



**Resoconto intermedio
di gestione al 30 settembre 2023**

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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 Silvia Muzi

Chief Executive Officer

Roberto Cecatto Massimo Porfiri

Directors

Romano Ciccone
Alessandra Costanzo Cristina Chiantia
Michela La Pietra Paolo Siniscalco
Barbara Morgante
Umberto Mosetti
Gian Luca Petrillo
Paola Tagliavini

Secretary of the Board

Giorgio Cogliati

Board of Statutory Auditors

Chairman

Standing Auditors

Barbara Zanardi

Alternate Auditors

Auditing Company

EY S.p.A. ²

Control and Risks Committee Remuneration and Appointments Committee

=

Paola Tagliavini (Chairman)
Alessandra Costanzo Romano Ciccone
Gian Luca Petrillo Barbara Morgante

Riccardo Delleani (Chairman)

¹ In office at the date of this Interim 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 2022, published on the Company website(www.raiway.it).

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

Rai Way S.p.A.'s activities

Rai Way³ (hereafter the Company) is a leading provider of integrated networks infrastructures and services for broadcasters, telecommunication operators, corporates and public administrations; the Company uses its own assets and its own competences to guarantee the public radio and television service and the transport and broadcast of television and radio content to its customers, in Italy and abroad, using its excellent wealth of technological, engineering and management know-how, in addition to its infrastructures.

Since 2014, Rai Way has been listed on the 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.

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

The services offered by the Company include:

- (i) Broadcasting services, meaning services for the terrestrial and satellite transmission of television and radio signals, through the network infrastructure, to the final users within a geographical area and services for the sale of transmission capacity;
- (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;

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.

(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 corporates.

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').
- Capital expenditure: equal to the sum of the expenditure for the maintenance of the infrastructure of the Company's network (Maintenance Investments) and for the development/launch of new commercial initiatives (Development Investments). The item does not include the increases in financial fixed assets and in lease rights of use.

SUMMARISED ECONOMIC AND FINANCIAL DATA

The following is a summary of the economic data of Rai Way at 30 September 2023 compared to the results at 30 September 2022.

In addition, figures are also provided for the Company's Net Financial Position and Net Invested Capital at 30 September 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; %)	9 months	9 months		
	2023	2022	Delta	Change %
Key Income Statement Figures				
Core Revenues	204.1	184.4	19.7	10.7%
Other Revenues and income	0.4	0.4	0.0	N.M.
Other operating costs	(32.0)	(37.3)	5.3	14.1%
Personnel costs	(34.1)	(31.8)	(2.3)	(7.2%)
Adjusted EBITDA	138.4	115.7	22.7	19.6%
EBIT	100.5	79.8	20.7	25.9%
Net Income	69.8	56.3	13.6	24.1%
Key Balance Statement Figures				
(figures in millions of euro; %)				
Capital expenditure	27.5	41.9	(14.4)	(34.5%)
of which maintenance	7.8	6.9	0.9	12.8%
Indicators				
(figures in millions of euro; %)				
Net Invested Capital	305.5	281.2	24.3	8.6%
Shareholders' Equity	171.9	176.2	(4.3)	(2.4%)
Net Financial Debt	133.6	105.0	28.6	27.2%
Adjusted EBITDA / Core Revenues (%)	67.8%	62.7%	5.1%	8.1%
Net Income / Core Revenues (%)	34.2%	30.5%	3.7%	12.1%
Maintenance Capex/Core revenue (%)	3.8%	3.7%	0%	1.9%
Net financial debt/Adj EBITDA (%)	96.5%	90.8%	5.7%	6.3%

* "Other operating costs" are calculated net of the electricity tax credit for non-energy intensive companies, amounting to Euro 1.2 million.

- Core Revenues amounted to Euro 204.1 million, up 10.7% compared to the values as at 30 September 2022.
- Adjusted EBITDA is equal to Euro 138.4 million and shows an increase of Euro 22.7 million compared to the 30 September 2022 value. The

Company defines this measure as EBITDA adjusted for non-recurring expenses.

- The ratio between *Adjusted* EBITDA and core Revenues was 67.8% compared to 62.7% as at 30 September 2022.
- EBIT is equal to Euro 100.5 million, and shows an increase of Euro 20.7 million compared to the 30 September 2022 value.
- Net income was Euro 69.8 million, up 24.1% compared to 30 September 2022.
- Operational Investment of Euro 27.5 million relates to the maintenance of network infrastructure and development projects.
- Net Invested Capital amounted to Euro 305.5 million, with Net Financial Debt of Euro 133.6 million and a Shareholders' Equity of Euro 171.9 million.

