounting policies and measurement bases used to prepare the Financial Statements, which are unchanged from those used for FY 2022.

Property, plant and equipment

Property, plant and equipment is measured at purchase cost including all the directly attributable accessory costs required to make the asset ready for use. Any borrowing costs directly attributable to the acquisition, construction of production of property, plant and equipment are capitalised and depreciated over the useful life of the asset to which they refer.

Items of property, plant and equipment are depreciated systematically on a straight-line basis over an asset's economic and technical useful life, meaning the estimated period for which the Company believes the asset will be used, starting from the time it becomes available for use. If items of property, plant and equipment are made up of several significant components, amortisation/depreciation is charged for each separate component. The depreciable amount consists of the carrying amount less any residual value, being the amount the Company expects to obtain on selling an asset at the end of its useful life, provided that this amount is significant and can be reasonably determined. Land is not depreciated even if acquired together with a building.

Costs incurred for routine and/or periodic maintenance and repairs are expensed as incurred. Expenditure on extending, modernizing or improving structural items owned or used by third parties are capitalized to the extent this responds to the requirements for being separately classified as an asset or part of an asset. Assets recognised as leasehold improvements are depreciated over the shorter of the contract term or the asset's specific useful life.

The indicative estimated useful lives of the different categories of property, plant and equipment are as follows:

Category of property, plant and equipment	Useful life (years)
Buildings and Towers	30
Plant and machinery	4– 12
Production and commercial equipment	5– 7
Other assets	4– 8

The useful lives of property, plant and equipment are reviewed and revised, where necessary, at least at the end of every year.

Lease rights of use

Lease contracts correspond to contracts that assign the exclusive right of use of an asset, identified or identifiable, and that assign the substantial right to obtain all the economic benefits deriving from its use for a determined period of time in exchange of a fee. Contracts, or elements of complex contracts that have these characteristics, are recognised in the financial statements through the posting of a liability represented by the present value of the payments due for the lease into the statement of financial position, as defined in the valuation criteria for Lease liabilities. At the same time a post offsetting the liability is recognised under assets for the correspondent lease rights of use, amortised/depreciated on a straight line basis through the duration of the lease contract or the relative economic-technical useful life of the asset, if lower. The lease term is the non-cancellable period of the counterparty for which there is a right of use to the underlying asset.

The following types of contracts stipulated by the Company fall under this accounting treatment:

- rental of properties;
- car rental;
- purchase of *Indefeasible Right of Use* for fibre optic.

Typically contracts for the rental of property for industrial use include automatic renewal on expiry, for a term of the same duration: consequently, each renewal constitutes a new right of use representing the new (albeit tacit) agreement reached between the parties.

On the date of expiry of the lease, the cost of the asset represented by its right of use includes:

a) the amount of the initial recognition of the lease liability;

b) the payments due for the lease made on the date or before the expiry date;

c) the initial direct costs (e.g. brokerage fees);

d) in the presence of current obligations for the dismantling, removal of activities and the restoration of sites, the recognition value includes the estimated (discounted) costs to be incurred when the structures are abandoned, offset by a specific provisions for non-current risks and charges. These costs since FY 2019 are included in this line item while until FY 2018 they were included in "Property, plant and equipment".

The amount in a), offsetting entry for the lease liabilities, includes:

- fixed instalments;
- the variable payments depending on an index or a rate (e.g. the ISTAT adjustment index);
- the price for the exercise of the purchase option, if there is a reasonable certainty of exercising the option;
- the penalty payments for the termination of the lease, if the duration of the lease takes into account the exercise of the option to terminate the lease.

In the case that the lease contract includes the possibility to exercise the option to buy and there is a reasonable certainty that the option will be exercised, the right of use is recognised under Property, plant and equipment in the corresponding asset class and is depreciated throughout the useful life of the asset.

The Company avails itself of the option granted by IFRS of recognising as costs for services the payments due for short-term leases (of duration not exceeding 12 months) and for leases where the underlying asset is of modest value (indicatively less than € 5,000).

Intangible assets

Intangible assets are identifiable assets without physical substance that are controlled by the Company and able to produce future economic benefits. The requirement to be identifiable is generally met when the intangible asset arises from a legal or contractual right or can be sold or licensed separately or as part of other assets. Control consists in the Company's power to obtain the future economic benefits flowing from the asset together with the possibility of preventing or restricting the access of others to those benefits.

Intangible assets are recognised at cost, determined using the criteria stated for property, plant and equipment.

Intangible assets with a finite useful life are systematically amortised over their useful lives, meaning the estimated period during which they will be used by the Company. The Company uses the same approach to determine the amortisable amount and the recoverability of the carrying amount described for "property, plant and equipment". Intangible assets with an indefinite useful life (Goodwill) are not automatically amortised but at least annually undergo the impairment test as required by IAS 36. Any write-downs of these assets cannot be reversed subsequently.

Impairment of property, plant and equipment and intangible assets

Testing is carried out at each balance sheet date to assess whether there is any indication that a property, plant and equipment or intangible asset may be impaired. Internal and external sources of information are used to make this assessment. the obsolescence or physical deterioration of an asset, any significant changes in the use of an asset and the economic performance of an asset compared to that expected. With regard to external sources, the following shall be considered: changes in the market price of an asset, any technological, market or legislative discontinuities, changes in market interest rates or in the borrowing costs used to value the investments.

If the presence of such indicators is identified, an estimate is made of the recoverable amount of the assets, with any impairment loss compared to book value being recognised in profit or loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, with the latter being the present value of the future cash flows expected to be derived from the asset.

In calculating value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money over the period of the investment and the risks specific to the asset. If an asset does not generate cash flows that are largely independent, the recoverable amount is determined for the cash-generating unit (CGU) to which that asset belongs, meaning the smallest identifiable group of assets that generates independent cash flows.

Independently of any of the mentioned indicators for the impairment, intangible assets with an indefinite useful life (Goodwill) that are not automatically amortised must at least annually undergo the impairment test as required by IAS 36.

An impairment is recognised in the income statement when the book value of the asset or the relevant CGU to which it is allocated is higher than its recoverable value. Reductions in value of CGUs are recorded against the respective assets in proportion to their book value and within the limits of the recoverable value thereof. If the conditions for an impairment previously recognised no longer exist, the asset's book value, with the exception of goodwill, is restored and recorded in the income statement, within the limits of the net accounting value that the asset would have had if the reduction had not been made and if the relevant amortisation had been performed.

Cash and cash equivalents

Cash and cash equivalents consist of, cash, deposits on demand and financial assets with an original maturity date of up to 90 days, readily convertible into cash and subject to an immaterial risk of a change in value.

Elements included in the item "Cash and cash equivalents" are valued at fair value.

Receipts are recognised as per the date of the bank transaction, while payments also take into account the order date.

Inventories

Inventories of raw materials, ancillary materials and consumables, mostly technical materials, are measured at the lower of cost, determined on a weighted average cost basis, and market value at the balance sheet date. Inventory of raw materials, ancillary materials and consumables that can no longer be used in the production cycle are written down.

Work in progress, typically relating to the adaptation of the transmission and broadcasting network to the requirements of Rai under the "Agreement for the provision of transmission and broadcasting services" (hereafter the "Service Agreement") entered with Rai on 5 June 2000 and valid, in the version subsequently supplemented and amended on several occasions, until 30 June 2014 and renegotiated on 31 July 2014 with effect from 1 July 2014 (reference should be made to the paragraph Related party transactions - note 40 for this matter), are measured on the basis of the costs incurred in relation to the progress of the works, determined using the method of the cost incurred (cost-to-cost).

Trade receivables, other financial assets and other assets

Taking account of their contractual characteristic and the business model adopted for their management, trade receivables, financial assets and other assets are classified under the following categories: *(i) financial assets valued at amortised cost; (ii) financial assets valued at fair value through other comprehensive income; (iii) financial assets at fair value through profit or loss.*

If they exclusively generate contractual cash flows representative of capital and interest and if managed according to the business model whose objective is to hold the asset to receive the above-mentioned cash flows, trade receivables, financial assets and other assets are initially recognised at adjusted fair value net of directly attributable transaction expenses and subsequently valued with the amortised cost criterion on the basis of the method of effective interest rate (or the rate that makes the actual value of expected cash flows and recognition value equal at the initial recognition time), suitably adjusted for any impairments, through the recognition of a provision for bad and doubtful debts.

Trade receivables, financial assets and other assets having the above-mentioned contractual characteristics, if managed according to a business model whose objective is both to hold the asset to benefit from the contractual cash flows represented by the repayment of capital and of interests accrued and to realise investments through disposal, are subsequently valued at fair value through other comprehensive income.

Financial assets whose contractual cash flows are not representative solely of the payment of capital and interests, are valued at fair value through profit or loss with the exception of financial derivatives designed as hedge for financial flows that are valued at fair value through other comprehensive income.

Trade receivables, other financial assets and other assets are classified as current assets, other than those having a contractual settlement date of more than twelve months after the balance sheet date which are classified as non-current assets.

Impairment of financial assets

At each of the financial statements reference dates, all financial assets other than those valued at fair value through profit or loss are analysed to ascertain if there is objective evidence that a financial asset or group of financial assets has suffered or might suffer an impairment according to the "expected loss" model.

The Company values expected losses on trade receivables in relation to their overall duration on the basis of the weighted estimate of the probability that such losses might occur. To this end, the Company uses information and quantitative and qualitative analyses, based on historical experience, suitably integrated with provisional valuations with regard to the expected development of circumstances. Losses are measured as the actual value of all the differences between financial cash flows contractually due and cash flows that the

Company expects to receive. The discount is implemented by applying the financial asset's effective interest rate.

For assets other than trade receivables (financial assets, other assets, cash and cash equivalents), the Company estimates losses on a temporary basis corresponding with the duration of each financial instrument if the credit risk (or default risk along the expected life of the financial instrument) has increased significantly from the date of initial recognition. For financial assets represented by debt securities to which a low credit risk was assigned at the reference date of the financial statements, losses are estimated on a time period of twelve months. In line with the Parent Company, the Company considers that debt securities have a low credit risk when the rating is equivalent or higher to at least one of the following: Baa3 for Moody's, BBB- for Standard&Poor's and Fitch.

To determine if the credit risk of a financial asset other than trade receivables has significantly increased after the initial recognition, the Company uses all relevant and reasonable information that is adequately supported and available without excessive expense or effort.

Impairment losses relative to financial assets are recorded separately in the income statement.

If the impairment value of an asset recognised in the past is reduced, and the decrease can be objectively linked to an event occurred after the recognition of impairment, this is credited again to the income statement.

Derecognition of financial assets and liabilities

Financial assets are derecognised when they meet one of the following conditions:

- the contractual right to receive cash flows from the asset has expired;
- the Company has essentially transferred all risks and benefits linked to the asset, disposing of its rights to receive cash flows from the asset or assuming a contractual obligation to pay cash flows received to one or more

beneficiaries linked to the asset by a contract in compliance of the requirements of IFRS 9 ("pass through test");

- the Company has not essentially transferred nor retained all risks and benefits linked to the financial asset but has surrendered its control.

Financial liabilities

Financial liabilities are initially recognised at fair value excluding any directly attributable accessory costs and are subsequently measured at amortised cost using the effective interest rate method. If there is a change in the estimate of expected cash flows, the carrying amount of the liability is recalculated to reflect that change on the basis of the present value of the new expected cash flows and the effective internal rate initially determined. Financial liabilities are classified as current liabilities, other than those having a contractual due date of more than twelve months after the balance sheet date and where the Company has an unconditional right to defer settlement for at least twelve months after the balance sheet date.

Financial liabilities are recognised at the trading date of the transaction and are derecognised when they are extinguished and when the Company has transferred all the risks and expenses relating to the instrument.

Lease liabilities

They represent the present value of payments due for lease contracts (as defined in the paragraph "Lease rights of use" above) and are recognised at the start date of the leases contract.

The present value of payables is calculated by using the lease implicit interest rate or the lessee marginal financing rate, applicable at the start date of the lease contract, if the lease implicit interest rate is not readily available. The marginal financing rate corresponds to the interest rate that would have been applicable to access financing with an analogue cash profile and the same collateral guarantees of the lease contract (so called Incremental Borrowing Rate).

After the start date, the lease liability, measured by applying the amortised cost criterion, is increased to take into account the interest expenses accrued, and is decreased due to the effect of the payments made. It can also be redetermined to take into account any new lease contract valuations or amendments. In cases where the amendments relate to the duration of the lease or the valuation of an option to purchase the underlying asset, the lease liability is redetermined used a discounting rate reviewed at the time of the amendment.

Derivatives

A derivative is a financial instrument or other contract with the following characteristics:

- its value changes in response to changes in an underlying such as an interest rate, a share price or a commodity price, a foreign exchange rate, an index of prices or rates, a credit rating or another variable;
- it requires no initial net investment or an initial net investment that is smaller than would be required for contracts having a similar response to changes in market conditions;
- it is settled at a future date.

Derivatives are classified as financial assets or financial liabilities depending on whether their fair value is positive or negative and are further classified as "held for trading" and measured at fair value through profit or loss, except for those designated as effective hedges.

Derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the hedge is expected to be highly effective; the effectiveness of a hedge is verified on a regular basis. When derivatives hedge the exposure to variabilities in the cash flows of the hedged item (cash flow hedges) such as in the case of hedging the variability in cash flows arising from assets/liabilities due to fluctuations in foreign exchange rates, the changes in the fair value of derivatives considered effective are initially recognised in the shareholders' equity reserve relating to other components of Consolidated comprehensive income and subsequently reclassified to the Consolidated income statement in line with the economic effects arising from the hedged transaction. Changes in the fair value of derivatives that do not qualify as hedges are recognised directly in profit or loss.

Employee benefits

Short-term benefits consist of wages, salaries, the related social charges, compensated annual leave and incentives in the form of bonuses payable within twelve months of the balance sheet date. These benefits are recognised as personnel costs in the period in which employees render the related service.

In defined benefit programs, which also include the severance indemnity due to employees pursuant to article 2120 of the Italian Civil Code (the "TFR"), the amount of the benefit to be paid to employees can only be determined after the completion of employment and is linked to several factors such as age, years of service and remuneration. The cost is accordingly recognised in the income statement on the basis of an actuarial calculation. The liability recognised for defined benefit plans corresponds to the present value of the obligation at the balance sheet date. Defined benefit plan obligations are calculated on an annual basis by an independent actuary using the projected unit credit method. The present value of a defined benefit plan is determined by discounting the future cash flows using an interest rate determined by reference to high quality corporate bonds issued in Euros, consistent with the term of the related pension plan. The actuarial gains and losses arising from these adjustments and changes in actuarial assumptions are recognised in comprehensive income.

As of 1 January 2007, the so-called Financial Law 2007 and corresponding implementation decrees introduced significant changes to regulations for the TFR, including permitting an employee to choose the destination of the accruing entitlement. More specifically, from that date an employee is able to decide whether the new TFR flows should be transferred to a selected supplementary pension fund or retained within the company. In the case of transfer to an external pension fund, the Company usually pays over a defined contribution to the fund, and from that date the portion of accruing TFR has the nature of a defined contribution plan and is not therefore subject to actuarial valuation.

As far as retirement incentives are concerned, if the retirement incentive is not included as part of the restructuring programs the liabilities and the cost relating to the benefits due as the result of the termination of the employment relationship are recognised when the Company can no longer withdraw its offer for the benefits payable as a result of the termination of the employment relationship. More specifically, if the decision to terminate is made by the employee, the Company may no longer withdraw the offer of such benefits when the first of the following occurs the employee accepts the offer, (ii) a restriction on the ability of the Company to withdraw the offer comes into force. Conversely if the Company decides to terminate the employment relationship, it may no longer withdraw the offer of such benefits when it has communicated a detailed retirement incentive plan to those concerned and when the steps required to be taken to complete the plan imply that it is improbable that significant changes will be made to such. If it is expected that such benefits will be fully settled within twelve months after the end of the year in which such benefits are recognised, the requirements for short-term employee benefits are applied, while if this is not expected to be the case the entity applies the requirements for other long-term employee benefits.

Provisions for risks and charges

Provisions for risks and charges are recognised for losses and charges of a specific nature whose existence is certain or probable but for which the amount and/or date of occurrence cannot be determined.

The liabilities linked to tax disputes and uncertain tax treatments in relation to income taxes are allocated to the item Liabilities for income taxes.

Provisions are only recognised when the Company has a present obligation, legal or constructive, arising from past events, for the future outflow of economic benefits and it is probable that such outflow will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expense required to settle the obligation.

Where the effect of the time value of money is material and the date of settling the obligation can be reliably estimated, the amount of the provision is the present value of the expected expense discounted using a rate that reflects market conditions, the change in the time value of money and the risks specific to the liability. The increase in the carrying amount of a provision reflecting the change over time of the cost of money is recognised as financial expenses.