Income Statement

A summary of the Company's income statement for the years ended 30 September 2023 and 30 September 2022 is set out in the following table:

(figures in millions of euro; %)	9 months	9 months		
	2023	2022	Delta	Change %
Revenues from RAI	172.6	158.8	13.8	8.7%
Revenues from third parties	31.5	25.6	5.9	23.3%
Core Revenues	204.1	184.4	19.7	10.7%
Other revenues and income	0.4	0.4	0.0	1.4%
Personnel costs	(34.1)	(31.8)	(2.3)	(7.2%)
Other operating costs	(32.0)	(37.3)	5.3	14.1%
Adjusted EBITDA	138.4	115.7	22.7	19.6%
EBITDA Margin	67.8%	62.7%	5.1%	8.1%
Adjustments	(3.6)	-	(3.6)	N.M.
EBITDA	134.8	115.7	19.1	16.5%
Amortisation, depreciation, provisions and write-downs	(34.3)	(35.8)	1.6	4.4%
EBIT	100.5	79.8	20.7	25.9%
Net Financial Expenses	(2.9)	(1.3)	(1.6)	(118.1%)
Pre-Tax Profit	97.6	78.5	19.1	24.3%
Taxation	(27.8)	(22.2)	(5.5)	(24.8%)
Net Income	69.8	56.3	13.6	24.1%

Revenues from Rai Way came to Euro 204.1 million, an increase of Euro 19.7 million compared to the previous period (+10.7%).

The activities carried out for the Rai Group generated revenues of Euro 172.6 million, an increase of 8.7% compared to the same period of the previous year. The increase of Euro 13.8 million derived from the indexing to inflation of network services, partially absorbed by the impacts of the termination of the radio broadcasting service. With regard to commercial relations with other customers, revenues from third parties amounted to Euro 31.5 million, an increase of Euro 5.9 million (+23.3%) compared to the same period of the previous year, benefitting from the start-up of new local television broadcasting services in the technical areas where Rai Way was awarded the rights to use frequencies.

Personnel costs amounted to Euro 34.1 million as of 30 September 2023, up by Euro 2.3 million compared to the previous period due to one-off benefits recorded as at 30 September 2022 and an increase in the average unit costs. The Company's workforce is 585 as at 30 September 2023.

"Other operating costs" – which consist of consumables and goods, services and other costs net of non recurring items – amounted to Euro 32 million, down by Euro 5.3 million over the previous period. The reduction in costs is mainly attributable to lower electricity costs of Euro 6.8 million, due primarily to the effect of the decline in the average unit costs, in addition to lower consumption in the first nine months of the year. There was an increase in service costs, mainly attributable to a 5G technology testing initiative.

Adjusted EBITDA amounted to Euro 138.4 million, an increase of Euro 22.7 million compared to the value of Euro 115.7 million as at 30 September 2022, representing a margin of 67.8%.

In the first nine months of 2023, non-recurring expenses amounted to Euro 3.6 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, equal to Euro 100.5 million, was Euro 20.7 million higher than in the same period of 2022 due to the effects described above and to a reduction in the item Amortisation, Depreciation, Provisions and Write-downs of

Euro 1.6 million, mainly due to the completion of the amortisation process of the assets related to the transmission equipment installed as part of the transition from the analogue to the digital television system in DVB-T technology.

Financial expenses closed with a balance of Euro 2.9 million, a worsening of Euro 1.6 million over the previous period due to the increased interest rates and the growing financial debt.

Net profit amounted to Euro 69.8 million, an increase of Euro 13.6 million over the same period in 2022.

Capital expenditure and Other Investments

In the first nine months of 2023, capital expenditure amounted to Euro 27.5 million (Euro 41.9 million in 2022), of which Euro 7.8 million relating to the maintenance of the Company's network infrastructure (Euro 6.9 million in 2022) and Euro 19.7 million to the development investments (Euro 35 million in 2022).

(figures in millions of euro; %)	9 months	9 months	Change	
	2023	2022	Delta	%
Maintenance Investments	7.8	6.9	0.9	12.8%
Development Investments	19.7	35.0	(15.3)	(43.8%)
Total Capital expenditure	27.5	41.9	(14.4)	(34.5%)
Investments for property leases and car fleet	3.8	6.4	(2.7)	(41.7%)

Development Investments mainly concerned the final activities related to the refarming process, the extension and improvement of television networks for the sale of local transmission capacity in the technical areas where Rai Way was awarded the rights to use frequencies, the roll-out of a national fibre optic backbone infrastructure, and digital transformation projects.

Capital expenditure for real estate leasing and car fleet amounted to Euro 3.8 million, down Euro 2.7 million compared to 2022, when the car fleet was overhauled.

Statement of financial position

(figures in trillions of euro; %)	9 months	12 months		
	2023	2022	Delta	Change %
Net fixed assets	332.0	334.3	(2.3)	(0.7%)
Net Working Capital	(4.6)	(29.8)	25.2	84.6%
Provisions	(22.0)	(23.4)	1.4	6.0%
NET INVESTED CAPITAL	305.5	281.2	24.3	8.6%
Shareholders' equity	171.9	176.2	(4.3)	(2.4%)
Net Financial Debt	133.6	105.0	28.6	27.2%
TOTAL FUNDING	305.5	281.2	24.3	8.6%

Net Invested Capital as at 30 September 2023 was Euro 305.5 million. Fixed assets also include the lease rights of use in application of the IFRS 16 accounting standard for Euro 31.5 million, net of the dismantling and restoration provision of Euro 0.9 million.

Net Financial Debt amounted to Euro 133.6 million, an increase of Euro 28.6 million compared to 31 December 2022. The item includes lease financial liabilities in application of the IFRS 16 accounting standard for a value of Euro 38.4 million. Please refer to the paragraph "Net Financial Debt" for additional details (note 17).

Human Resources and Organization

As at 30 September 2023, Rai Way had a workforce of 585 people employed on a permanent basis: 28 executives, 169 managers, 384 technicians or office staff and 4 workers.

The average number of employees was 584 in the first nine months of 2023, while in the same period of 2022 it was 588.

Relationships with RAI Group Companies

Relationships mostly of a commercial nature were maintained with the Parent Company RAI - Radiotelevisione Italiana, while an intercompany current account agreement used for residual payments was financial in nature. Relationships with other companies of the RAI Group are exclusively of a commercial nature.. Further details may be found in the section "Related Party Transactions" in the Notes to the financial statements.

Significant events

The significant events were as follows:

- 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 € 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
 - o Control, Risks and Sustainability Committee Paola Tagliavini (Chairman), Alessandra Costanzo and Gian Luca Petrillo;
 - o 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 € 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.

Disclosures on the main risks and uncertainties faced by the Company

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

A detailed analysis of risks was presented in the Rai Way 2022 Annual Report - Report on Operations "Risk Factors Relating to the Company") published on the Company's website to which reference is made.

It should be noted that the conflict between Russia and Ukraine and the conflict between Israel and Hamas in the Gaza Strip are ongoing, as a result of which a situation of uncertainty has arisen, impacting, inter alia, the macroeconomic scenario and the cost of energy sources, although there has been no impact on the Company's business continuity.

Events subsequent to 30 September 2023

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.

Business outlook

Considering the results of the first nine months, the Company updates its targets for the financial year 2023. In particular, Rai Way expects:

- adjusted EBITDA growth higher compared to the outlook communicated last July and now expected in the high-teens (based on current electricity price forecasts for 2023);;
- maintenance investments in line with the previous year; development investments now expected 2022 level with a different RAI-third parties mix.

Management and coordination

Rai Way is subject to management and coordination by RAI pursuant to Art. 2497 of the Italian Civil Code. Further details may be found in the 2022 Annual Report - Report on Operations, "Management and coordination" paragraph, published on the Company's website.

Rome, 14 November 2023

on behalf of the Board of Directors

The Chairman

Giuseppe Pasciucco

Interim financial report as at 30 September 2023

Financial statements

RAI WAY SPA INCOME STATEMENT (*)

(Figures in Euro)	Note (**)	9 months as at	
		30/09/2023	30/09/2022
Revenues	5	204,140,133	184,394,394
Other revenues and income	6	1,600,695	1,769,274
Purchase of consumables	7	(917,410)	(989,341)
Cost of services	7	(30,402,355)	(35,727,314)
Personnel costs	7	(37,549,123)	(31,822,886)
Other costs	7	(2,101,836)	(1,944,706)
Write-downs of financial assets	7	(308,465)	(185,245)
Depreciation, amortisation and other write-downs	8	(33,956,844)	(35,686,321)
Provisions	8		25,694
Operating profit		100,504,795	79,833,549
Financial income	9	355,121	78,078
Financial expenses	9	(3,281,538)	(1,419,984)
Total net financial income/(expenses)		(2,926,417)	(1,341,906)
Pre-tax profit		97,578,378	78,491,643
Income taxes	10	(27,764,210)	(22,238,575)
Period profits		69,814,168	56,253,068

COMPREHENSIVE INCOME STATEMENT RAI WAY SPA (*)

(Figures in Euro)	Note (**)	9 months as at	
		30/09/2023	30/09/2022
Period profits		69,814,168	56,253,068
Items that will be recognised in the Income Statement			
Profit/(loss) on cash flow hedges		(843,920)	763,464
Tax effect		202,541	(183,231)
Items that will not be recognised in the Income Statement			
Actuarial Profit / (Loss) for employee benefits		(11,731)	1,178,238
Tax effect		2,815	(2,827,771)
Comprehensive period profits		69,163,873	57,728,762

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

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

RAI WAY STATEMENT OF FINANCIAL POSITION (*)