Risks for which the likelihood that a liability will arise is only possible are disclosed in the section of the notes on contingent liabilities and no provisions are recognised.

Trade payables and other liabilities

Trade payables and other liabilities are initially recognised at fair value, excluding directly attributable accessory costs, and are subsequently measured at amortised cost using the effective interest rate method.

Recognition of revenues and income

The recognition of revenue is based on the following five steps:

1. identify the contract with a customer;
2. identify the separate performance obligations in the contract (meaning the contractual commitment to transfer goods and/or services to the customer);
3. determine the transaction price;

4. allocate the transaction price to the performance obligations identified on the basis of the standalone sales price for each good or service; and
5. recognise the revenue when each performance obligation is satisfied.

On underwriting each contract with customers in relation to promised goods or services, the Company identifies as a separate obligation each promise to transfer goods, service, a series of assets or services or a combination of distinct goods and services.

Revenues are valued according to fair value of the consideration due, inclusive of any variable components, when it is believed it is highly probable that this will not be reversed in future.

The Company recognises revenues due for the fulfilment of each separate obligation at the time the control on services rendered, rights conceded or goods supplied is transferred to the buyer.

Revenues are recorded in the financial statements net of any discounts or rebates, payments made by customers without correspondence to the purchase of the Company's distinct goods or services as well as the estimate of customer returns.

The Company recognises a contractual asset or liability in function of the fact that the service has a ready taken place, but that the relative compensation is yet to be received, or as a contractual liability when obligations assumed are yet to be fulfilled but the compensation has already been received.

For each of the main revenue flows identified, a short description is given below of the recognition, measurement and valuation process applied.

Revenues deriving from Supply Contracts for turnkey services with the Parent Company relate to the performance of all activities necessary to guarantee transmission and broadcasting, in Italy (on the frequencies assigned to Rai) and abroad, of the radio and television signals relating to Rai's audio and visual contents and the ordinary fulfilment of obligations pertaining to the Concessionaire of the public radio and television service. Under the scope of the Contract are also included "Evolutionary Services", meaning extension of already operational services, and “New Services”, which refer instead to services relating to completely new standards/technologies, not yet known or expected today.

The nature of the obligation assumed, which is satisfied over time, involves the recognition of relative accrued revenues through the period in which the obligation was fulfilled.

Revenues from equipment and apparatus hospitality services are recognised from the time the customer obtains access to the sites where the equipment and apparatus are destined to be placed. Such revenues are recognised in a linear manner throughout the duration of the hospitality contract, irrespective therefore of the temporal distribution of consideration.

Financial income is recognised in the income statement in the year in which it accrues.

Recognition of costs

Costs are recognised when they relate to goods and services sold or consumed during the financial year or by systematic allocation or when their future utilisation cannot be identified.

Costs are recognised in the income statement at the same time as the decrease in economic benefits associated with the decrease in an asset or increase in a liability if that decrease can be reliably determined and measured.

Government grants

Government grants, including non-monetary contributions valued at fair value are recognised when there is reasonable assurance that the Company will comply with all the conditions attaching to the receipt of the grants and that the grants will be received.

The benefit of public funding at an interest rate lower than market rate is treated as a public subsidy. The funding is initially recognised at fair value and the public subsidy is measured as the difference between the initial accounting value and the funding received. The loan is subsequently measured in accordance with the provisions set forth for financial liabilities.

Operating grants are recognised as a positive component of the income statement, under the item Other revenues and income.

Public grants received for the purchase, construction or acquisition of fixed assets (property, plant and equipment or intangible) are recognised as a direct reduction of the relative purchase or production cost or recognised in the income statement in relation to their relative useful life, on the basis of the amortisation and depreciation process for the assets for which the grants were received.

Taxation

Current taxes are recognised under current income tax liabilities net of any advances paid, or under the item current tax assets when the net balance is in credit. Current taxes are determined by multiplying the taxable income estimate for the applicable tax rates. Both the estimated taxable income and the tax rates used are based on the applicable or essentially applicable tax regulations at the reference date.

This item also includes the estimated charges that may affect the group in relation to current tax disputes and uncertain income taxes treatment recognised against current or non current income tax liabilities if the time estimated for the resolution of the underlying dispute or of uncertainty is over 12 months.

Deferred tax assets and liabilities are recognised for all the differences between the carrying amount of an asset or liability and its tax base and are measured at the tax rates that are expected to apply to the period when the difference is realized settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. For the portion not offset by deferred tax liabilities, deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which they can be recovered.

Current taxes and deferred taxes are recognised under the item "Income tax" in the income statement, apart from taxes relating to items recognised in comprehensive income and those relating to items directly charged or credited to equity. In these latter cases, deferred taxes are recognised in comprehensive income and directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority, the Company has a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis.

Other taxes that are not based on income, such as indirect taxes and duties, are recognised under the item "Other costs" in the income statement.

Together with Rai the Company has opted for domestic tax consolidation. The economic relationships, as well as the mutual responsibilities and obligations, between Rai and the other companies of the same group that opted to join the tax consolidation are defined in the "Agreement for the exercise of the option for the domestic consolidation in accordance with article 117 and following of the Consolidated Income Tax Act", under which:

- subsidiaries that transfer a taxable profit to Rai also transfer the amounts required to settle the additional tax liability due as the result of their participation in the domestic consolidation;
- subsidiaries that transfer a taxable loss to Rai are compensated to the extent of the respective tax saving achieved by Rai when this saving is realized or could have been realized by the subsidiary transferring the loss.

Accordingly the related tax net of any advances paid, withholding tax and tax credits in general is recognised as a receivable from or payable to the Parent Company.

Earnings per share

Basic earnings per share is calculated by dividing the Company's net profit by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the Company's net profit by the weighted average number of ordinary shares outstanding during the year. In order then to calculate diluted earnings per share the weighted average number of ordinary shares outstanding during the year is adjusted by assuming that all the holders of rights that potentially have a dilutive effect exercise those rights, while the Company's net profit is adjusted to take into account any effect, net of taxes, of exercising those rights.

Recently issued accounting standards

Accounting standards, amendments and interpretations applicable as from 1 January 2023

IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard for insurance contracts that considers their recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g. life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation features; some exceptions to the scope apply.

The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts for insurers. Contrary to the requirements of IFRS 4, which are largely based on the maintenance of previous local accounting standards, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

IFRS 17 is based on a general model, supplemented by:

- a specific adaptation for contracts with direct participation features (the variable fee approach)
- a simplified approach (the premium allocation approach) mainly for short-term contracts.

The changes had no impact on the Company's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and correction of errors. They also clarify how entities use valuation techniques and inputs to develop accounting estimates.

The changes had no impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to assist entities in applying materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide more useful accounting policy disclosures by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies, and by adding guidance on how entities apply the concept of materiality in making accounting policy disclosure decisions.

The changes did not have a significant impact on the Company's financial statement disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes narrow the scope of the exception to initial recognition so that it no longer applies to transactions that give rise to equally taxable and deductible temporary differences such as leases and decommissioning liabilities.

The changes had no impact on the Company's financial statements.

International Tax Reform - Pillar Two Model Rules - Amendments of IAS 12

The amendments to IAS 12 were introduced to respond to the OECD's BEPS Pillar Two rules and include: a temporary mandatory exemption to the recognition and disclosure requirements for deferred taxes arising from the implementation in jurisdictions of the Pillar Two rules, and disclosure requirements for affected entities to help users of financial statements better understand the income tax impacts arising from such legislation, particularly prior to the effective date.

The temporary compulsory exemption - for the use of which notice is required - is immediately applicable. The remaining disclosure requirements apply for financial years beginning on or after 1 January 2023, but not for interim periods prior to 31 December 2023.

The amendment has no impact on the Company's financial statements.

Accounting standards adopted by the European Union but not yet applicable

- Regulation bo. 2023/2579 issued by the European Commission on 20 November 2023 endorsed the document "Amendments to IFRS 16 Leases: Lease Liabilities in a Sale and leaseback transaction" issued by the IASB on 22 September 2022. The amendment specifies the criteria that a lessee shall use to measure the lease liability arising from a leaseback transaction to avoid recognising a gain or loss on the right of use recognised in the financial statements.
- Regulation no. 2023/2822 issued by the European Commission on 19 December 2023 endorsed the documents "Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current and non-current', the document "Classification of liabilities as current and non-current - Deferral of the Effective Date" and the document "Non-current liabilities with covenants" issued by the IASB on 23 January 2020, 15 July 2020 and 31 October 2022, respectively. The documents clarify the

requirements for the classification of 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.

The amendments are effective for financial years beginning on or after 1 January 2024. Early application is permitted.

The Company has assessed that these changes will have no significant impact on the financial statements.

Accounting standards not yet adopted by the European Union

- On 25 May 2023, the IASB issued the document "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures Supplier Finance Arrangements'.

  The amendments introduce the obligation to provide specific disclosure on "Supplier Finance Arrangements" (SFAs), i.e. those transactions in which:

  - a lender pays the amounts that a company owes to its suppliers:
    a. on the due date of the invoices
    b. or on a date prior to their expiry.
  - the company repays the lender:

in case (a) according to the terms and conditions of the agreements at a date subsequent to the date on which the suppliers are paid;

in case (b) on the due date of the invoices.

In the case under a) the Company obtains a deferred payment of its payables to suppliers, in the case under b) it is the suppliers who benefit from an advance payment.

The amendments respond to investors' need for more information on SFAs in order to better understand the effects of these transactions on liabilities, cash flows and liquidity risks.

The information requested concerns:

- the terms and conditions of the SFAs;
- the book value of the financial liabilities arising from these transactions and the lines in the balance sheet in which they are recognised;
- the value of the financial liabilities referred to in the previous point for which suppliers have already received payment;
- the range of payments by due date for both financial liabilities that are part of SFAs and comparable trade payables that are not part of such agreements;
- non-monetary changes in the carrying amounts of financial liabilities arising from SFAs;
- the way SFAs are accessed and the concentration of liquidity risk with lenders.

The amendments are effective as of the annual reporting for the financial year beginning on or after 1 January 2024, and certain facilitations on comparative information are granted.

- On 15 August 2023, the IASB issued the document "*Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*'.

The amendment clarifies, when one currency cannot be converted into another, how to estimate the exchange rate and the disclosures to be made in the notes to the financial statements.

The amendment is effective for financial years beginning on or after 1 January 2025. Early application is permitted.

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

Segment Information

IFRS 8 Operating Segments defines an "operating segment" as a component of an entity: (a) that engages in business activities from which it may earn revenues and incur expenses, (b) whose results of operations are regularly reviewed by the entity's chief operating decision maker, which for Rai Way is the Board of Directors, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available. The Company has identified only one operating segment, for which information on operations is prepared and made available to the Board of Directors on a periodic basis for the above-mentioned purposes, considering the business conducted by Rai Way as a single group of activities; accordingly no disclosures by operating segment are provided in the financial statements. Disclosures on the services rendered by the Company, the geographical area in which it carries out its activities (which almost entirely corresponds to the state of Italy) and its main customers are provided in the notes to these financial statements, to which reference should therefore be made.

Transactions between Rai and Rai Way

The incorporation of the Company and the completion of the transfer by the Parent Company Rai of the business unit "Transmission and Broadcasting Division" are part of a much broader streamlining project being carried out by the Rai

Group which resulted in the formation of a number of subsidiaries tasked with handling specific business sectors ancillary to the Public Service for broadcasting radio and television programs previously performed by Rai. Under this transfer, which took place on 1 March 2000, the Company became the owner of the business unit tasked with performing the planning, design, installation, construction, operation, management, maintenance, implementation and development of the systems, of the stations, of the connections and in general of the network for transmitting and broadcasting Rai's voice, video and data signals. The ownership of the equipment needed for Rai's television and radio transmission and broadcasting was therefore transferred to the Company, in addition to the employment relationships with approximately 600 engineers and technicians specialized in the transmission and broadcasting of radio and television signals.

On 5 June 2000, Rai and the Company signed the Service Contract under which the latter engaged the Company to provide services on an exclusive basis for the installation, maintenance and operation of telecommunications networks and the performance of services for the transmission, distribution and broadcasting of radio and television signals and programs. The Service Agreement remained effective until 30 June 2014.

On 31 July 2014 Rai and Rai Way executed the New Service Agreement, effective 1 July 2014, replacing the aforementioned Service Agreement, under which Rai engages the Company on an exclusive basis to provide a set of services that enable Rai to carry out the following: (i) regular transmission and broadcasting in Italy and abroad through the MUX that were assigned to it on the basis of applicable regulation; and (ii) regular fulfilment of its Public Service obligations. On 10 December 2019, the Company signed an agreement with the Parent company regarding the amendment of some terms and conditions of this contract, with respect to which the parties have - *inter alia* - regulated the impacts on the consideration deriving from the refarming process and waived their right to cancel the second seven-year period already provided for, effectively renewing it until 30 June 2028, without prejudice to the possible already planned continuation for a further seven-year period, except in the case of termination.

Reference should be made to the paragraph "Related party transactions" for further details about transactions between Rai and Rai Way (note 40).

Financial risk management (note 4)

The financial risks to which the Company is exposed are managed in accordance with the approach and procedures included in a specific policy approved by Rai Way's Board of Directors, which is directed at risk minimisation in order to maintain the value of the business as a whole and in particular economic and financial value.

The main risks identified by the Company are as follows:

- market risk, deriving from the exposure to fluctuations in interest rates and foreign exchange rates arising from financial assets and liabilities respectively owned/originated and assumed;
- credit risk, deriving from the possibility that one or more counterparties may be insolvent;
- liquidity risk, deriving from the Company's inability to obtain the financial resources necessary to fulfil short-term financial commitments;
- capital risk, deriving from the Company's ability to continue ensuring capital soundness.

Market risk

Market risk consists of the possibility that changes in interest and exchange rates, or the rating of the counterparties with whom liquidity is deposited, may negatively affect the value of assets, liabilities or expected cash flows.

The Company constantly monitors market risks in order to put in place adequate hedges in the event of significant exposure in order to minimise such risk and preserve the value of the company.

- Interest Rate risk: The interest rate risk, resulting from the possible fluctuations in interest rates applied on medium/long-term loans to the Company, is managed, in the presence of significant amounts, through the hedging instruments available on the market such as IRS and other derivative instruments, with predetermined minimum hedging percentages. In 2023, the interest rate risk mainly arose from a loan agreement that expired in October and a new one entered into on 23 October, replacing the previous one, for a total maximum amount of € 185 million, of which € 143 million related to the Term line and € 42 million related to the Revolving line and with a term of three years. With regard to the loan that was repaid, the company hedged the risk of an increase in the Euribor rate by concluding an interest rate cap at the end of 2021. With regard to the new loan,assessment activities are underway to identify specific hedging instruments.
- Exchange Rate risk: The Company's operation in currencies other than Euro is extremely limited and therefore the exposure to exchange rate risk does not have any significant effect on the financial situation. However, the Company monitors exposure at currency to be prepared to take appropriate action if significant risk positions are taken.
- Liquidity-related risks: risks connected with the investment of liquidity, in the case of temporary excesses of cash the Company requires the use of low-risk market-based financial instruments with counterparties having a high rating or with the Parent Company.

Credit risk

The Company's main customer is its Parent Company Rai, which generated Group revenues net of marginal costs of € 230,156 thousand (approximately 85%

of total revenues) and € 210,516 thousand (approximately 86% of total revenues) in the years ended 31 December 2023 and 2022 respectively. The Company's other customers are mainly telephone operators, broadcasting companies, entities of the public administration and other corporate customers with which the Company enters multi-year service agreements. The Company is therefore exposed to the risk of concentration of revenues and credit deriving from the possibility that its trade counterparties will be unable to fulfil their obligations, either for business and financial reasons such as business instability, the inability to collect the necessary capital for the performance of their activity or those related to the general trend towards the reduction in operating costs, or else for technical-commercial reasons or legal reasons connected with the performance of the services by the Company, such as complaints relating to the services provided or the customers' inclusion in bankruptcy proceedings that make it more difficult or impossible to recover the receivables.

A breach by one of the Company's trade counterparties to fulfil its obligations may result in negative effects on its economic and financial position.

With regard to counterparty risk, formalized procedures for assessing and accepting trade partners have been adopted for credit management purposes. The assessment is carried out on overdue items and may lead to formal notice of default being served on the parties involved. The lists of overdue items analysed are sorted by amount and by customer, updated to the analysis date, in order to highlight the items requiring greater attention and the need to send reminders or carry out other collection procedures as required by business policies.

The Company sends informal payment claim notices to debtors owing amounts relating to overdue items. If this activity does not remedy the situation, after formally placing the debtors in default the Company assesses the possibility of filing for an injunction.

The following table provides an ageing of trade receivables at 31 December 2023 and 2022, with figures stated net of the provision for bad and doubtful debts.

	As at 31 December 2023	At at 31 December 2022
Becoming due	65,247	59,820
Past due by 0-30 days	2,113	880
Past due by 31-60 days	59	50
Past due by 61-90 days	29	449
Past due by more than 90 days	7,304	5,023
Total Trade receivables	**74,752**	**66,222**

All trade receivables are due within 12 months.

Liquidity risk

Liquidity risk is the inability for the Company to obtain the funding it requires to meet its operational requirements for investments, working capital and debt servicing. Rai Way believes that the cash flows generated by operations and by the existing Loan Agreement (see paragraph "Current and non-current financial assets and liabilities") are adequate to cover the needs expected in 2024 and that, in any case, the Company is able to find additional financial resources considering the low level of financial debt compared to the EBITDA value. At 31 December 2023, the term line was used for € 101,000 thousand, while the Revolving line, available for a total amount of € 42 million was not used and the financial parameters provided for in the related financing contract (covenants) were widely respected.

The following tables set out the expected cash flows for future years arising from the Company's outstanding financial liabilities, trade payables and other liabilities at 31 December 2023 and 2022.

As at 31 December 2023 *(in thousand of euro)*	**Within 12 months**	**Between 1 and 5 years**	**Over 5 years**
Current and non-current financial liabilities	1,075	100,387	-
Trade payables	65,005	-	-
Other debt and liabilities	48,925	145	145
Total	**115,005**	**100,532**	**145**

As at 31 December 2022 *(in thousand of euro)*	**Within 12 months**	**Between 1 and 5 years**	**Over 5 years**
Current and non-current financial liabilities	101,544	-	-
Trade payables	60,472	-	-
Other debt and liabilities	38,455	145	182
Total	**200,471**	**145**	**182**

As at 31 December 2023, considering the drawdowns of the term line in the amount of € 101 million and that the revolving line had not been utilised, € 84 million remained available to the Company, based on the current loan agreement, to finance short-term and/or medium/long-term requirements.

Capital risk

The Company's capital management objectives aim at safeguarding its ability to continue to ensure optimal capital soundness. Specifically, the ratio of net financial debt (not including financial liabilities for leases) to the Company's shareholders' equity was 0.4 at 31 December 2023, in line with the values as at 31 December 2022. It should also be noted that the market value of the Company's shareholders' equity as at 31 December 2023 is 7.4 times higher than its book value.

The fair value of trade receivables and other financial assets, trade payables, financial liabilities (measured at amortised cost) and other payables recognised as "current" in the statement of financial position does not significantly differ from the carrying amounts of these items at 31 December 2023, as they mainly relate to assets arising from commercial transactions for which settlement is expected in the short term.

Non-current financial assets and liabilities are settled or measured at market rates and their fair value is considered to be broadly in line with their present carrying amounts.

Since 1 January 2019, due to the effect of the adoption of the new IFRS 16 accounting standard, lease liabilities amounted to € 37,769 thousand at 31 December 2023.

Measurement of financial instruments at fair value

The financial instruments recorded in the financial statements at fair value consist of hedging derivatives, valued, where necessary in view of the significance of the amounts, with the aid of financial models in accordance with market practice. The fair value of derivative instruments represents the net position of asset and liability values.

It should be noted that as of December 31, 2023, the Company has no derivative finance contracts.

Estimates and Assumptions (note 5)

The preparation of financial statements requires the directors to apply accounting principles and methods which, in certain circumstances, depend upon difficult and subjective measurements and estimates based on historical experience and assumptions that at the time are considered reasonable and realistic with respect to the relative circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements, the statement of financial position, the income statement, the comprehensive income statement and the cash flow statement and the disclosures. The final results of the items in the financial statements for which the above estimates and assumptions have been made could differ from those recorded in the financial statements, as these recognise the effects of the event estimated, due to the uncertainty inherent in the assumptions and conditions on which the estimates are based.

The following paragraphs provide a brief description of the areas which require greater subjectivity to be used by the directors in arriving at their estimates and for which a change in the conditions underlying the assumptions could have a significant effect on the reported figures.

Provisions for Risks and Charges and Contingent Liabilities

A liability is recognised in Provisions for risks and charges for risks arising from disputes and litigation when an outflow of funds is considered probable and the amount can be reliably estimated. If an outflow of funds is considered possible but the amount of that outflow cannot be determined, this fact is disclosed in the notes to the financial statements. The Company is the defendant in legal cases (of an administrative and fiscal nature and relating to labour law) on a variety of issues. The Company constantly monitors the status of these pending litigations and engages the services of legal advisers.

Determination of useful lives

Depreciation of tangible and intangible assets is recognised on a straight-line basis over the estimated useful life of each asset. The economic useful life is determined at the time the assets are acquired and is based on historical experience for similar investments, market conditions and anticipations regarding future events that could impact the useful life. The actual economic life may therefore differ from the estimated useful life. The Company annually evaluates technological changes in order to update the remaining useful life. This update could lead to a change in the depreciation period and thus also in the depreciation rate for the year and future years.

Revenues (note 6)

The item breaks down as follows:

(in thousand of euro)	Financial year at 31 December 2023	 2022
Revenues from RAI Group (*)	230,156	210,516
Revenues from third parties	41,785	34,930
- Hospitality fees for equipment and apparatus	30,425	28,168
- Other	11,360	6,762
Total revenues of sales and performances	**271,941**	**245,446**

(*) Revenues are shown net of margin costs of € 17,415 (€ 18,419 thousand as at 31/12/2022).

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 € 26,945 thousand compared to the same period of 2022, going from € 245,446 thousand at 31 December 2022 to € 271,941 thousand at 31 December 2023.

"Revenues from RAI Group" amounted to € 230,156 thousand, equal to 84.6% of total Revenues as at 31 December 2023 and increased by € 19,640 thousand compared to the same period in 2022. This increase stems mainly from the effects of the inflation indexing of the consideration for the relevant service contract, partially absorbed by the impact of the discontinuation of the radio broadcasting service in medium wave.

"Revenues from RAI Group" derive from Supply Contracts for turnkey services and relate to the performance of all activities necessary to guarantee transmission and broadcasting, in Italy and abroad, of the radio and television signals relating to Rai's audio and visual contents and the ordinary fulfilment of obligations pertaining to the Concessionaire of the public radio and television service. Also included under the scope of the Contract are "Evolutionary Services", meaning extension of already operational services, and "New Services", which refer instead to services relating to completely new standards/technologies, not yet known or expected today.

The nature of the obligation assumed, which is satisfied over time, involves the recognition of relative accrued revenues through the period in which the obligation was fulfilled.

"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. It should be noted that these revenues are recognised from the moment the customer obtains access to the sites where the plants and equipment are to be located and are recognised in a linear manner throughout the duration of the hospitality contract, irrespective therefore of the temporal distribution of compensation.

Revenues showed a balance of € 41,785 thousand, up by € 6,855 thousand compared to the same period of last year, benefiting from the launch of the new services for the sale of transmission capacity locally in the technical areas where Rai Way has been assigned the rights to use frequencies.

Other revenues and income (note 7)

The item breaks down as follows:

	Financial year at 31 December	
(in thousand of euro)	**2023**	**2022**
Operating grants	1,883	2,953
Compensation for damages	219	127
Other revenues	11	42
Total other income	**2,113**	**3,122**

The income statement item "Other revenues and income" amounted to € 2,113 thousand in the first 12 months of 2023 and compared to 31 December 2022 (€ 3,122 thousand) shows a decrease of € 1,009 thousand mainly due to the recognition of lower tax credits on the energy component purchased and actually used in the first part of the year (see Aid Decree bis) partially offset by income from compensation for damages.

Purchase of consumables and goods (note 8)

The item breaks down as follows:

	Financial year at 31 December	
(in thousand of euro)	**2023**	**2022**
Motor fuel purchase	875	951
Fuel purchase	59	121
Purchase of tools	404	370
Change in inventory	-	34
Total consumables and goods	**1,338**	**1,476**

The item "Purchase of consumables and goods", which includes the purchase of technical materials for the warehouse, and fuels for generators and heating, amounted to € 1,338 thousand as at 31 December 2023, down compared to the figures of the previous year (€ 1,476 as at 31 December 2022), mainly due to lower fuel purchase costs.

Cost of services (note 9)

The item breaks down as follows:

	Financial year at 31 December	
(in thousand of euro)	**2023**	**2022**
Services of independent workers:		
- Compensation of Directors and Statutory Auditors	745	732
- Others	2,014	1,160
Other services	4,259	2,437
Travel expenses, business trips and accessory personnel costs	1,880	1,484
Intercompany service agreement costs	6,455	6,231
Maintenance and repairs	5,192	5,037
Transport and similar	307	286
Utilities	13,561	23,190
Leasing and rentals	9,340	8,435
Total costs of services	**43,753**	**48,992**

The item "Costs for services" recorded a decrease of € 5,239 thousand (-11%), from € 48,992 thousand at 31 December 2022 to € 43,753 thousand at 31

December 2023. The main changes in the above cost items and a description of the main factors that determined them are shown below:

- the item “Utilities” amounted to € 13,561 thousand (€ 23,190 thousand at 31 December 2022) and principally include the costs incurred for electricity, telephone expenses and various utilities. The decrease with respect to 2022 of € 9,629 thousand is mainly due to lower costs related to the supply of electricity;
- the item "Services from intercompany service contract", which includes the services provided by the Parent Company recorded an increase in the comparison between 2023 and 2022 of € 224 thousand mainly due to inflation indexing of services related to rented properties;
- the item “Other services” of € 4,259 thousand increased by € 1,822 thousand over the 2022 figure, due mainly to rising general services and management consulting costs. This item included, among others, consideration relating to the year for the statutory audit of the annual and half-year accounts amounting to € 89 thousand;
- “Travel expenses, business trips and accessory personnel costs” of € 1,880 thousand were up by € 396 thousand from the previous year owing to an increase in travel in 2023 as a result of the restrictive measures still in place in 2022 to cope with the spread of Covid-19;
- “Maintenance and repairs” includes network infrastructure maintenance costs; it has a balance of € 5,192 thousand, an increase of € 155 thousand compared to the 2022 figures owing mainly to an increase in activities relating to maintenance of broadcasting systems and vertical infrastructure;
- the item “Leasing and rentals” consist mainly of the cost of rentals and leases not included in the application of the IFRS 16 accounting standard with respect mainly to broadcasting circuits. The balance at 31 December 2023 amounted to € 9,340 thousand (€ 8,435 thousand at 31 December

2022), an increase of € 905 thousand due to lower releases of provisions made in previous years.

The details of costs for services rendered by the company EY SpA tasked with the statutory audit of financial statements and of companies belonging to the same network are given below:

Type of task	Consideration for FY 2023
External audit	49
Limited audit of the half-yearly financial report	16
Limited audit of the Non-financial disclosure	20
Total costs of services	**85**

Personnel costs (note 10)

The item breaks down as follows:

	Financial year at 31 December	
(in thousand of euro)	**2023**	**2022**
Salaries and wages	37,368	36,618
Social security contributions	11,009	10,736
Severance indemnity	2,038	2,046
Retirement pensions and similar	769	617
Incentive to take voluntary redundancy	5,099	-
Other costs	(32)	(1,274)
Capitalised personnel costs	(4,893)	(5,035)
Total personnel costs	**51,358**	**43,708**

"Personnel costs" amounted to € 51,358 thousand in 2023, with an increase of € 7,650 thousand compared to 2022, mainly due to a voluntary redundancy incentive initiative for the company's personnel and the agreement to terminate the company's relationship with the previous CEO. Capitalised personnel costs of € 4,893 thousand (€ 5,035 thousand as of 31 December 2022) decreased by € 142 thousand.

Details on the economic effects arising from the accounting treatment for employee benefits may be found in note 31 "Employee benefits".

The following table sets out the average number of the Company's employees during the year and the number at year end:

	Average number of employees for the financial year ended at		number of employees for the financial year closed as at	
(in units)	2023	2022	2023	2022
Executives	27	24	27	25
Managers	174	169	169	169
White-collar employees	378	386	382	384
Manual workers	4	7	2	6
Total	**583**	**586**	**580**	**584**

Other costs (note 11)

The item breaks down as follows:

	Financial year at 31 December	
(in thousand of euro)	2023	2022
Contribution to Supervisory Authorities	387	332
ICI/IMU/TASI	607	600
Taxes on production and consumption	800	917
Other indirect taxes, fees and levies	350	329
Other	537	1,176
Total Other costs	**2,681**	**3,354**

The item "Other Costs" in the income statement recorded a decrease of € 673 thousand, (-20.1%), from € 3,354 thousand at 31 December 2022 to € 2,681 thousand at 31 December 2023, mainly due to lower taxes on production and consumption and lower capital losses on property, plant and equipment.

Write-downs of financial assets (note 12)

The item "Write-downs of financial assets" posted a balance of € 524 thousand at 31 December 2023, an increase of € 205 thousand compared to the € 319 thousand at 31 December 2022. This increase is due to higher write-downs of receivables during the year in application of IFRS 9.

Amortisation, depreciation and other write-downs (note 13)

The item “Amortisation”, included in the item “Amortisation, depreciation and other write- downs”, was € 46,775 thousand at 31 December 2023, down by € 134 thousand compared to the previous year (€ 46,909 thousand at 31 December 2022). It should be noted that as a result of the adoption of the IFRS 16 accounting standard, which came into force on January 1, 2019, this item includes the value of the amortization of the rights of use for leases; in addition, the values relating to "Dismantling and restoration" were reclassified from "Property, plant and equipment" to "Rights of use-buildings".

The item breaks down as follows:

	Financial year at 31 December	
(in thousand of euro)	**2023**	**2022**
Amortisation/depreciation		
Property, plant and equipment		
buildings	1,183	987
plant and machinery	27,986	29,153
production and commercial equipment	1,144	1,258
other assets	289	306
Total property, plant and equipment depreciation	**30,602**	**31,704**
Rights of use		
buildings	9,942	9,801
other assets	1,413	957
Total right of use depreciation	**11,355**	**10,758**
Intangible assets		
software	4,607	4,236
other	211	211
Total intangible assets amortisation	**4,818**	**4,447**
Total amortisation/depreciation	**46,775**	**46,909**
Other write-downs		
Total amortisation/depreciation and other write-downs	**46,775**	**46,909**

Provisions (note 14)

The item "Provisions" shows a balance of € 1,668 thousand, due exclusively to allocations to the provision for other charges. For more details please refer to the item "Provision for risks and charges", note 32. At 31 December 2022, this item had a negative balance (positive income component) of € 14 thousand.

Financial Income and Expenses (note 15)

The item breaks down as follows:

	Financial year at 31 December	
(in thousand of euro)	**2023**	**2022**
Interest income from banks and other lenders	464	-
Exchange gains	(48)	41
Interest receivables from parent company	7	2
Income from interest rate hedging transactions	942	-
Other financial income	12	37
Total Financial income	**1,377**	**80**
Interest on the obligation for employee benefits	(323)	(73)
Exchange losses	(13)	(86)
Interest expense to banks and other lenders	(4,413)	(952)
Interests on adjustments to dismantling and restoration provision	(186)	(150)
Interest expenses on lease agreements	(506)	(487)
Other financial expenses	(413)	(384)
Total financial expenses	**(5,854)**	**(2,132)**
Net total financial income	**(4,477)**	**(2,052)**

"Financial income" amounted to € 1,377 thousand, an increase of € 1,297 thousand compared to 31 December 2022, mainly due to the interest rate hedging effects generated by the derivative instrument (interest rate cap) on the loan closed in October 2023, as well as interest income from the investment of available cash.

"Financial expenses" amounted to € 5,854 thousand, an increase of € 3,722 thousand compared to the same period of the previous year (€ 2,132 thousand as at 31 December 2022). The increase was mainly due to higher interest rates.

Income Tax (note 16)

The item breaks down as follows:

(in thousand of euro)	Financial year at 31 December	
	2023	**2022**
Current taxes	35,600	27,300
Deferred taxes	(953)	749
Substitute taxes	62	62
Taxes relating to previous financial years	49	(30)
Total	**34,758**	**28,081**

"Current taxes" amounted to € 35,600 thousand, showing an increase on the previous period of € 8,300 thousand, due to higher earnings before income tax. The current income taxes recognised, based on the estimated taxable income in accordance with current rates and regulations, also take into account tax credits for new capital goods and electricity to which the company has subscribed.

This item consists of:

- IRES (corporate income tax) of € 29,700 thousand;
- IRAP (regional production tax) of € 5,900 thousand.

Deferred tax liabilities amounted to € 953 thousand, up by € 1,702 thousand compared to 31 December 2022.

Deferred tax assets are influenced by actuarial valuations of employee benefits (staff severance provision - TFR) and higher provisions of taxed items offset in part by the reversal effect of taxed provisions, while deferred tax liabilities by higher tax depreciation.

Deferred taxes consist of:

- Prepaid taxes of € (915) thousand;
- Deferred tax liabilities of € (38) thousand.