(Figures in Euro)	Note (**)	9 months as at 30/09/2023	12 months as at 31/12/2023
Non-current assets	11		
Property, plant and equipment		278,502,646	280,773,127
Lease rights of use		323,226,08	33,434,083
Intangible assets		20,622,561	19,519,975
Deferred tax assets		2,137,508	1,764,013
Other non-current assets		903,658	947,641
Total non-current assets		334,488,981	336,438,839
Current assets	12		
Inventories		755,679	756,234
Trade receivables		80,223,629	66,221,818
Other current receivables and assets		3797,482	2461,007
Current financial assets		849,732	1,480,192
Cash and cash equivalents		107,217,62	35,183,995
Current tax receivables		62,196	62,196
Total current assets		96,410,480	106,165,442
Total assets		430,899,461	442,604,281
Shareholders' equity	13		
Share capital		70,176,000	70,176,000
Legal reserve		14,035,200	14,035,200
Other reserves		377,859,40	38,200,449
Retained earnings		69,862,667	73,726,254
Treasury shares		(19,974,011)	(19,974,011)
Total shareholders' equity		171,885,796	176,163,892
Non-current liabilities	14		
Non-current lease liabilities			
Employee benefits			
Provisions for risks and charges		14,053,908	15,133,331
Other non-current payables and liabilities		309,091	327,273
Total non-current liabilities		45,449,653	48,043,881
Current liabilities	15		
Trade payables		36,752,692	60,471,655
Other debt and current liabilities		49,913,488	38,455,148
Current financial liabilities		106,712,930	101,544,042
Current lease liabilities		17,410,784	17,550,507
Current tax payables		2,774,118	375,156
Total current liabilities		213,564,012	218,396,508
Total liabilities and shareholders' equity		430,899,461	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.

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

	Share capital	Legal reserve	Other reserves	Retained earnings	Treasury shares	Total
<i>(Figures in Euro)</i>						
As at 01 January 2022	70,176,000	14,035,200	37,265,839	64,413,559	(19,974,011)	165,916,587
Period profits				56,253,068		56,253,068
Actuarial profits and losses (**)				895,461		895,461
Distribution of dividends				(65,376,063)		(65,376,063)
Cash flow hedge reserve (***)			580,233			580,233
Stock option plan reserves			140,152			140,152
As at 30 September 2022	70,176,000	14,035,200	37,986,224	56,186,025	(19,974,011)	158,409,438
Period profits				17,436,382		17,436,382
Actuarial profits and losses (**)				103,347		103,347
Cash flow hedge reserve (***)			87,508			87,508
Stock option plan reserves			126,717			126,717
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				69,814,168		69,814,168
Actuarial profits and losses (**)				(8,916)		(8,916)
Distribution of dividends				(73,668,839)		(73,668,839)
Cash flow hedge reserve (***)			(641,379)			(641,379)
Stock option plan reserves			226,870			226,870
As at 30 September 2023	70,176,000	14,035,200	37,785,940	69,862,667	(19,974,011)	171,885,796

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

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

RAI WAY CASH FLOW STATEMENT (*)

(Figures in Euro)	30/09/2023	30/09/2022
Pre-tax profit	97,578,378	78,491,643
Adjustments for:		
Depreciation, amortisation and write-downs	34,265,309	35,871,566
Provisions and (releases of) personnel and other funds	1,066,628	305,717
Net financial (income)/expenses (**)	2820,933	1,229,117
Other non-monetary items	366,341	234,732
Cash-flows generated by operating activities before changes in net working capital	136,097,589	116,132,775
Change in inventories	555	3,075
Change in trade receivables	(14,310,276)	(9,574,890)
Change in trade payables	(23,740,769)	(8,132,187)
Change in other assets	(1,336,474)	427,909
Change in other liabilities	(11,862,986)	8,192,243
Use of risk funds	(629,827)	(944,267)
Payment of employee benefits	(1,721,115)	(2,312,989)
Change in current tax receivables and payables	(2,211,340)	(110,246)
Paid taxes	-	(22,946,365)
Net cash flow generated by operating activities	80,285,357	80,735,060
Investments in property, plant and equipment	(20,339,661)	(40,719,426)
Disposals of property, plant and equipment	-	1,721
Investments in intangible assets	(4,339,921)	(1,170,721)
Change in non-current financial assets (***)	-	144,002
Change in other non-current assets	28,434	46,499
Net cash flow generated by investment activities	(24,651,148)	(41,697,925)
Increase in medium/long-term loans	-	32,000,000
(Decrease) in medium/long-term loans	-	-
(Decrease)/increase in current financial liabilities (***)	3,721,550	253,723
Repayments of lease liabilities	(8,781,760)	(6,858,286)
Change in current financial assets	(351,902)	(311,264)
Net interest expense for the period	(1,015,491)	(676,101)
Dividends paid	73,668,839	(65,060,406)
Net cash flow generated by financing activities	(80,096,442)	(40,652,334)
Change in cash and cash equivalents	(24,462,233)	(1,615,199)
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	10,721,762	15,628,799

(*) 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.

(***) It should be noted that as of 30 September 2023, the Company had utilised for an amount of Euro 4,000 thousand the Revolving Credit Line of the Medium-Term Loan Agreement entered into in October 2020 and expiring in October 2023. For this reason, this utilisation has been included in current financial liabilities.