Taxes related to previous years show a positive balance of € 49 thousand, with an increase of € 79 thousand compared to the previous year.

The Company believes that the deferred tax assets recognised on the basis of the projected taxable income inferable from the business plan are reasonably recoverable.

The following table provides a reconciliation between the theoretical tax charge and the effective tax charge for the years ended 31 December 2023 and 2022.

	Financial year at 31 December			
(in thousand of euro)	**2023**		**2022**	
Pre-tax profit	**121,479**		**101,771**	
Theoretical taxes	29,155	24.0%	24,425	24.0%
Substitute taxes	62		62	
Taxes relating to previous financial years	49		(30)	
Permanent differences	(408)		(916)	
IRAP	5,900		4,540	
Total	**34,758**	**28.6%**	**28,081**	**27.6%**

Starting from the financial year 2024, the RAI Group falls within the subjective scope of application of the Global Minimum Tax (hereinafter referred to as "GMT"); in relation to the requirements of the document "Amendments to IAS 12 Income Taxes: International Tax Reform - Pillar Two Model Rules", in order to provide information useful to understand the effects determined by the provisions on GMT, calculations simulations of the simplified tests provided for by the Transitional Safe Harbour on the basis of the latest available data relative to the financial year ended 31 December 2022 were carried out.

At present, based on the checks carried out and the preliminary calculations of the effective tax rate (ETR), taking into account the fact that the ministerial decrees implementing certain GMT rules have yet to be issued and are awaiting the consequent interpretative clarifications, it is deemed reasonable to assume that the Group will not have to recognise any expenses from GMT.

Property, plant and equipment (note 17)

This item and changes during the year may be analysed as follows:

(in thousand of euro)	Land	Buildings	Plant and machinery	Production and commercial equipment	Other assets	Property, plant and equipment in progress and prepayments	Total property, plant and equipment
Accounting values at 1 January 2023							
Cost at 1 January 2023	12,095	103,257	890,857	33,056	3,131	26,421	1,068,777
Amortisation/depreciation provision at 1 January 2023	-	(77,869)	(679,184)	(28,826)	(2,165)	-	(788,044)
Net accounting value at 1 January 2023	**12,095**	**25,388**	**211,673**	**4,230**	**966**	**26,421**	**280,773**
2023 changes							
Investments	-	8,841	24,447	1,007	101	12,977	47,373
Amortisation/depreciation for the year	-	(1,183)	(27,986)	(1,143)	(289)	-	(30,601)
Disposals							
cost	-	(996)	(17,982)	(546)	(2)	(1)	(19,527)
amortisation/depreciation provision	-	934	17,875	542	2	-	19,353
net accounting value	**-**	**(62)**	**(107)**	**(4)**	**-**	**(1)**	**(174)**
Reclassifications	-	3,858	10,981	257	9	(15,105)	-
Transfers							
cost	-	7	(7)	-	-	-	-
amortisation/depreciation provision	-	(7)	7	-	-	-	-
net accounting value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accounting values at 31 December 2023						-	
Cost at 31 December 2023	12,095	114,967	908,296	33,774	3,239	24,292	1,096,663
Amortisation/depreciation provision at 31 December 2023	-	(78,125)	(689,288)	(29,427)	(2,452)	-	(799,292)
Net accounting value at 31 December 2023	**12,095**	**36,842**	**219,008**	**4,347**	**787**	**24,292**	**297,371**

"Property, plant and equipment" amounted to € 297,371 thousand at 31 December 2023, up by € 16,598 thousand compared to the previous financial year, mainly due to investments in Buildings and Plant and Equipment. This difference is mainly due to the effect of investments made during the year (equal to € 47,373 thousand) partially offset by amortisation/depreciation for the period (equal to € 30,601 thousand). "Property, plant and equipment" includes the costs that may be capitalized as leasehold improvements.

IIt should be noted that, for the year 2023, the analysis of internal and external indicators did not reveal any elements that put at risk the recoverability of the values of tangible and intangible assets as well as the estimated useful life of each asset, which remained unchanged compared to the previous year. Nevertheless, for Intangible assets the Company performed an impairment test, the details of which are set out in the paragraph Intangible Assets (Note 19).

Lease rights of use (note 18)

The value of lease rights of use, which totalled € 33,021 thousand, is broken down as follows:

(in thousand of euro)	Land and buildings	Other assets	Total
Accounting value at 1 January 2023			
Cost at 1 January 2023	67,900	9,818	77,718
Amortisation/depreciation provision	(41,646)	(2,638)	(44,284)
Net accounting value at 1 January 2023	**26,254**	**7,180**	**33,434**
2023 changes			
			-
Increases and capitalizations	6,170	4,926	11,096
Amortisation/depreciation for the year	(9,942)	(1,413)	(11,355)
Disposals:			
cost	(609)	(3)	(612)
amortisation/depreciation provision	609	3	612
net value	-	-	-
Cancellations	(154)	-	(154)
Accounting values at 31 December 2023			
Historical cost	73,307	14,741	88,048
Amortisation/depreciation provision	(50,979)	(4,048)	(55,027)
Net accounting value at 31 December 2023	**22,328**	**10,693**	**33,021**

Increases and capitalisations, amounting to € 11,096 thousand, refer to property rental agreements, lease agreements for transport vehicles, contracts for the use, in Indefeasible Right of Use (IRU) mode, of fibre optic, and provisions related to the item "Decommissioning and Restoration" of third-party sites that took effect during the year.

Costs for short-term leases or leases of modest value are included under Costs for services (note 9).

Intangible assets (note 19)

Intangible assets amount to € 24,727 thousand, an increase of € 5,207 thousand compared to 31 December 2022 due primarily to investments made in the financial year (of € 10,026 thousand), partially offset by amortisation/depreciation for the period (of € 4,819 thousand). It should be noted that the above-mentioned increase was mainly driven by investments in software.

It should be noted that even in the absence of internal and external indicators showing impairment losses in relation to the item "Goodwill", an impairment test was carried out which in any case confirmed the recoverability of the value entered in the balance sheet, also in compliance with the international accounting principle IAS 36, using the following assumptions: since Rai Way does not have any cash generating unit ("CGU"), the recoverable amount was determined using forecast cash inflows of the Company inferred from the Business plan approved by the Company on 25 March 2024. The recoverable amount was compared to the Company's net invested capital at 31 December 2023.

For the discounting of cash flows, a WACC of 6.8% was used, as a value substantially consistent with the valuation performed in the previous year, and a long-term growth rate of 1.5%, consistent with the current macroeconomic outlook. For the purposes of the calculation of the terminal value the following are included, among other things:

- the ratio between the maintenance expenditure (IFRS 16 investments excluded) and revenues of around 6% in accordance with the assumptions of the business plan without any development investments;
- amortisation and depreciation equal to maintenance investments;
- change in net working capital and provisions to zero.

The recoverable amount is significantly higher than the value object of the test. A sensitivity analysis was carried out in relation to the discount rate (±0.5%) and the long-term growth rate (±0.5%) and the results would not lead to any impairment.

The cash flows were calculated on the basis of the latest available financial economic projections; these estimates were developed by balancing the strengthening and optimisation of the business and traditional assets with a path of diversification, expansion and sustainability for the future. The strengthening of the existing business is based on three main guidelines: exploiting specific service improvement opportunities and extending coverage for RAI and third-party customers; enhancing corporate assets that are only partially used for traditional business (e.g. *backbone*, real estate); improving operational efficiency. In the media segment, there are plans to expand positioning within the supply chain to intercept IP distribution of content; in the infrastructure market, the construction of a data centre network aims to intercept the enabled demand for growing data traffic and cloud expansion, exploiting synergies with corporate assets. Based on the above, the Company has considered the possible effects of climate change in its projections and does not expect significant economic and financial impacts in this area.

The following table shows the changes in intangible assets:

(in thousand of euro)	Software	Goodwill	Other	Intangible assets in progress and prepayments	Total intangible assets
Accounting values at 1 January 2023					
Cost at 1 January 2023 (*)	13,090	5,813	3,350	3,683	25,936
Amortisation/depreciation provision at 1 January 2023	(5,175)	-	(1,241)	-	(6,416)
Net accounting value at 1 January 2023	**7,915**	**5,813**	**2,109**	**3,683**	**19,520**
2023 changes					
Investments	6,160	-	-	3,866	10,026
Amortisation/depreciation for the year	(4,608)	-	(211)	-	(4,819)
Bad debt provision	-	-	-	-	-
Disposals					
Cost		-	-	-	-
Amortization provision	-	-	-	-	-
Net accounting value	-	-	-	-	-
Reclassifications	1,522	-	-	(1,522)	-
Transfers	-	-	-	-	-
Accounting values at 31 December 2023					
Cost at 31 December 2023 (**)	20,772	5,813	3,350	6,027	35,962
Amortisation/depreciation provision at 31 December 2023	(9,783)	-	(1,452)	-	(11,235)
Net accounting value at 31 December 2023	**10,989**	**5,813**	**1,898**	**6,027**	**24,727**

(*) Value net of assets fully depreciated in the previous year amounting to € 4,139 thousand.

(**) Including € 4,964 thousand for software that was fully amortised in 2023.

Current and non-current financial assets and liabilities (note 20)

The following table sets out details of "Current financial assets" and "Non-current financial assets":

(in thousand of euro)	As at 31 December 2023	As at 31 December 2022
Receivables from Parent Company	39	376
Other financial receivables	224	166
Assets from interest rate hedging derivatives	-	938
Total current financial assets	**263**	**1,480**

Current financial assets amounted to € 263 thousand and decreased by € 1,217 thousand compared to the previous year (€ 1,480 thousand at 31 December

2022) mainly due to the termination of the derivative instrument (interest rate cap) related to the hedging of the risk of an increase in Euribor rates on the loan agreement terminated in October 2023.

Non-current financial assets had a balance of € 0 as at 31 December 2023 and € 0 as at 31 December 2022.

The following table sets out details of "Current financial liabilities" and "Non-current financial liabilities" at 31 December 2023 and 2022:

As at 31 December 2022 *(in thousand of euro)*	**Within 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total**
Payables to banks	101,374	-	-	101,374
Other financial payables	170	-	-	170
Total	**101,544**	**-**	**-**	**101,544**

As at 31 December 2023 *(in thousand of euro)*	**Within 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total**
Payables to banks	1,068	100,387	-	101,455
Other financial payables	7	-	-	7
Total	**1,075**	**100,387**	**-**	**101,462**

With regard to "Payables to banks", in October the Company signed a new loan agreement 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 new loan agreement, with a duration of three years, provides for the granting of a term credit line of up to € 143 million and a revolving credit line of up to € 42 million, both to be used through cash disbursements and with a maturity date of 23 October 2026.

It should be noted that during the year, the Company drew € 101,000 thousand on the term credit line. The revolving credit line is undrawn as at 31 December 2023.

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").

	(in thousand of euro)	As at 31 December 2023	As at 31 December 2022
A.	Cash and cash equivalents	34,117	35,184
B.	Cash equivalents	-	-
C.	Other current financial assets	263	1,480
D.	**Cash and cash equivalents (A) + (B) + (C)**	**34,380**	**36,664**
E.	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	21,316	18,095
F.	Current portion of non-current financial debt	-	101,000
G.	**Current financial debt** (E + F)	**21,316**	**119,095**
H.	**Net current financial debt** (G - D)	**(13,064)**	**82,431**
I.	Non-current financial debt (excluding current portion and debt instruments)	117,915	22,583
J.	Debt instruments	-	-
K.	Trade payables and other non-current payables	-	-
L.	**Non-current financial debt** (I + J + K)	**117,915**	**22,583**
M.	**Total financial debt** (H + L)	**104,851**	**105,014**
	Excluding the effects of IFRS 16-Lease liabilities:	**37,769**	**40,133**
Q. ESMA net financial debt net of IFRS 16		**67,082**	**64,881**

Deferred tax assets and liabilities (note 21)

The following table sets out changes in deferred tax assets and liabilities; for further details on the nature of deferred taxes see paragraph "Income taxes" (note 16):

Assets Deferred tax liabilities	**As at 31 December**	**As at 31 December**
(in thousand of euro)	**2023**	**2022**
Balance at start of the financial year	**1,764**	**3,040**
Effect on income statement	953	(749)
Effect on comprehensive income statement	229	(527)
IFRS 15 effect		
Balance at the end of the financial year	**2,946**	**1,764**
Of which:		
- deferred tax assets	2,961	2,028
- deferred tax liabilities	(15)	(264)

The balance of this item reports the amount of assets for deferred taxes net of relative liabilities.

Changes in deferred tax assets may be analysed as follows:

Deferred tax assets *(in thousand of euro)*	**Provision for risks and charges**	**Employee benefits**	**Other items**	**Total**
Balance at 31 December 2022	**1,701**	**97**	**230**	**2,028**
Effect on income statement	823	25	66	914
Effect on comprehensive income statement	-	19	-	19
IFRS 15 effect	-	-	-	-
Balance at 31 December 2023	**2,524**	**141**	**296**	**2,961**

Changes in deferred tax liabilities may be analysed as follows:

Deferred tax liabilities *(in thousand of euro)*	**Other items**
Balance at 31 December 2022	**(264)**
Effect on income statement	39
Effect on comprehensive income statement	210
Balance at 31 December 2023	**(15)**

Other non-current assets (note 22)

The item "Other non-current assets" amounted to € 888 thousand at 31 December 2023 (€ 948 thousand at 31 December 2022) with a decrease of € 60 thousand compared to the previous year mainly due to the decrease in the second instalment of the 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 redemption 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 amounting to € 728 thousand.

Inventory (note 23)

This item may be analysed as follows:

(in thousand of euro)	As at 31 December 2023	As at 31 December 2022
Work in progress	226	226
Raw materials and consumables	530	530
Total Inventory	**756**	**756**

"Inventories" amounted to € 756 thousand as at 31 December 2022. "Raw materials and consumables" relate to supplies and spare parts for the maintenance and use of technical business assets.

Trade receivables (note 24)

The item breaks down as follows:

(in thousand of euro)	As at 31 December 2023	As at 31 December 2022
Receivables from RAI	63,442	58,194
Receivables from customers and other Group companies	14,406	11,026
Provision for bad and doubtful debts	(3,096)	(2,998)
Total Trade receivables	**74,752**	**66,222**

"Receivables from Rai" consist of the balances due to the Company from Rai under the Service Contract. The item shows an increase of € 5,248 thousand compared to the previous financial year. Further details may be found in the notes on "Revenues" and "Related party transactions".

"Receivables from customers" arise mainly from service revenues relating to (i) tower rental, (ii) broadcasting, (iii) transmission and (iv) network services which the Company renders to third party customers other than Rai; the item shows an increase of € 3,380 thousand compared to 31 December 2022.

The following table sets out changes in the provision for bad and doubtful debts:

	Provision for bad and doubtful debts
(in thousand of euro)	
Balance at 31 December 2022	**(2,998)**
Utilisation	426
Provisions	(524)
Releases	-
Other changes	-
Balance at 31 December 2023	**(3,096)**

Other current receivables and assets (note 25)

The item breaks down as follows:

(in thousand of euro)	As at 31 December 2023	As at 31 December 2022
Receivables from the Parent Company for the Group's VAT	-	91
Other tax receivables	461	1,700
Accrued income and prepayments	228	272
Receivables from others	685	398
Total Other current receivables and assets	**1,374**	**2,461**

As reported in the paragraph "Related Party Transactions", the Company makes use of the procedure for offsetting Group VAT provided for in the Ministerial Decree of 13 December 1979, containing the rules for implementing the provisions of Article 73, last paragraph, of Presidential Decree no. 633 of 26 October 1972, with the following transactions with the Parent Company showing a balance of € 0 under the item "Receivables from Parent Company for Group VAT". The item in question had a balance in 2022 of € 91 thousand.

“Other tax receivables” amounted to € 461 thousand, with a decrease of € 1,239 thousand compared to 31 December 2022, mainly due to the write-off of the tax credit on the energy component purchased and actually used during the second half of the previous year. The item contains receivables from the tax authorities in the amount of € 125 thousand for expenses incurred as investments in capital goods pursuant to Law 160/2019 and Law 198/22.

"Accrued income and prepayments" mainly regards the portion of the rental costs for land, industrial buildings and roads, systems hosting and various other expenses which were recorded during the year but relate to future periods.

"Receivables from others" principally relate to amounts due from personnel for travel advances and receivables from social security organizations.

Cash and cash equivalents (note 26)

The item in question has a balance of € 34,117 thousand (€ 35,184 thousand at 31 December 2022), with a decrease compared to the previous year of € 1,067 thousand deriving from the cash flow generated by the operating activity, net of that absorbed by investments and loans, as outlined in the Financial statements, to which reference is made for more details. Cash and cash equivalents are not encumbered by restrictions on their availability.

Current income tax assets (note 27)

The item breaks down as follows:

	As at 31 December	**As at 31 December**
(in thousand of euro)	**2023**	**2022**
Substitute tax advance Goodwill	62	62
Total assets for current income taxes	**62**	**62**

Current income tax assets amounted to € 62 thousand at 31 December 2023, in line with the previous financial year, and refer to the recognition of the substitute tax, for the current part, deriving from tax sheltering of the merger deficit as described in the previous paragraph for the item "Other non current assets".

Shareholders' Equity (note 28)

Share capital

At 31 December 2023, Rai Way had a share capital of € 70,176 thousand consisting of 272,000,000 ordinary shares without nominal value.

Other reserves

"Other reserves" may be analysed as follows:

Shareholders' Equity	**As at 31 December**	**As at 31 December**	**Note**
(in thousand of euro)	**2023**	**2022**	
Taxed extraordinary reserves	11,290	11,291	1,2,3
Reserves for advance amortisation/depreciation	9,360	9,360	1,2,3
Reserve for realignment of statutory/fiscal values for corporate assets	8,938	8,938	1,2,3,4
Reserve for first adoption of IFRS	7,490	7,490	2
Reserve for Cash Flow Hedge- Rates	-	668	
Reserve for purchase of treasury shares	(19,974)	(19,974)	
Stock option plan reserves	654	454	
Total Other reserves	**17,758**	**18,227**	

Legend
1) for capital increase
2) for losses cover
3) for distribution to Shareholders
4) in case of utilisation different from covering losses, the amount must be subject to IRES and IRAP

Earnings per Share (note 29)

Basic and diluted earnings per share have been calculated as follows:

	As at 31 December	**As at 31 December**
(in thousand of euro, unless otherwise indicated)	**2023**	**2022**
Net profit	86,721	73,690
Number of ordinary shares outstanding	268,374,644	268,374,644
Earnings per share in Euro	**0.32**	**0.27**

Basic and diluted earnings per share have the same value as there were no dilutive items at the balance sheet date.

Current and non-current lease liabilities (note 30)

Lease liabilities, inclusive of the current part, amounted to € 37,769 thousand, as highlighted in the following table:

	As at 31 December 2023			As at 31 December 2022		
(in thousand of euro)	non-current portion	current portion	Total	non-current portion	current portion	Total
Lease liabilities	17,529	20,240	37,769	22,582	17,551	40,133

The value of current lease liabilities is uniquely represented by the current part of the non-current lease liabilities, as the leases of short-term assets are recognised through the income statement under the item costs for services and other costs.

The total value of financial cash outflows for leases amounted to € 13,365 thousand, in addition to interests for € 447 thousand.

Interest expenses accrued on lease liabilities are recorded in the paragraph "Financial income and charges" (note 15) to which reference is made.

The maturity of lease liabilities (current and non current) are indicated below:

	As at 31 December 2023			
(in thousand of euro)	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Current and non-current lease liabilities	20,240	12,092	6,588	38,920

Employee benefits (note 31)

Changes in "Employee benefits" may be analysed as follows:

(in thousand of euro)	As at 31 December 2023	As at 31 December 2022
Balance at start of the financial year	**10,001**	**12,263**
Provisions	2,043	2,058
Interest on obligation	323	73
Utilisation	(1,484)	(1,002)
Transferred to other provisions/Other changes	(2,043)	(2,077)
Actuarial (profit) / loss	73	(1,314)
Balance at the end of the financial year	**8,913**	**10,001**

The item Actuarial (profit)/loss of € 73 thousand relates to the actuarial components for the valuation of defined benefit plans ascribed directly to Shareholders' equity and the relative deferred taxes of € 18 thousand recorded in the comprehensive income statement.

This item may be analysed as follows:

(in thousand of euro)	As at 31 December 2023	As at 31 December 2022
Severance indemnity	8,526	9,589
Other provisions	387	412
Total employees benefits	**8,913**	**10,001**

Compared to the previous year, the item shows a decrease of € 1,088 thousand.

The actuarial assumptions used in calculating the employee severance indemnity were as follows:

(%;Years)	As at 31 December 2023	As at 31 December 2022
Discount rate [1]	2.96%	3.50%
Rate of inflation	2.00%	2.30%
Average annual percentage of personnel leaving	10.27%	9.84%
Annual probability of request of advance	1.50%	1.50%
Duration (in years)	7.5	7.7

[1] Derived as a weighted average of the Eur Composite AA June 2023 curve rates for 31.12.2023 and Eur Composite AA December 2022 curve rates for 31.12.2022

In using these assumptions the value was also calculated of the employee severance indemnity liability obtained from variations of +/- 50 bps in the discount rate used for the valuation, giving a result of € 8,280 thousand and € 8,332 thousand respectively. It should be noted that the method and assumptions used for sensitivity analyses have not changed with respect to the previous year.

The item "Other provisions" referred to the company supplementary pension fund and the senior management assistance fund. With reference to the

Company's pension fund (of € 253 thousand), actuarial assumption calculations have highlighted the value of the liability obtained from variations of +/- 50 bps in the discount rate used for the valuation giving a result of € 244 thousand and € 263 thousand respectively.

Provisions for risks and charges (note 32)

Changes in this item may be analysed as follows:

(in thousand of euro)	Balances at 01 January 2023	Provisions	Interest expense Discounting	Utilisation	Releases	Other changes (*)	Balances at 31 December 2023
Civil and administrative disputes	707	-	-	(30)	-	-	677
Amounts accrued	2,192	2,171	-	(1,601)	-	-	2,762
Other provisions for risks and charges	1,224	1,668	-	(565)	-	-	2,327
Provision for decommissioning and restoration (*)	11,010	-	186	-	-	890	12,086
Total provisions for risks and charges	**15,133**	**3,839**	**186**	**(2,196)**	**-**	**890**	**17,852**

(*) Note that the amount of € 890 thousand refers to the item "Dismantling and Restoration" of Usage Rights

The item shows an increase of € 2,719 thousand mainly due to the performance of provisions, uses and releases relating to accrued fees, provisions for risks and charges and provision for decommissioning and restoration.

"Provisions for risks and charges" consist of accruals for costs and losses of a specific nature whose existence is certain but whose amount cannot be precisely determined, or whose existence is probable and whose amount can be reliably estimated. These provisions mainly regard the costs arising not only from fees accrued but also from civil and administrative judicial proceedings, from the provision recognised for the costs of dismantling and restoring transmission sites that are owned by other parties, and from previous costs relating to the renewal of title deeds for production sites.

Disbursements relating to this item, with the exception of the amounts accrued provision of which use will be made over the course of 2024, cannot be estimated with any certainty as they mainly depend on the time-scale for 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. These liabilities have also been earmarked after hearing the opinion of the external counsels that support the Company in its ongoing litigations.

Trade payables (note 33)

The item breaks down as follows:

(in thousand of euro)	**As at 31 December 2023**	**As at 31 December 2022**
Payables to suppliers	60,200	56,691
Payables to Parent Company	4,817	3,793
Payables due to other RAI Group Companies	(12)	(12)
Total Trade payables	**65,005**	**60,472**

The item "Payables to suppliers" amounted to € 60,200 thousand at 31 December 2023, an increase of € 3,509 thousand compared to 31 December 2022. The item "Payables to parent company" refers to trade payables to Rai and has a balance at 31 December 2023 of € 4,817 thousand with an increase of € 1,024 thousand compared to 31 December 2022. Further details about transactions with the Parent Company Rai may be found in the section "Related party transactions" (note 40).

Other current and non-current payables and liabilities (note 34)

The following table sets out details of "Other current and non-current payables and liabilities" and "Other non-current payables and liabilities":

(in thousand of euro)	**As at 31 December 2023**	**As at 31 December 2022**
Payables to the Parent Company for the tax consolidation	29,628	22,749
Payables to Parent Company for Group's VAT	13	-
Other tax payables	1,321	1,525
Payables to social security institutions	2,745	2,852
Payables to personnel	9,991	7,065
Other payables	2,465	2,444
Other payables and accrued liabilities	2,762	1,820
Total Other current payables and liabilities	**48,925**	**38,455**
Non-current trade payables	291	327
Total Other non-current payables and liabilities	**291**	**327**

Other current payables and liabilities amounted to € 48,925 thousand and increased by € 10,470 thousand compared to the previous year (€ 38,455 thousand as at 31 December 2022)

The item "Payables to the Parent Company for the tax consolidation" amounting to € 29,628 thousand (€ 22,749 thousand at 31 December 2022) consist of the IRES corporate income tax charge for the current year, net of withholding taxes incurred during the year (€ 72 thousand). For further information on relations with the parent company Rai regarding IRES and VAT consolidation, reference should be made to the paragraph entitled "Transactions with Related Parties" (note 40); tax payables that do not fall under the aforementioned procedures are shown in the following table (Direct taxes, IRAP).

"Payables to personnel" amounted to € 9,991 thousand, an increase of € 2,926 thousand compared to the previous financial year, mainly due to higher payables for redundancy incentives.

The item "accruals and deferred income" shows a balance of € 2,762 thousand with an increase of € 942 thousand compared to the previous year and relates to revenues deferred on an accrual basis.

Other non-current payables and liabilities amounted to € 291 thousand and consisted entirely of trade payables due in more than 12 months. As at 31 December 2022, the balance was 327.

Current income tax liabilities (note 35)

The item breaks down as follows:

(in thousand of euro)	**As at 31 December 2023**	**As at 31 December 2022**
Direct IRAP taxes	1,368	375
Total Current income taxes liabilities	**1,368**	**375**

Current income tax liabilities amounted to € 1,368 thousand at 31 December 2023, up by € 993 thousand compared to 31 December 2022 due to a greater liability to the tax authorities for IRAP.

Commitments and guarantees (note 36)

Commitments referring only to technical investments amount to € 31.9 million at 31 December 2023 (€ 42.1 million at 31 December 2022).

At 31 December 2023, guarantees amounted to € 76,237 thousand (€ 88,280 thousand at 31 December 2022) 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.

OTHER INFORMATION (NOTE 37)

Contingent Liabilities

The amounts recognised in the financial statements 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 Arts. 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 specialised 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 possible, but not 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 recognised in these financial statements 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. 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 recognised 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.

Remuneration for Directors and Statutory Auditors (note 38)

The compensation payable to directors and statutory auditors, including travel expenses, is as follows:

	12 months	
(in thousand of euro)	**2023**	**2022**
Remuneration to Directors	651	638
Remuneration to Statutory Auditors	94	94
Total Directors and Statutory Auditors	**745**	**732**

Events subsequent to 31 December 2023 (note 39)

Please refer to the same paragraph in the Report on Operations.

Related party transactions (note 40)[7]

Details of the transactions the Company carried out with related parties in the years ended 31 December 2023 and 2022 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: The Company has relationships primarily of a commercial and financial nature with the following related parties:

- Rai (hereinafter the "Parent Company");
- key management ("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.

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[7] 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.

The following table sets out details of the Company's statement of financial position items with regard to related parties at 31 December 2023 2022:

Related party transactions (Statement of financial position)

(in thousand of euro)	Parent Company	Senior Management	Other related parties	Total
Lease rights of use				
As at 31 December 2023	4,781	-	22	4,803
As at 31 December 2022	8,564	-	11	8,575
Non-current financial assets				
As at 31 December 2023	-	-	-	-
As at 31 December 2022	-	-	-	-
Current financial assets				
As at 31 December 2023	39	-	-	39
As at 31 December 2022	376	-	-	376
Current trade receivables				
As at 31 December 2023	63,442	-	-	63,442
As at 31 December 2022	58,194	-	104	58,298
Other current receivables and assets				
As at 31 December 2023	-	-	-	-
As at 31 December 2022	91	-	-	91
Non-current lease liabilities				
As at 31 December 2023	988	-	-	988
As at 31 December 2022	4,891	-	-	4,891
Current financial liabilities				
As at 31 December 2023	-	-	-	-
As at 31 December 2022	-	-	-	-
Current lease liabilities				
As at 31 December 2023	8,725	-	24	8,749
As at 31 December 2022	8,500	-	12	8,512
Trade payables				
As at 31 December 2023	4,817		-12	4,805
As at 31 December 2022	3,793	-	-12	3,781
Other debt and current liabilities				
As at 31 December 2023	31,183	343	188	31,714
As at 31 December 2022	23,709	265	182	24,156
Employee benefits				
As at 31 December 2023	-	174	125	299
As at 31 December 2022	-	120	126	246

The following table sets out details of the Company's transactions with related parties in the years ended 31 December 2023 and 2022:

Related party transactions (Economic)

(in thousand of euro)	Parent Company	Senior Management	Other related parties	Total
Revenues (*)				
As at 31 December 2023	247,571		-	247,571
As at 31 December 2022	227,893		1,042	228,935
Other revenues and income				
As at 31 December 2023			-	-
As at 31 December 2022	-		-	-
Purchase of consumables				
As at 31 December 2023	5		-	5
As at 31 December 2022	-		-	-
Cost of services				
As at 31 December 2023	7,155	564	-	7,719
As at 31 December 2022	6,330	638	-	6,968
Personnel costs				
As at 31 December 2023	-77	2,712	788	3,423
As at 31 December 2022	-76	2,192	799	2,915
Other costs				
As at 31 December 2023	138		-	138
As at 31 December 2022	79		-	79
Right of use amortisation/depreciation				
As at 31 December 2023	3,836		13	3,849
As at 31 December 2022	3,806		13	3,819
Financial income				
As at 31 December 2023	7			7
As at 31 December 2022	2			2
Financial expenses				
As at 31 December 2023	86		-	86
As at 31 December 2022	130		-	130

(*) The amounts are shown gross of marginal costs to the Parent Company of € 17,415 thousand (€ 17,517 thousand at 31/12/2022)

Parent Company

The Company carries out transactions with the Parent Company that are mostly of a commercial nature.

Please note that in the 2023 financial year the Company initiated an operation of "major relevance" pursuant to the procedure relating to transactions with related parties (in compliance with the provisions of the Consob regulations "Transactions with related parties", resolution no. 17221 of 12 March 2010 as subsequently amended) with the Parent Company.

Financial agreements between Rai Way and Rai

Financial relationships between the Company and Rai were governed by the following agreements originally entered into on 16 July 2007 and tacitly renewed annually:

- Centralized treasury agreement
- Intercompany current account agreement
- Agency agreement
- Credit facility agreement

Under the centralised treasury agreement the Company's financial expenses were assigned to the Parent Company by a system of cash pooling. The Company had stipulated an agreement with Banca Intesa Sanpaolo under which at the end of each working day (at close of business) the bank transferred the outstanding balance on the Company's current account (the "Source Account") to the current bank account held by Rai; as a consequence of the agreement there was always a nil balance on the Source Account at the end of the day. The agreement did not provide for any charges to be borne by the Company but the debit or credit balances on the intercompany current account were remunerated by virtue of the agreement discussed below.

The intercompany current account provided for the automatic transfer of the positive and negative balances arising from the bank cash pooling and from the economic and financial transactions conducted between the Company and

Rai to an intercompany current account set up for the purpose. The Parent Company applied interest on these balances at money market rates (Euribor) plus/ minus a spread that was updated on a quarterly basis.

The agency agreement allowed Rai to settle and collect the payables and receivables due to or from the other companies of the Rai Group.

The credit facility agreement provided for the opening of a credit facility in the Company's favour transacted through the inter-company current account up to an amount of € 100 million. The facility varied, depending on the Company's cash requirements, within the limits of the financial plans approved by the Parent Company. Any balances arising from this arrangement, which had an original term of one year and was tacitly renewable, had to be repaid immediately if the centralised treasury agreement was terminated or if there were any changes to the ownership structures of the Company.

From the date of the listing, the Company has entered into a financing contract with a pool of banks and starting from the disbursement of this loan only the intercompany current account agreement and the agency agreement were novated with respect to the Company's operational and financial independence vis-à-vis the Parent Company. The centralized treasury agreement and the credit facility agreement were terminated as of 18 November 2014, while a new intercompany current account agreement was set up to deal with the residual balances.

The Company has recognised the following balances in its financial statements with respect to the intercompany current account:

- financial expenses with a zero balance for both 2023 and 2022;
- financial income with a balance of € 7 thousand in 2023 (€ 2 thousand in 2022);
- cost of services of € 39 thousand at 31 December 2023 (€ 376 thousand at 31 December 2022).

Service Contract

The Service Contract executed on 5 June 2000 and valid until 31 December 2014 in the version subsequently supplemented and amended mainly regards the provision of services for the installation, maintenance and operation of telecommunications networks and services for the transmission, distribution and broadcasting of radio and television signals and programs for which a monthly consideration is paid which depends on the type of service provided (i.e. services that Rai Way renders using its own resources or those of third parties, investments requested by Rai, digital terrestrial television broadcasting services and other services established by the parties).

The above contract was renegotiated on 31 July 2014, effective 1 July 2014. As a result of this agreement, the Company recognised revenues and receivables as illustrated in the "Revenues" and "Trade receivables" sections of these notes.