Notes to the Interim Financial Report as at 30 September 2023

Introduction (note 1)

The Interim financial report as at 30 September 2023, consisting of a Balance Sheet, an Income Statement, a Statement of Comprehensive Income, a Cash Flow Statement, a Statement of Changes in Shareholders' Equity, and these Notes, has been prepared in accordance with Art. 154 ter of Italian Legislative Decree 58/1998 and subsequent amendments, as well as with the Issuers Regulation issued by Consob.

The Interim financial report as at 30 September 2023 has been prepared in accordance with IAS 34 – Interim financial report, issued by the International Accounting Standards Board (IASB).

The Interim financial report as at 30 September 2023 was approved on 14 November 2023 by the Board of Directors, which authorized its publication.

The structure and content of the accounting statements in the Interim financial report as at 30 September 2023 and the related compulsory schedules conform to those prepared for the Annual report. Where applicable, the same criteria and standards applied to the financial statements at 31 December 2022 were used to prepare this report.

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

The above-mentioned standard states that share subscription and purchase options granted by the Company to employees and directors give rise to the recognition of an expense recognized in personnel costs with a corresponding

increase in shareholders' equity. Specifically, options to subscribe to and purchase shares are measured at their *fair value* at the grant date, amortized over the vesting period. Changes in *fair value* after the assignment date do not affect the initial measurement. At the end of each financial year, an estimate of the number of rights that will accrue until maturity is updated. The change in the estimate is recognized as an adjustment to shareholders' equity with a balancing entry to personnel costs.

The Notes were drawn up in accordance with the minimum contents required by IAS 34 – Interim financial report, and with the instructions issued by Consob in Communication No. 6064293 of 28 July 2006. In accordance with IAS 34, the Notes are presented in summary form and do not include all of the information required in the annual financial statements; they refer exclusively to components which, due to amount, composition, or transactions, are essential for purposes of understanding the Company's economic and financial position. Therefore, this Interim Financial Report must be read together with the financial statements at 31 December 2022.

The Interim financial report presents a comparison with data from the last Financial Statements of Rai Way as at 31 December 2022 with regard to the balance sheet, and with data from the Interim financial report of Rai Way as at 30 September 2022 with regard to the income statement and cash flow statement.

The preparation of the Interim financial report as at 30 September 2023 required the use of estimates by the directors: the main areas in which significant evaluations and assumptions were conducted, and those with significant effects on the periodic situations presented, are reported below in the Notes as at 30 September 2023. Some of the measurement processes, especially the most complex ones, such as the determination of impairment of non-current assets, are generally conducted in a complete manner only when preparing the annual financial statements, except when there are indicators that demand an immediate update of estimates.

Amendments and interpretations of existing standards effective from 1 January 2023 and endorsed accounting standards not yet applicable and accounting standards not yet endorsed (Note 2)

With regard to application of current accounting standards and recently issued ones, please refer to the Rai Way 2022 Report and Financial Statements – Notes to the financial statements, "Summary of accounting standards" section published on the Company's website, except for the adoption of new standards and amendments in force from 1 January 2023. The Company has not early adopted any new standards, interpretations or amendments issued but not yet in force.

Several changes apply for the first time in 2023, but did not have an impact on Ray Way's Interim Financial Report:

- 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 amendments had no impact on the Company's Interim Financial Report.

- *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 amendments had no impact on the Company's Interim Financial Report.

- *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 amendments had no impact on the Company's Interim Financial Report.

- *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 amendments had no impact on the Company's Interim Financial Report.

With regard to Accounting standards not yet approved by the European Union, please refer to the description provided in the specific paragraph of the Notes to the Report and the Financial Statements as at 31 December 2022.

In addition, the following amendments should be noted: "Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules" issued by the IASB on 23 May 2023.

Whereas in December 2021, the Organisation for Economic Co-operation and Development (OECD) published the rules of the International Tax Reform Model (Pillar II) that individual jurisdictions must convert into national tax rules in order to ensure that large corporations are subject to a minimum tax rate of 15% (*Global minimum tax*), the changes introduced by the document issued by the IASB state:

- a temporary exception to the accounting of deferred taxes resulting from the application of the global minimum tax in individual jurisdictions; and
- targeted disclosure requirements to help investors better understand the company's exposure to income taxes resulting from the reform, particularly before the implementing legislation comes into force.

Companies may immediately benefit from the temporary exception, but are required to provide the information to investors for annual financial years beginning on or after 1 January 2023.

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

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 Company is currently analysing the standards indicated and assessing the impact on its financial statements.

Segment information (note 3)

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.

Seasonality of the reference business (note 4)

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

Notes on the main changes in the Income Statement

Revenues (note 5)

(in thousand of euro)	9 months	
	2023	2022
Revenues from RAI Group (*)	172,615	158,818
Revenues from third parties	31,525	25,576
– Fees for equipment and apparatus hosting	22,930	20,995
– Others	8,595	4,581
Total revenues of sales and performances	204,140	184,394

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 Euro 19,746 thousand compared to the same period of 2022, going from Euro 184,394 thousand at 30 September 2022 to Euro 204,140 thousand at 30 September 2023.