On 10 December 2019, the Company signed an agreement with the Parent company regarding the amendment of some terms and conditions of the Service Contract, with respect to which the parties waived their right to cancel the second seven-year period already provided for, effectively renewing it until 30 June 2028, without prejudice to the possible already planned continuation for a further seven-year period, except in the case of termination. As this is an transaction of “major relevance” pursuant to the procedures relating to transactions with related parties, the finalization of this agreement was published in a relative information document made available to the public with the procedures required by the current regulations (in particular able to be consulted on the Company’s website).

Service agreement with Rai and the rental agreement with related services

“The Rai service agreement” entered into in 2006 mainly relates to the provision of the following services:

- personnel administration;
- general services;
- insurance policies;

- IT systems;
- administration;
- finance;
- research and technological innovation centre;
- advice and legal counsel.

The agreement expired on 31 December 2010 and remained in force until 30 June 2014; it was then renewed on 31 July 2014 with effect as of 1 July 2014 for a term of seven years and automatically renewed until 30 June 2028.

The "Agreement for leases and for the performance of connected services", relating to the lease of property and/or portions of property, including the flat roofs on which the systems for the transmission and/or broadcasting of radio and television signals stand, owned by Rai Way or third parties hosted by it, was originally executed on 19 April 2001 and had an original term of six years tacitly renewable for further six-year periods (the current term expires in 2025).

The consideration for the above services, including the property rent and ancillary services, are identified on the basis of the valuation criteria for each service stated in the technical specifications. As the result of these agreements the Company recognised:

- cost of services of € 7,155 thousand and € 6,330 thousand in 2023 and 2022 respectively;
- costs for amortisation of lease rights of use, following the new IFRS 16 accounting standard introduced in 2019, amounting to € 3,836 thousand at 31 December 2023 and 3,806 at 31 December 2022;
- costs for financial charges on leasing liabilities of € 86 thousand and € 130 thousand at 31 December 2023 and 2022 respectively;
- trade payables of € 4,817 thousand and € 3,793 thousand at 31 December 2023 and 2022 respectively.

- current and non-current leasing liabilities of € 9,714 thousand and € 13,391 thousand at 31 December 2023 and 2022 respectively.

Tax consolidation

On the basis of the Consolidated Income Tax Act (article 117 and following of Presidential Decree no. 917/86) and in accordance with the provisions contained in article 11, paragraph 4 of the Ministerial Decree of 9 June 2004 as subsequently amended by Ministerial Decree of 1 March 2018 which reviews the "Provisions for the application of the domestic tax consolidation as per articles 117 to 128 of the Consolidated Income Tax Act", Rai Way applies the group tax regime governed by the "Agreement for the exercise of the option with Rai for the domestic tax consolidation". This agreement, which governs all the mutual obligations and responsibilities between the Parent Company and the Company, is effective for FYs 2022, 2023 and 2024.

As a consequence of the tax consolidation the Company recognised "Other current payables and liabilities" of € 29,628 thousand and € 22,749 thousand at 31 December 2023 and 2022 respectively and "Other current receivables and assets" of € 0 at 31 December 2023 and € 91 thousand at 31 December 2022.

The Group's VAT regime

The Company avails itself of the Group VAT offsetting procedure permitted by Ministerial Decree of 13 December 1979 on the regulations for implementing the provisions of article 73, last paragraph, of Decree of the President of the Republic no. 633 of 26 October 1972, recording in relation to the Parent Company under "Other current payables and liabilities" a balance of € 13 thousand and € 0 thousand at 31 December 2023 and 31 December 2022 respectively.

Senior Management

"Key management personnel" means key executives who have the power and direct and indirect responsibility for planning, managing and controlling the

Company's activities, and among others includes the members of the Company's Board of Directors. The Company has recognised in its financial statements:

- service costs of € 564 thousand and € 638 thousand in at 31 December 2023 and 2022 respectively;
- personnel costs of € 2,712 thousand and € 2,192 thousand in at 31 December 2023 and 2022 respectively.

Other related parties

The Company has dealings of a commercial and other 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 pension funds for employees and executives.

Information relating to the provisions of Italian Law no. 124/2017 - Transparency on the system for the issue of public funds (note 41)

With reference to the provisions of art. 1, paragraphs 125-129 of Law no. 124/2017 "Annual law for the market and competition", subsequently supplemented by law decree "Safety" (no. 113/2018) and law decree "Simplification" (no. 135/2018), there are no significant events referable to these specific cases.

Climate change (note 42)

In carrying out the activities envisaged in the corporate purpose, Rai Way acts by taking into consideration the issues of environmental sustainability with constant attention to safeguarding the environment and combating climate change.

More specifically, on behalf of Rai, the Company guarantees the transmission and broadcasting of the public service radio and television signal in Italy and abroad, in compliance with its own Code of Ethics, the regulations in force and the internal procedures concerning sustainability and environmental protection, as defined in the Environment, Health and Safety Policy and in the Sustainability Policy.

To this end, Rai Way has adopted an organisational model that crosses the Institutional Relations, Health Safety Security and Environment Management departments, which, under the coordination of the Enterprise Risk Management & Sustainability department, guarantees the correct management of the sustainability issues, also through the support of external consulting companies specialising in environmental and climate change issues.

At the meeting of the Board of Directors on 25 March 2024, the Company approved a new Sustainability Plan for the period 2024-2027, which has the following objectives: to provide Rai Way's response to global challenges drawing on the United Nations Sustainable Development Goals (SDGs); to create a strong synergy between the strategic guidelines, objectives and targets of the Sustainability Plan with Rai Way's business model, material issues and Risk Catalogue and Enterprise Risk Management; to systematise, inter alia, the actions envisaged in the 2024-27 Business Plan, tracing them back to qualitative objectives/quantitative targets and operational initiatives to which a deadline is associated. The architecture of the Plan, in continuity with the recently concluded Plan, is divided into 6 strategic directions, 24 qualitative objectives and 19 quantitative targets, further broken down into 39 operational initiatives, associated with 13 of the 17 Sustainable Development Goals of Agenda 2030.

In this context, Rai Way confirmed also in 2023 the procurement of 100% electricity from renewable sources and adopted best practices in governance and climate risk management. In confirmation of what has just been indicated, Rai Way has already finalised a 100% renewable electricity supply contract also for the period April 2023-March 2024.

Rai Way's commitment on the ESG (Environment, Social and Governance) front and, in particular, with regard to environmental aspects and climate change, has also been recognised by CDP (formerly the Carbon Disclosure Project), a global non-profit organisation specialized in assessing the performance and climate strategies adopted by companies, confirming the increasing integration of sustainability in business strategy. In fact, in 2023 Rai Way even improved its rating from "B - management" to "A - leadership", thus demonstrating that it is conducting a coordinated and transparent action on climate change issues, in the presence of a level of risk that is in any case moderate, as also highlighted by other ESG rating agencies. It is therefore believed that environmental impacts and risks are well monitored and managed, also by means of dedicated organisational structures whose ultimate reference is the Risk Control and Sustainability Committee within the Board of Directors.

Also for 2023, Rai Way is committed to maintaining the high operating standards achieved and no cases of non-compliance with environmental laws and regulations have been found to date, also thanks to the company control system that allows for a systematic verification of deadlines and compliance.

During the year, the entire Environmental Management System was monitored by external body CERTI, which confirmed its correct implementation and maintenance of certifications ISO 14001 and ISO 45001.

In relation to the ESMA disclosure dated 29 October 2021 entitled "Annual Public Statement relating to the European Common Enforcement Priorities" for 2023 financial reporting, the Company, with reference to the activities envisaged by its corporate purpose and after internal analysis, has not assessed any significant effects resulting from the alteration of the global atmosphere (so-called climate change) directly or indirectly attributable to the corporate activity carried out.

The Company's economic and financial projections take into account the increased costs resulting from the supply of electricity from certified renewable sources, as well as other charges that are consistent with the initiatives expected to be implemented in the area of climate change.

On the basis of the above, taking into account risk analyses and evidence from monitoring actions, no significant economic and financial impacts are expected in this context with regard to climate change.

The Company has commenced activities in preparation for the application of the new Corporate Sustainability Reporting Directive (CSRD), the application of which will become mandatory from the financial statements for the year ending 31 December 2024.

Direct financial effects of the Russian-Ukrainian and Israeli-Palestinian conflict (note 43)

The context of instability generated by the outbreak of conflicts in Ukraine and the Gaza Strip further exacerbated the macroeconomic scenario, already negatively affected by the consequences of the Covid-19 pandemic. In this context, it should be pointed out that the uncertainty connected with the evolution and duration of the conflicts in Ukraine and the Gaza Strip territories, as well as the resulting climate of distrust in the markets and the numerous implications, make it very complex to predict their effects on the macroeconomic scenario in the medium and long term. In general terms, the economic effects of conflicts can impact trade relations, supplies of energy goods with a concomitant effect on rising inflation. This will require ongoing monitoring of developments, as has been done so far.

With this in mind, in relation to the business and relationships that the Company has in place to conduct its business activities, it should be noted that the Company is not active in the areas affected by the conflict.

With reference to the risk of further increases in energy prices, it should be noted that the Company, having almost all of its turnover indexed to inflation, benefits from a natural hedge against such risks.

Therefore, with regard to the areas of possible effects related to the conflicts in Ukraine and the Gaza Strip, including the accounting ones, there are no critical issues to date, nor significant impacts on business continuity. Furthermore, the Company does not present significant impacts on the main alternative performance indicators and no impacts are foreseen on the expected cash flows as represented in the approved industrial plan.

Rome, 25 March 2024

on behalf of the Board of Directors

The Chairman

Giuseppe Pasciucco

Declaration on the annual report pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments

- The undersigned Roberto Cecatto as Chief Executive Officer and Adalberto Pellegrino as Manager in charge of preparing the corporate accounting documents of Rai Way S.p.A. certify the following, taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998:
  - the adequacy in relation to the characteristics of the business and
  - the effective application of the administrative and accounting procedures for the preparation of the Company's annual report during 2023.
- The assessment of the adequacy of the administrative and accounting procedures for the preparation of the annual report for the year ended 31 December 2023 was performed on the basis of the process defined by Rai Way S.p.A., taking as reference the criteria established in the model "Internal Controls – Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission.
- We also certify that:
  - the annual report of Rai Way S.p.A. for the year ended 31 December 2023:
    1. have been prepared in accordance with the applicable international accounting standards adopted by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
    2. agrees with the balances on the books of account and the accounting entries;
    3. give a true and fair view of the issuer's economic and financial position;
  - - the report on operations includes a reliable analysis of the performance and results for the period as well as the issuer' s position, together with a description of the main risks and uncertainties to which it is exposed.

Rome, 25 March 2024

Roberto Cecatto ***Adalberto Pellegrino***

Chief Executive Officer Manager responsible for preparing the financial reports and corporate accounting documents

PROPOSALS TO THE SHAREHOLDERS' MEETING

Annual financial statements for the year ended 31 December 2023

"The Shareholders' Meeting of Rai Way S.p.A.

- having examined the Report on Operations of the Board of Directors;
- acknowledging the Report of the Board of Statutory Auditors and the Report of the Independent Auditors EY S.p.A.;
- having examined the draft Annual Financial Statements for the year ended 31 December 2023 prepared by the Board of Directors, which close with net profit for the year of Euro 86,721,406.22;

resolves

to approve the Annual Financial Statements for the year ended 31 December 2023."

Allocation of profit for the year

Dear Shareholders,

taking into account the net profit for the year, amounting to Euro 86,721,406.22, resulting from the Financial Statements as at 31 December 2023, as well as anything else shown in said Financial Statements, also in consideration of the already reached capacity of the legal reserve pursuant to Art. 2430 of the Italian Civil Code, we propose - as also indicated in the Annual Financial Report as at 31 December 2023 approved by the Board of Directors on 25 March 2024, which is expected to be made available to the public according to the manner (including the publication on the Company's website, www.raiway.it section Governance/ Shareholders' Meeting/ Ordinary Meeting 2024/Documentation) and within the terms set out by law - to allocate the aforementioned net profit for financial year 2023 as follows:

- to 'Retained profits' in the amount of Euro 251,095.92;
- for each ordinary share entitled to payment on the record date (corresponding to 21 May 2024), a gross dividend - taking into account the 3,625,356 treasury shares held in the portfolio as of the date of this Report, whose right to profit is allocated proportionally to the other shares pursuant to Article 2357-*ter* of the Italian Civil Code - equal to Euro 0.3222, for a total amount, on the basis of the currently outstanding ordinary shares, equal to a total of Euro 86,470,310.30, with the caveat that possible changes in the number of treasury shares in the portfolio at the time of distribution will not affect the amount of the unit dividend as indicated above, which will cause an increase or a decrease of the above total amount and of the amount allocated to the retained profits reserve.

We also propose establishing that the dividend be allocated for payment starting 22 May 2024, with entitlement to payment, pursuant to Art. 83-*terdecies* of Legislative Decree no. 58 of 24 February 1998 and Art. 2.6.6, paragraph 2, of the Markets Regulations organised and managed by Borsa Italiana S.p.A. (the Italian Stock Exchange) on 21 May 2024 (the so-called "record date") and subject to dividend no. 10 on 20 May 2024. By virtue of the above, we therefore propose that you adopt the following resolution:

"Having examined the explanatory Report of the Board of Directors, the Shareholders' Meeting of Rai Way S.p.A.

resolves

a) to allocate the net profit of the 2023 financial year of Euro 86,721,406.22, as follows:

  - to 'Retained profits' in the amount of Euro 251,095.92;

  - for each ordinary share entitled to payment on the record date (corresponding to 21 May 2024), a gross dividend - taking into account the 3,625,356 treasury shares held in the portfolio as of the date of this Report, whose right to profit is allocated proportionally to the other shares pursuant to Article 2357-ter of the Italian Civil Code - equal to Euro 0.3222, for a total amount, on the basis of the currently outstanding ordinary shares, equal to a total of Euro 86,470,310.30, with the caveat that possible changes in the number of treasury shares in the portfolio at the time of distribution will not affect the amount of the unit dividend as indicated above, which will cause an increase or a decrease of the above total amount and of the amount allocated to the retained profits reserve;

b) to pay the dividend starting 22 May 2024, with entitlement to payment, pursuant to Art. 83-*terdecies* of Legislative Decree no. 58 of 24 February 1998 and Art. 2.6.6, paragraph 2, of the Markets Regulations organised and managed by Borsa Italiana S.p.A. (the Italian Stock Exchange) on 21 May 2024 (the so-called "record date") and subject to dividend no. 10 at 20 May 2024".

Rai Way S.p.A.

Financial statements as at December 31, 2023

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, and article 10 of EU Regulation n. 537/2014

EY S.p.A.
Via Lombardia, 31
00187 Roma

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Rai Way S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rai Way S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2023, and the income statement, the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the [Consolidated] Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of Rai Way S.p.A. for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 5, 2023.

As required by the law, the Company has included in the notes to the financial statements the key figures from the latest financial statements of the company that exercises management and coordination activities. Our opinion on the financial statements of Rai Way S.p.A. does not extend to such data.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the [consolidated] financial statements of the current period. These matters were addressed in the context of our audit of the [consolidated] financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matter	Audit Response
Valuation of Property, plant and equipment The Property, plant and equipment balance as at December 31, 2023 amount to 297 million euros. The Property, plant and equipment are recognized at cost, net of depreciation and any impairment losses. These assets are systematically depreciated on a straight-line basis over their useful lives, corresponding to the period of time during which the Company estimates the asset will be used. The useful lives are reviewed, where required, on an annual basis. At each financial reporting date, the directors evaluate whether there are indicators suggesting a potential impairment of these assets, and if present, estimates their recoverable amount. The identification of impairment indicators, as well as the process and methodologies for assessing and determining the recoverable amount of these assets, carried out within the broader process of estimating the recoverable amount of non-current assets, are based on complex assumptions that due to their nature require the Directors' judgment. Because of the judgement required and the complexity of the assumptions used, considering that the Company's core business is subject to changes, sometimes significant, in the technological, regulatory, and market environment, we identified this area as a key audit matter. The disclosure related to the recognition and valuation criteria of such assets are included in note "Accounting policies" paragraphs "Property, plant and equipment" and "Impairment of property, plant and equipment and intangible assets" and in note 17 "Property,	Our audit procedures in response to the key audit matter included, among others: • understanding of the process and controls implemented by the Company regarding the assessment of the recoverable amount of the Property, plant and equipment, particularly with reference to the process adopted by the Company to identify impairment indicators; • execution of substantive procedures aimed at verifying, through sampling, the correct valuation of Property, plant and equipment; • assessment of the model adopted by the Company for estimating the recoverable amount of non-current assets, also leveraging the assistance of our experts in valuation techniques; • assessment of the reasonableness of assumptions made and conclusions reached by the directors on the lack of impairment indicators, considering the internal and external information available, particularly with reference to the technological, regulatory, and market environment, and the obsolescence status of these assets. Lastly, we have reviewed the disclosure provided in the notes to the financial statements regarding this key audit matter.

plant and equipment".

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the [consolidated] financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the [consolidated] financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the [consolidated] financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's [Group's] internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's [Group's] ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company [the Group] to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the [consolidated] financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Rai Way S.p.A., in the general meeting held on April 27, 2023, engaged us to perform the audits of the financial statements for each of the years ending December 31, 2023 to December 31, 2031.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company [of the Group] in conducting the audit.

We confirm that the opinion on the [consolidated] financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of EIP S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the [consolidated] financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the [consolidated] financial statements as at [gg][mese][anno] with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2023 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Rai Way S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Rai Way S.p.A. as at December 31, 2023, including their consistency with the related [consolidated] financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Rai Way S.p.A. as at December 31, 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the [consolidated] financial statements of Rai Way S.p.A. as at December 31, 2023 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Rai Way S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information have been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information are subject to a separate compliance report signed by us.

Roma, April 8, 2023

EY S.p.A.
Signed by: Filippo Maria Aleandri, Auditor

The accompanying financial statements of Rai Way S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING (in accordance with Art. 2429, paragraph 2 of the Italian Civil Code, and Art. 153 Legislative Decree no. 58/1998)

Dear Shareholders,

Rai Way S.p.A. (hereinafter also "Rai Way" or the "Company") is a leading operator in the sector of network infrastructures and services for broadcasters, telecommunication operators, corporates and public administrations. It is the network operator that guarantees the public broadcasting service the broadcasting and transmission of television and radio content in Italy and abroad.

Pursuant to Art. 153 of Italian Legislative Decree no. 58/1998 (hereinafter also referred to as "TUF") and to Art. 2429, paragraph 2 of the Italian Civil Code, the Board of Statutory Auditors of Rai Way S.p.A. is required to report to the Shareholders' Meeting called to approve the financial statements at 31 December 2023, on supervisory activities performed during the year and on any omissions and irregularities discovered. The Board of Statutory Auditors is also called upon to supervise pursuant to Article 149 of the TUF on compliance with the principles of proper administration, on the adequacy of the organizational structure, on the financial reporting process, on the internal control and risk management system, and on the Company's administrative and accounting system, including the latter's reliability in correctly representing operating events. It is also required to make any necessary proposals regarding the Financial Statements and their approval, as well as other aspects under the Board's purview. During the 2023 financial year, the Board of Statutory Auditors carried out its institutional duties in compliance with the Italian Civil Code and the TUF as well as the indications provided by Consob also with reference to the requirements of CONSOB Communication no. DEM/1025564 of 6 April 2001 as subsequently amended and supplemented.

The supervisory activity provided for by the law was also carried out according to the provisions of the January 2020 edition of the Corporate Governance Code of Listed Companies), approved by the Corporate Governance, to which Rai Way S.p.A. adheres (the "Corporate Governance Code"), as well as by the Rules of Conduct provided by the National Council of Chartered Accountants and Accounting Experts ("CNDCEC") for auditors of listed companies in the December 2023 edition (the "Rules of Conduct issued by the CNDCEC"). With reference to the provisions of Italian Legislative Decree 39 of 27 January 2010, with particular regard to Art. 19, the Board of Statutory Auditors also performs the function of Internal Control and Audit Committee ("CCIRC").

The statutory audit of the accounts is performed by the auditing firm EY S.p.A. (hereinafter also "EY") for the 2023 – 2031 financial years, in accordance with the resolution of the Shareholders' General Meeting held on 27 April 2023.

The Board of Statutory Auditors acquired and verified the information illustrated below by participating in the meetings of the Shareholders' Meeting, of the Board of Directors and of the Board Sub-Committees, as well as through a constant exchange of information with the Independent Auditors, with the various corporate functions (including Finance, Legal, Audit and Enterprise Risk Management), and with the Supervisory Board pursuant to Legislative Decree no. 231/2001 (hereinafter, the "Supervisory Board" or the "SB").

The draft financial statements were approved by the Board of Directors of the Company on 25 March 2024.

Appointment and activities of the Board of Statutory Auditors

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting of 27 April 2021 for FYs 2021-2023, i.e. until the approval of the Annual Report at 31 December 2023, and is made up as follows: Silvia Muzi (Chairman), Barbara Zanardi (Standing Auditor) and Massimo Porfiri (Standing Auditor). Paolo Siniscalco and Cristina Chiantia were appointed as substitute auditors.

During the 2023 financial year, the Board of Statutory Auditors:

- successfully verified that the independence requirements were met by its members, pursuant to the law and the Corporate Governance Code, and that no ineligibility or disqualification were applicable to them, pursuant to Art. 2399 of the Italian Civil Code and Art. 148, paragraph 3 of the T.U.F.;
- also verified that the members complied with the office requirements, pursuant to Art. *144-terdecies* of the Issuers' Regulation;
- carried out the self-assessment of its members, including verifying the adequacy of its composition and the effectiveness of its functioning, supplementing this assessment with the Q.1.7. issued by the CNDCEC.

The Board of Statutory Auditors' activities during 2023 were carried out through regular periodic meetings, whose results were duly reported in the specific minutes.

The work performed in the various areas in which supervisory activity is carried out is illustrated below and according to the recommendations of the aforementioned Rules of Conduct issued by the CNDCEC, the provisions of the Corporate Governance Code, the indications provided by Consob, the Italian Civil Code and the TUF , as well as the provisions of Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135/2016, i.e. the function that the Board of Statutory Auditors performs with regard to its function as an Internal Control and Audit Committee (CCIRIR), i.e. the further specific functions of control and monitoring of financial reporting.

Compliance with the law and Bylaws

As regards governance aspects, the Company complied with the rules and regulations applicable to issuers with listed shares, as well as with the provisions of the Corporate Governance Code. The Annual Report on Corporate Governance and Ownership Structures, drawn up pursuant to Art. 123-bis of the TUF, was approved by the Board of Directors on 25 March 2024. The Report illustrates, *inter alia*, the application of the recommendations of the Corporate Governance Code adopted by the Company. The recommendations formulated by the Chairman of the Italian Corporate Governance Committee in the letter received on 14 December 2023, were also brought to the attention of the Board of Directors, as well as of the internal Board Committees, pertaining to matters under their respective purview. Likewise, the Board of Statutory Auditors took note of the indications provided by the Corporate Governance Committee and acknowledged them at a meeting.

The Board of Statutory Auditors has supervised compliance with the provisions of the law and the Bylaws, as well as other relevant regulations, through the participation and acquisition of the information flows relating to the Shareholders' Meeting, Board of Directors meetings, meetings of the Remuneration and Appointments Committee and the Control and Risks Committee, including in relation to the functions performed by the latter pursuant to the provisions of the Related Party Transactions Procedure adopted by the Company. As part of its audits, the Board also met with the Supervisory Board, the head of the Audit Function, the Manager in charge of preparing the company's financial reports, the company appointed to perform the statutory audit of EY's accounts, the Chief Executive Officer and General Manager - also in relation to the functions assigned to him pursuant to the Corporate Governance Code on the Internal Control and Risk Management System - and the managers in charge of various corporate functions.

During 2023, the Board of Statutory Auditors met 9 times and attended 16 meetings of the Board of Directors and 1 Shareholders’ Meeting. It also took part in 14 meetings of the Remuneration and Appointments

Committee and 9 meetings of the Control, Risks and Sustainability Committee, operating as indicated also by virtue of the functions assigned to it by the Company Procedure in relation to transactions with related parties.

Moreover, the Supervisory Board provided the Board with information regarding the issues set out in Legislative Decree no. 231/2001 and reported on its activities. The flow of information with the SB was constant, in compliance with the reciprocal functions, also thanks to the assiduous presence at the meetings of the Board of Statutory Auditors of the Head of the Audit Department (who is also a member of the Supervisory Board).

In this regard, on 27 July 2023, the Board of Directors approved an update of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001, the Code of Ethics, the Anti-corruption policy and the company's whistleblowing procedure.

It should be noted that during FY 2023, the Supervisory Board held three meetings during which - in addition to having generally monitored regulatory changes, for the purposes of the relevant updates to the Model - it reviewed, prior to the Board approval, the version of the Organisation and Control Model then submitted to the Board of Directors.

Also during the year, the Supervisory Board examined the information flows provided for under the relevant corporate procedures, analysing them also with the help of the Company's Audit Department, and carrying out some in-depth analyses. On 6 March 2024, the Supervisory Board issued its Report for the second half of the financial year 2023, which was forwarded to the Control, Risk and Sustainability Committee, the Board of Directors and the Board of Statutory Auditors. No exceptions have emerged from the same.

The Board monitored compliance with regulated information requirements, including insider information requirements.

On the whole, the internal and external information flows described and the flows resulting from the continuous exchange of information and documentation, also emerging from the minutes for the Board of Statutory Auditors' meetings, appear appropriate to offer proof of compliance of organisational structure, internal procedures and corporate documents and resolutions of the corporate bodies in accordance with the law, the Bylaws and applicable regulations, as well as the codes of conduct to which the Company has confirmed its adherence (i.e., as mentioned above, to the Corporate Governance Code). Therefore, there is no indication of any violation regarding compliance with the law, the Bylaws and regulations.

The Board of Statutory Auditors points out that there were no reports pursuant to Article *25 octies* and *25 novies* of Legislative Decree no. 14 of 12 January 2019 ("Corporate Crisis Code").

During the financial year, the Company did not receive any requests for information pursuant to the Consolidated Law on Finance from Consob.

Corporate Governance

The Company has a governance system structured in accordance with the so-called "traditional" model and in line with the Corporate Governance Code of listed companies.

The Board of Directors in office as of the date of approval of the 2023 draft financial statements was appointed by the Shareholders' Meeting of 27 April 2023 and consists of nine directors, six of whom qualified as independent. The composition of the Board is consistent with the regulatory provisions on gender balance. Immediately following its appointment, after assessing the independence of all its members both in accordance with the law and the Corporate Governance Code, the Board of Directors set up two internal committees: the Remuneration and Appointments Committee and the Control, Risk and Sustainability Committee, which also performs the functions assigned to it by the Procedure for related party transactions adopted by the Company. This Procedure, in the version effective as of 1 July 2021, is published on the Company's website and is described in its main elements in the Report on Corporate Governance and Ownership Structure for the year 2023.

The Board of Directors, noting that the Corporate Governance Code allows “large companies” and “concentrated ownership companies” as defined therein, and qualifying the Company as such, has decided to carry out the self-assessment activity regarding the size, composition and functioning of the Board itself and of the intra-board committees every three years. The last self-assessment activity took place in 2023, as reported in the previous report. The Board of Statutory Auditors acknowledged and examined the declarations of independence issued by the directors for the year 2023.

A lead independent director was not appointed, as the requirements for appointment under the Corporate Governance Code are not met.

During the 2023 financial year, the Code of Conduct on Internal Dealing already approved by the Board of Directors and most recently updated during the 2018 financial year remained in force.

With regard to the “Report on Remuneration Policy and Compensation Paid”, prepared pursuant to Art. 123-ter of TUF and the applicable regulatory provisions, the Board acknowledges that it was previously examined by the Remuneration and Appointments Committee and then approved by the Board of Directors on 25 March 2024. The First Section, which concerns the remuneration policy for the 2024 financial year, will be submitted to a binding vote of the Shareholders’ Meeting, while the Second Section, relating to the remuneration recognised with reference to the 2023 financial year will be submitted to a non-binding vote.

With regard to the First Section, the Remuneration Report envisages, *inter alia*, the adoption, proposed to the Shareholders' Meeting, of a new long-term incentive plan (Long-Term Incentive), aimed at aligning the interests of management and Shareholders, also in accordance with the requirements of the Company's new 2024-2027 Business Plan approved by the Board of Directors on 25 March 2024.

Compliance with principles of proper administration and adequacy of the organizational structure

In 2023, the Board of Statutory Auditors oversaw the concrete implementation of the corporate governance rules set out in the Corporate Governance Code, pursuant to the provisions of Art. 149, paragraph 1, letter c-bis of the Consolidated Law on Finance.

The Board has received all the necessary and functional information for the performance of its control and supervisory tasks through: i) participation in the meetings of the Board of Directors, the Control, Risks and Sustainability Committee (also in relation to the functions performed by the latter by virtue of Procedure regarding transactions with related parties), and the Remuneration and Appointments Committee; ii) meetings with the top management of the Company and the managers of the corporate departments, and, in particular, the Manager in charge of preparing the corporate accounting documents and the Head of the Audit Function; iii) meetings with the company appointed to carry out the statutory audit and with the Supervisory Board.

During the year, the Board received periodic information from the Chief Executive Officer, at least every quarter, on the general management performance and its outlook. During several Board meetings, in-depth discussions were held on the preparation of the Company's new Business Plan mentioned above, also in relation to the annual budget, and information was provided on significant transactions carried out by the Company.

Main events as at 31 December 2023

Following the end of the transitional period provided for by Art. 44-bis, paragraph 2, of Decree Law no. 76 of 16 July 2020, the Company - pursuant to Art. 2-ter of the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999 ("Issuers' Regulation") - ceased, since 1 January 2023, to qualify as an "SME" (Small and Medium Enterprise) pursuant to Art. 1, paragraph 1, letter w-quater.1) of the TUF, therefore no longer qualifying in the financial year 2023.

In this regard, the Board of Statutory Auditors found that the actions resolved and implemented during 2023 comply with the principles of proper administration and are not manifestly imprudent, risky or in conflict with the resolutions passed at the Shareholders' Meeting, or such as to compromise the integrity of the corporate assets, nor have there been atypical and/or unusual transactions, carried out with third parties or with related parties or in conflict of interest.

In this regard, the Board of Statutory Auditors has received information and supervised, to the extent under its purview, the adequacy of the Company's organisational structure, compliance with the principles of proper administration.

On the basis of the information acquired, the Board of Statutory Auditors completed its supervisory activities on the adequacy of the organisational structure, in terms of configuration, procedures, skills and responsibilities, as it pertains to the Company's size, nature and the methods of pursuing the corporate purpose.

As is evident from the Annual Financial Report, the most important events for the Company during 2023 were:

- On 08 March 2023, the Board of Directors resolved to convene the Shareholders' Meeting for, among other things, the approval of the financial statements for the year ended 31 December 2022, on single call, on 27 April 2023;
- On 16 March 2023, the Board of Directors approved the draft financial statements for 2022, which closed with a profit of approximately € 73.7 million, and the proposal to distribute a dividend of € 0.2745 per share.
- On 27 April 2023, the Shareholders' Meeting: i) approved the Company's financial statements as at 31 December 2022 and the distribution of a dividend as proposed by the Board of Directors; ii) approved the First Section (relating to the remuneration policy for the financial year 2023) and voted

in favour of the Second Section (relating to the remuneration pertaining to the financial year 2022) of the Report on the remuneration policy and remuneration paid; iii) approved the Board of Directors' proposal to authorise the purchase and disposal of treasury shares subject to revocation of the corresponding authorisation resolved upon by the Shareholders' Meeting of 27 April 2022; iv) appointed for the financial years 2023 - 2025 (and therefore until the Shareholders' Meeting to approve the financial statements for the financial year 2025) the Board of Directors composed of the following nine members: Giuseppe Pasciucco, appointed Chairman, Roberto Cecatto, Michela La Pietra, Paola Tagliavini, Barbara Morgante, Alessandra Costanzo, Gian Luca Petrillo, Romano Ciccone (taken from the majority list submitted by RAI -Radiotelevisione Italiana S.p.A) and Umberto Mosetti (taken from the minority list presented by some asset management/asset management companies; v) approved, following the relative reasoned proposal of the Board of Statutory Auditors, the appointment of the auditing firm EY for the financial years 2023 - 2031 to and the determination of the relevant fee.

- On 28 April, the Board of Directors appointed: Roberto Cecatto as the new Chief Executive Officer and General Manager, and identified the members of the Control, Risk and Sustainability Committee - which also serves as the Related Parties Committee - and the Remuneration and Appointments Committee, both of which are composed solely of independent directors.
- On 28 April, having obtained the previous favourable opinion by the Statutory Auditors, the Board of Directors appointed Adalberto Pellegrino (confirming his role) as manager responsible for drafting corporate accounting documents, in accordance with Art. 154-bis of Legislative Decree no. 58/1998, until the Shareholders' Meeting called to approve the Financial Statements as at 31 December 2025.
- On 23 June 2023, the Company signed an agreement with former Chief Executive Officer and General Manager Aldo Mancino regarding the consensual termination of the executive employment relationship with the Company and non-competition agreement.
- On 23 October 2023, the Company signed a new loan agreement with a pool of financial institutions consisting of Mediobanca – Banca di Credito Finanziario S.p.A., BPER Banca S.p.A., Unicredit S.p.A. and Cassa depositi e prestiti S.p.A. The new loan agreement has a duration of three years.