"Revenues from RAI Group" amounted to Euro 172,615 thousand, equal to 84.6% of total Revenues as at 30 September 2023 and increased by Euro 13,797 thousand compared to the same period in 2022. This increase stems mainly from the effects of indexation to inflation of the remuneration of the relevant service contract.

"Revenues from RAI Group" derive from Supply Contracts for turnkey services with the Parent company 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 Euro 31,525 thousand, up by Euro 5,949 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 6)

The income statement item "Other revenues and income" amounted to Euro 1,601 thousand in the first 9 months of 2023 and compared to 30 September 2022 (Euro 1,769 thousand) shows a decrease of Euro 168 thousand mainly due to the recognition of lower tax credits on the energy component purchased and actually used in the first nine months of the year (see Aid Decree bis) partially offset by income from compensation for damages.

Costs (note 7)

The item "Purchase of consumables and goods", which includes the purchase of technical materials for the warehouse, and fuels for generators and heating, amounted to Euro 918 thousand as at 30 September 2023, down compared to the figures of the previous year (Euro 989 as at 30 September 2022), mainly due to lower fuel purchase costs.

"Costs of services" amounted to Euro 30,402 thousand at 30 September 2023 and decreased by Euro 5,325 thousand compared to 30 September 2022 (Euro 35,727 thousand). The decrease is mainly due to lower electricity costs, partially offset by the increase in Other Services and Rents and Leases.

The income statement item "Personnel costs" amounted to Euro 37,549 thousand, an increase of Euro 5,726 thousand compared to 30 September 2022 (Euro 31,823 thousand), 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 amounted to Euro 3,053 thousand as of 30 September 2023 (Euro 2,960 thousand as of 30 September 2022) and increased by Euro 93 thousand. It should also be noted that the Company's average headcount fell from 588 as of 30 September 2022 to 584 as of 30 September 2023.

"Other costs" amounted to Euro 2,102 thousand, with an increase of Euro 157 thousand compared to 30 September 2022 (Euro 1,945 thousand).

"Write-downs of financial assets" amounted to Euro 308 thousand at 30 September 2023 and refers to allocations made to the bad debt provision during the period. At 30 September 2022, this item had a balance of Euro 185 thousand.

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

"Amortisation, Depreciation, and other Write-downs" amounted to Euro 33,957 thousand as at 30 September 2023 (Euro 35,686 thousand as at 30 September 2022). Compared to the same period of the previous year, the item recorded a decrease of Euro 1,729 thousand, mainly due to the completion of the depreciation process of the assets related to the transmission equipment installed as part of the transition from the analogue to the digital television system in DVB-T technology.

As of 30 September 2023, the item 'Provisions' had a balance of zero, while as of 30 September 2022 it had a negative balance (positive income component) of Euro 26 thousand.

Financial Income and Expenses (note 9)

"Financial income" showed a balance of Euro 355 thousand at 30 September 2023. In the same period of the previous year it had a balance of Euro 78 thousand.

Financial expenses were equal to Euro 3,282 thousand, up by Euro 1,862 thousand with respect to the same period of the previous year (Euro 1,420 thousand at 30 September 2022), due mainly to the rise in interest rates.

Income Tax (note 10)

The item breaks down as follows:

(in thousand of euro)	9 months	
	2023	2022
Current taxes	27,837	21,410
Deferred taxes	(168)	813
Substitute taxes	47	47
Taxes relating to previous financial years	49	(31)
Total	27,765	22,239

"Current taxes" amounted to Euro 27,837 thousand, showing an increase on the previous period of Euro 6,427 thousand, mainly driven by higher earnings before income tax.

This item consists of:

- IRES (corporate income tax) of Euro 23,250 thousand;
- IRAP (regional business tax) of Euro 4,587 thousand.

Deferred tax liabilities recorded a negative balance of Euro 168 thousand, down by Euro 981 thousand compared to 30 September 2022, due mainly to the higher allocations to taxed provisions.

Deferred taxes consist of:

- Prepaid taxes of € (139) thousand;
- Deferred tax liabilities of € (29) thousand.

Taxes related to previous years' show a balance of Euro 49 thousand with an increase of Euro 80 thousand compared to 30 September 2022 generated by the final calculation of taxes in the tax return.

<i>(in thousand of euro)</i>	9 months			
	2023		2022	
Pre-tax profit	97,578		78,492	
Theoretical taxes	23,419	24.0%	18,838	24.0%
Substitute taxes	47		47	
Taxes relating to previous financial years	49		(31)	
Permanent differences	(337)		(145)	
IRAP	4,587		3,530	
Total	27,765	28.5%	22,239	28.3%

Notes on principal changes in the Balance Sheet

Non-Current Assets (note 11)

Property, plant and equipment amounted to Euro 278,503 thousand at 30 September 2023, a decrease of Euro 2,270 thousand compared to 31 December 2022, mainly due to depreciation for the period (Euro 22,471 thousand), which was partially offset by capital expenditure made during the first nine months of the year (Euro 20,340 thousand).