Events subsequent to 31 December 2023

Among the main events subsequent to the year-end, the Board of Statutory Auditors notes that it monitored the evaluation and in-depth analysis process (which had already begun in the last months of 2023) that led to the Board resolution of 25 March 2024 approving the Company's business plan for the three-year period 2024-2027.

Related-Party Transactions

In the Report on Operations and in the Explanatory Notes to the 2023 Annual Report, the Directors, in accordance with the provisions of IAS 24 and Consob Communication no. DEM/10078683 of 24 September 2010, have provided an exhaustive illustration of the main transactions carried out with related parties. Reference should be made to these documents with regard to the type of transactions in question and the related economic and financial aspects, as well as to the procedural methods adopted to ensure that these transactions are carried out in compliance with the criteria of transparency and procedural and substantial correctness. In light of the audits carried out, the Board of Statutory Auditors can state that the related party transactions reported in the notes to the financial statements for the year 2023 fall within the scope of the Company's activities and were carried out in compliance with the conditions and terms set forth also in the relevant Consob regulations. It is acknowledged that the operations indicated therein were carried out in compliance with the methods set out in the specific Procedure, which is in compliance with the provisions of the Civil Code and Consob’s regulations.

Adequacy of Internal Control and Risk Management. Activities carried out by the Audit and Enterprise Risk Management Departments

The Board of Statutory Auditors also supervised the adequacy of the Internal Control and Risk Management System by:

a) reviewing the assessment of the Board of Directors, which formulated a positive evaluation on the adequacy and effective functioning of the Internal Control and Risk Management System;

b) reviewing the report of the Manager in charge of preparing the corporate documents;

c) reviewing the report of the Head of the Audit Department, as well as periodic information on the status of audits and the results of monitoring activities on the implementation of the corrective actions identified following the audit activities;

d) reviewing the reports of the Control, Risks and Sustainability Committee, also with regard to the functions it performs pursuant to the Related Party Transaction Procedure;

e) reviewing the interim and annual Financial Reports, as well as the reports prepared regarding risk management activities, aimed at describing the main risks and related management plans.

The First and Second-level controls structure is consistent with the size, complexity, specific risk profile and the regulatory framework within which the Company operates. The First level of control is represented by the Company management, while Second level of control is represented by management with monitoring functions, such as management control and Enterprise Risk Management. The third level of control is guaranteed by the Company Audit department, which performs audits applying a risk-based approach on the ICRMS as a whole. With reference to the Second Level of Control, during the 2023 financial year, the organisational function, reporting to the Chief Financial Officer, which is responsible for implementing, managing and maintaining the Company integrated Enterprise Risk Management model, aimed at supporting the corporate departments in identifying and assessing risks and defining possible response actions, always performed. In this context, a general monitoring and updating of risk mapping and related assessment was carried out, with particular attention to those inherent to the Company new 2024-2027 Industrial Plan, as well as to sustainability-related issues.

Adequacy and reliability of the administrative system to represent operational transactions

With reference to this activity, the Board of Statutory Auditors supervised the process of financial reporting and the adequacy of the administrative and accounting system. Following the verifications carried out, this was deemed to be adequate and able to correctly represent both operational transactions and the preparation of the annual report and report on operations.

With reference to the 2023 financial year, the Chief Executive Director and the Manager responsible for the preparation of financial statements stated: (i) that they are adequate in terms of the characteristics of the business and the effective application of the administrative and accounting procedures for the preparation of the Financial Statements for the 2023 financial year; that the contents of said Financial Statements complies with the applicable international accounting standards recognised by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council, established on 19 July 2002; (iii) that the Financial Statements concerned are consistent with the records and accounting entries and provide a true and accurate representation of the Company's capital, economic and financial position; (iv) that the Annual Report includes a reliable analysis of the performance and the operating result, as well as of the Company's situation, together with a description of the main risks and uncertainties to which it is exposed.

The Company declared that it has prepared the Financial Statements for the year 2023 in accordance with IAS/IFRS recognised in the European Union pursuant to Regulation (EC) 1606/2002 and in effect at the close of the year 2023. Furthermore, the Company's 2023 Financial Statements were prepared on the assumption of going concern and applying the conventional criterion of historical cost, except for the valuation of financial assets and liabilities for which the application of the fair criterion is mandatory value. The Company's Notes to the Financial Statements provide an analytical description of the accounting standards and valuation criteria adopted. With reference to recently issued accounting standards, the Notes to the Financial Statements refer to (i) the accounting standards approved by the European Union that are not yet applicable and (ii) accounting standards not yet approved by the European Union.

The Board of Statutory Auditors of Rai Way S.p.A. has also:

a. verified that the Directors' Report on Operations for the 2023 financial year complies with current regulations, and is consistent with the resolutions adopted by the Board of Directors and with the facts represented in the Financial Statements;

b. verified the adequacy, in terms of method, of the impairment process used to verify the absence of impairment on assets in the Balance Sheet;

c. acknowledged the content of the Interim Report as of 30 June 2023, without needing to make any observations, and ascertained that the latter had been made public in accordance with the procedures set out by the regulations;

d. verified that the Company has fulfilled the obligations of Italian Legislative Decree 254/2016 and has arranged to draw up a Non-financial disclosure in compliance with the provisions of the above- mentioned Decree;

e. has noted that the Company has continue to publish on a voluntary basis intermediate management reports on 31 March and 30 September within the deadlines set by current legislation;

f. acted as the Committee for Internal Control and Audit, pursuant to Art. 19, paragraph 1, of Legislative Decree 39/2010, concerning specific information, monitoring, control and verification functions provided therein, fulfilling duties and tasks indicated in the aforementioned legislation. For such purpose, the Board worked with the Control, Risks and Sustainability Committee to coordinate their respective responsibilities and to avoid overlapping of activities. The Board's participation in the Committee's activities facilitates coordination and information exchange between the two bodies;

g. also monitored (i) for the purposes of the preparation of the financial statements for the financial year ending 31 December 2023, compliance with the provisions of EU Regulation no. 2019/815 (ESEF Regulation) and, (ii) for the purposes of the preparation of the Individual Non-Financial Statement (NFS), referring to the financial year 2023, compliance with Regulation (EU) no. 2020/852 of 18 June 2020 and the related Delegated Regulations ("**Taxonomy Regulation**");

h. reported that Rai Way S.p.A. is managed and coordinated by parent company RAI-Radiotelevisione italiana S.p.A., in accordance with legal obligations and, in particular, in compliance with the conditions set out in Art. 16 of the CONSOB Markets Regulation. Reference is made to a specific Regulation regarding the management and coordination role exercised by parent company RAI in relation to the Company (approved by the Board of Directors at its meeting on 4 September 2014 and effective as of the date on which the Company's shares were listed on Borsa Italiana's Electronic Stock Market (MTA - now the Euronext Milan) market), which is also mentioned in the aforementioned Report on Corporate Governance and Ownership Structures.

The Board carried out the mentioned activities by acquiring the necessary information from the Administration, Finance and Control Department of the Company and from the Manager in charge of preparing the corporate accounting documents, as well as by reviewing the company documentation and the results of the work carried out by the Auditing Firm, in accordance with the provisions of Art. 154 bis of the TUF.

The Board also verified compliance with the procedures for the publication and filing of the Financial Statements and interim reports, supervising the preparation and transmission of press releases relating to relevant financial information.

Relationship with the independent auditing firm pursuant to Article 150-bis, paragraph 3 of Italian Legislative Decree no. 58/1998

The Board of Statutory Auditors met regularly with the managers of the appointed auditing firm EY in order to exchange data and information relevant to Art. 150, paragraph 3, Legislative Decree no. 58/1998 and Legislative Decree no. 39/2010. In these meetings, the aforementioned Auditing Firm did not provide any facts or anomalies of such importance as to be reported to the Board of Directors or in this report.

With regard to the results of the Financial Statements for the year ended that ended as of 31 December 2023, appropriate technical analysis of the most significant items in the document were carried out in constant cooperation with the independent auditing firm, in compliance with the respective competencies and responsibilities. In application of the provisions pursuant to Art. 150, paragraph 3 of the TUF, these meetings had the objective of exchanging data and information and to verify the correct use of accounting standards and their uniformity for purposes of the Financial Statements.

In particular, representatives from the independent auditing firm advised the Board about the audit plan they had prepared, its execution and the subsequent results; from these meetings, there emerged no events or situations, regarding either the audit or any failings of the internal control system, that need to be noted herein.

On 8 April, 2024, pursuant to Articles 14 of Legislative Decree no. 39/2010 and 10 of EU Regulation 537/2014, the Auditing Firm issued its Report certifying that:

a) the Financial Statements provide a true and accurate representation of the Company's capital and financial position as of 31 December 2023, as well as its economic result and cash flows for the year ending on that date, in compliance with International Financial Reporting Standards adopted by the European Union, as well as the provision implementing Art. 9 of Italian Legislative Decree no. 38/2005;

b) the Report on Operations and some specific information contained in the Report on Corporate Governance and Ownership Structures, pursuant to Article 123-bis, paragraph 4, of Legislative Decree no. 58/1998, are consistent with the Financial Statements for the year that ended on 31 December 2022, and are prepared in accordance with the law;

c) the opinion on the Financial Statements expressed in the above-mentioned Report is in line with the supplementary Report prepared pursuant to Art. 11 of Regulation (EU) no. 537/2014, addressed to the Board of Statutory Auditors;

d) the positive opinion on the compliance of the Annual Report with EU Delegated Regulation 2019/815 (ESEF).

On 08 April 2024, the auditing firm EY issued the Report containing the certification of compliance, pursuant to Art. 3 of Legislative Decree no. 254/2016, and Art. 5 of Consob Regulation adopted with Resolution no. 20267 of 18 January 2018. In the Report, the Independent Auditors stated that no elements have come to its attention that would suggest that the individual non-financial statement relating to the year 2023 has not been drawn up, in all significant aspects, in compliance with the requirements of the aforementioned Decree and the selected GRI Standards.

The auditing firm has also sent to the Board of Statutory Auditors, in its role of Internal Control and Audit Committee, the supplementary Report, pursuant to Art. 11 of Regulation (EU) no. 537/2014, which highlights:

- the most significant aspects in the context of the audit of the 2023 Financial Statements;
- the audit methodology, the identification of significant risks and the significance applied;
- the failure to identify any shortcomings in the internal control system in relation to the process of financial reporting.

Furthermore, in the above-mentioned Report, the auditing firm confirmed its independence, pursuant to Art. 6, paragraph 2), point 4) of Regulation (EU) no. 537/2014, as well as the measures adopted by the auditing firm to limit such risks.

The auditing firm's Reports do not contain qualifications or disclosures, nor declarations pursuant to Art. 14, paragraph 2, letter e), of Italian Legislative Decree no. 39/2010.

Pursuant to Art. 17, paragraph 9, of Italian Legislative Decree no. 39/2010, the Board of Statutory Auditors has verified the independence of the auditing firm and that there were no omissions, reprehensible facts or irregularities. Similarly, no significant facts emerged in the course of the activities carried out such as to require reporting to the Supervisory Authorities.

It is noted that, in reference to the 2023 financial year, the auditing firm EY was paid the following fees for the audit:

- Audit activities and annual report € 49,000
- Interim Financial Statements € 16,000
- Individual non-financial disclosure € 20,000

The Financial Report relating to the Financial Statements includes complete information on consideration to the auditing firm, pursuant to Art. 149-duodecies of the Consob Issuers' Regulation.

With regard to FY 2023, Rai Way S.p.A. conferred to subjects belonging to the EY network (in particular to the same Auditing Company), in addition to the assignment of the statutory audit of the accounts, the assignment related to the non-financial disclosure.

Furthermore, the Board has:

a) verified and monitored the independence of the Independent Auditors, pursuant to Articles 10, 10-bis, 10-ter, 10-quater and 17 of Legislative Decree no. 39/2010, and of Art. 6 of Reg. EU 537/2014, ascertaining compliance with the relevant regulatory provisions, and that the engagements for non-audit services conferred did not appear to be such as to generate potential threats to the auditor's independence and to the safeguards set out in Article 22-ter of Dir. EC 2006/43;

b) evaluated the transparency report and the additional report drawn up by the Independent Auditors in compliance with the criteria set out in Reg. EU 537/2014, noting that, based on the information acquired, no critical aspects emerged in relation to the independence of the Auditing Firm;

c) received written confirmation that the auditing firm has not rendered services other than the audit that are prohibited pursuant to Art. 5, paragraph 1, of Regulation (EU) no. 537/2014, confirming that the independence of the firm was maintained in executing the statutory audit.

The Financial Statements

The Board of Statutory Auditors reviewed the draft Annual Report at 31 December 2023, which recorded a profit for the year of € 86.7 million, and do not present any derogations to the legal provisions.

As the task of the statutory audit was not assigned to this Board, it supervised the general approach of the financial statements and its compliance with the law as regards its formation and structure, without identifying aspects to report. In addition, the Board verified compliance with the legal provisions relating to the preparation of the Report on Operations, also in this case without objections raised. The Directors described the items that contributed to the economic result and the events that generated those items in the Explanatory Notes and the Report on Operations.

The Annual Report of Rai Way S.p.A. as of 31 December 2023 were prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the related interpretations (IFRIC and SIC), adopted by the European Union by European Regulation (EC) no. 1606/2002, as well as pursuant to Italian Legislative Decree no. 38 of 28 February 2005, which governed the application of IFRS within the Italian regulatory framework. The accounting standards adopted reflect the full operations of Rai Way S.p.A. in the foreseeable future, applied under the going concern assumption, and comply with those applied in preparing the 2022 financial statements.

The notes to the Financial Statements contain information and the results of the valuation process conducted in order to carry out the impairment test, from which no losses in value emerged.

Non-financial disclosure

The Company prepared the Individual Non-Financial Statement pursuant to Legislative Decree no. 254/2016 in which, in addition to providing the information required by law and in general with respect to activities carried out in the field of sustainability, an indication has been given with respect to the development of the activities put in place for the Sustainability Plan adopted by the Company in March 2021 and consistently with the objectives inherent in the issues set out in the Industrial Plan for the period 2024-2027 as well as the new Sustainability Plan for the same period, approved by the Board of Directors on 25 March 2024.

Pursuant to Art. 3, paragraph 10 of Italian Legislative Decree no. 254/2016, the Declaration of non-financial nature has been subject to assurance activities by EY, the firm assigned the statutory audit.

Pursuant to Art. 3, paragraph 7 of Italian Legislative Decree no. 254/2016, the Board of Statutory Auditors supervised compliance with the provisions contained in that Decree relative to the Declaration of non-financial nature and, in this regard, notes that the Company has fulfilled the obligations envisaged therein for purposes of its preparation, in accordance with the Arts. 3 and 4 of the Decree, as well as Art. 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018, and drafted in accordance with the reporting standards and methodologies according to the option “in accordance” with the GRI standards.

The 2023 Declaration of non-financial nature, approved by the Board of Directors on 25 March 2024, is accompanied, as stated above, by the limited assurance issued by EY on 08 April 2024.

Complaints pursuant to Art. 2408 of the Italian Civil Code and submission of complaints

As at the date of drafting this report, the Board has not received any complaints pursuant to Article 2408.

Opinions issued

During the financial year 2023, the Board of Statutory Auditors issued opinions, making no observations, with regard, in particular, to the remuneration for the office of Chief Executive Officer and the appointment of the Manager in charge.

Impact of the ongoing conflicts on insider information and financial reporting

The Board of Statutory Auditors, through direct analysis and discussions with top management, has obtained information about the direct and indirect consequences of the ongoing conflicts on the management of the company and its prospects. The analyses conducted have not revealed, at present, any noticeable effects on the company's activities or any impacts that would affect the company's business as a going concern.

With regard to aspects connected with cybersecurity, the Company applied the established procedures, which appear to be adequate also in view of the Company's typical operating context.

Conclusions

On the basis of the information set forth and illustrated in this Report, considering the findings contained in the Independent Auditors' Report and also taking into account the information acquired by the Board of

Statutory Auditors during the periodic supervision, the Board of Statutory Auditors does not find, for the matters within its competence, any reason to oppose the approval of the financial statements for the year ended 31 December 2023, as prepared and approved by the Board of Directors on 25 March 2024, and the proposals formulated by the same to the Shareholders' Meeting regarding the allocation of the profit for the year and the distribution of the dividend.

The Board of Statutory Auditors, thanking the shareholders and the Company for the trust they have placed in it, acknowledges that it has drafted the guidelines addressed to the shareholders' meeting with respect to the composition and remuneration of the next Board of Statutory Auditors, which have been forwarded to the Company and published among the documents of the shareholders' meeting.

Rome, 08 April 2024

For Rai Way S.p.A. Board of Statutory Auditors

The Chairman: Silvia Muzi