"Lease rights of use", recognised from FY 2019 due to the adoption of IFRS 16, amounted to Euro 32,323 thousand as at 30 September 2023 (Euro 33,434 thousand as at 31 December 2022), a decrease of Euro 1,111 thousand due to the effect of amortisation in the period of Euro 8,248, partly offset by new investments of Euro 7,291.

"Intangible assets" amounted to Euro 20,622 thousand, an increase of Euro 1,102 thousand compared to 31 December 2022, due to investments of Euro 4,339 thousand, partially offset by amortisation for Euro 3,237 thousand.

It should be noted that, also for the first nine months of 2023, the analysis of internal and external indicators did not reveal any elements that put the recoverability of the values of tangible and intangible assets at risk, as shown in the 2022 Financial Statements.

The figures for the items illustrated above are summarised below:

	31/12/2022	Changes in the year			30/09/2023
	Book value	Increases and capitalisations	Net cancellations/disposals /Terminations	Ordinary depreciation	Book value
Property, plant and equipment	280,773	20,340	(139)	(22,471)	278,503
Lease rights of use	33,434	7,291	(154)	(8,249)	32,323
Intangible fixed assets	19,520	4,340	-	(3,237)	20,623

Deferred tax assets amounted to Euro 2,137 thousand at 30 September 2023, up by Euro 373 thousand compared to 31 December 2022.

"Other non-current assets" amounted to Euro 904 thousand at 30 September 2023 and decreased by Euro 44 thousand compared with the values of the previous financial year. The amount relates for Euro 223 thousand to guarantee deposits receivable and for Euro 681 thousand to the advance payment of the substitute tax deriving from the tax enfranchisement of the merger deficit generated by the merger by incorporation of the company Sud Engineering, which took place with effect from 22 June 2017. It should be noted that the Company has opted for the ordinary regime, pursuant to Art. 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.

Current Assets (note 12)

Inventory amounted to Euro 756 thousand, in line with the values in the previous year.

Inventories include contract work in progress and stocks and spare parts for the maintenance and use of technical business assets.

Trade receivables, in the amount of Euro 80,224 thousand, increased by Euro 14,002 thousand compared to 31 December 2022 due to higher receivables from RAI and third-party customers, also determined by the growth in turnover:

<i>(in thousand of euro)</i>	As at 30 September As at 31 December	
	2023	2022
Receivables from RAI	64,682	58,194
Receivables from customers and other Group companies	18,848	11,026
Provision for bad and doubtful debts	(3,306)	(2,998)
Total Trade receivables	80,224	66,222

At 30 September 2023, "Other current receivables and assets" amounted to Euro 3,797 thousand, an increase of Euro 1,336 thousand compared to 31 December 2022, due mainly to higher accrued income and prepayments, partially offset by a contraction in tax credits. These include the tax credit on the energy component purchased and actually used.

As at 30 September 2023, "Current financial assets" amounted to Euro 850 thousand, a decrease of Euro 630 thousand from the prior year.

Current income tax credits amounted to € 62 thousand as at 30 September 2023 and were unchanged from the previous year. The value refers to the recognition of substitute tax paid on the merger surplus, as reported above in the section on "Other non-current assets".

"Cash and cash equivalents" amounted to Euro 10,722 thousand at 30 September 2023, a decrease of Euro 24,462 thousand compared to 31 December 2022 (Euro 35,184 thousand). This decrease is mainly due to the

payment of dividends, partially offset by cash flows generated by operating activities.

Shareholders' Equity (note 13)

At 30 September 2023, the Company's "Shareholders' equity" amounted to Euro 171,886 thousand, a decrease of Euro 4,278 thousand compared to 31 December 2022 (Euro 176,164 thousand), determined by the distribution of dividends in the second quarter of 2023 and the profit for the first nine months of 2023.

Non-current liabilities (note 14)

"Non-current lease liabilities" totalled Euro 21,038 thousand, down by Euro 1,544 thousand compared to 31 December 2022.

"Employee benefits" amounting to Euro 10,048 thousand, decreased by Euro 47 thousand compared to 31 December 2022 (Euro 10,001 thousand).

The item "Provisions for risks and charges", equal to Euro 14,054 thousand, decreased by Euro 1,080 thousand compared to 31 December 2022 (Euro 15,134 thousand), mainly due to use of provisions for expenses and the provision for fees accrued as well as its reclassifications.

Changes in this item may be analysed as follows:

<i>(in thousand of euro)</i>	Balances at 1 January 2023	Provisions	Utilisation	Other changes	Balances at 30 September 2023
Civil and administrative disputes	707	-	(12)		695
Amounts accrued	2,193	1,275	(54)	(1,830)	1,584
Other provisions for risks and charges	1,224	-	(564)		660
Provision for decommissioning and restoration	11,010	105			11,115
Total provisions for risks and charges	15,134	1,380	(630)	(1,830)	14,054

Other non-current payables and liabilities amounted to Euro 309 thousand and consisted entirely of trade payables due in more than 12 months, decreasing by Euro 18 thousand compared to the value as of 31 December 2022.

Current liabilities (note 15)

"Trade payables", which amounted to Euro 36,753 thousand, can be broken down as follows:

	As at 30 September	As at 31 December
(in thousand of euro)	2023	2022
Payables to suppliers	33,022	56,679
Payables to Parent Company	3,731	3,793
Payables due to other RAI Group Companies	-	-
Total Trade payables	36,753	60,472

The item "Other current payables and liabilities" was equal to Euro 49,913 thousand as at 30 September 2023, up by Euro 11,458 thousand with respect to the values at the end of 2022. The increase was mainly due to higher payables to personnel and higher accrued expenses and deferred income.

"Current financial liabilities" amounted to Euro 106,713 thousand at 30 September 2023, an increase of Euro 5,169 thousand compared to 31 December 2022. The amount mainly includes the uses of the Term Credit Line of the loan taken out on 29 October 2020 with a pool of financial institutions consisting of Mediobanca - Banca di Credito Finanziario S.p.A., Banca Nazionale del Lavoro S.p.A., Unicredit S.p.A. and Cassa depositi e prestiti S.p.A.

It should be noted that 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.

The item "Current lease liabilities" amounted to Euro 17,411 thousand, down by Euro 140 thousand compared to 31 December 2022 (Euro 17,551 thousand) due

to the combined effect of the renewals and the payments made during the period.

"Current tax payables" amounted to Euro 2,774 thousand as at 30 September 2023, an increase of Euro 2,399 thousand compared to 31 December 2022 (Euro 375 thousand) due to the payable to tax authorities for IRAP accrued during the current period.

Earnings per Share (note 16)

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

	As at 30 September	As at 30 September
(in thousand of euro, unless otherwise indicated)	2023	2022
Net profit	69,814	56,253
Number of ordinary shares outstanding	268,374,644	268,374,644
Earnings per share in Euro	0.26	0.21

Net financial debt (note 17)

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

	As at 30 September 2023	As at 31 December 2022
<i>(in thousand of euro)</i>		
A. Cash and cash equivalents	10,722	35,184
B. Cash equivalents	-	-
C. Other current financial assets	850	1,480
D. Cash and cash equivalents (A) + (B) + (C)	11,572	36,664
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	19,124	18,095
F. Current portion of non-current financial debt	105,000	101,000
G. Current financial debt (E + F)	124,124	119,095
H. Net current financial debt (G - D)	112,552	82,431
I. Non-current financial debt (excluding current portion and debt instruments)	21,038	22,583
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	21,033	22,583
M. Total financial debt (H + L)	133,590	105,014
Excluding the effects of IFRS 16-Lease liabilities:	37,943	40,133
Q. ESMA net financial debt net of IFRS 16	95,141	64,881

With reference to the loan stipulated on 29 October 2020, as of 28 October 2023, the term line has been drawn down for Euro 101 million, while the revolving line of Euro 50 million has not been drawn down for Euro 4 million.

Lastly, it should be noted that, based on future projections for the next 12 months, the Company will be able to meet its commitments thanks to the generation of cash and cash equivalents mentioned above and to the new loan agreement signed on 23 October 2023 with a pool of financial institutions comprised 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 Euro 143 million and a revolving credit line of up to Euro 42 million, both to be used through cash disbursements and with a maturity date of 23 October 2026.

Commitments and guarantees (note 18)

It should be noted that the commitments in place related solely to technical investments amounted to Euro 43.7 million at 30 September 2023 (Euro 42.1 million at 31 December 2022).

At 30 September 2023, guarantees amounted to Euro 76.2 million (Euro 88.3 million 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.

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

Pursuant to Consob Communication no. DEM 6064293 of 28 July 2006, during the first nine months of 2023, the Company was not party to any abnormal and/or unusual operations as defined in that communication.

Other Information (note 20)

Contingent Liabilities

The amounts recognised in this Interim Financial Report 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 this Interim financial report to provide against the risk of losing the litigation have been calculated by the Company by estimating, on the basis of the professional assessment of the external lawyers representing the Company in court, the probable cost to be borne by Rai Way, taking into consideration the present stage of the litigation.

In order to provide supplementary information on the matters discussed above, it should be stated that, in carrying out its ordinary operations, the Company avails itself of the hosting services of third parties to position its installations on the land, buildings or structures of such parties. Taking into account that such hospitality is ordinarily formalized through contracts or similar legal instruments (but not limited to: transfers of surface rights, concessions of public spaces, etc.), the Company may have to incur costs for the removal of network infrastructures in the event that the contractual relationships with the third party hosts are not renewed or expire. 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.

Related Party Transactions⁴

Details of the transactions the Company carried out with related parties for the period ended 30 September 2023 are provided in the following; related parties are identified on the basis of IAS 24 Related Party Disclosures. The company Rai Way carries out transactions mainly of a commercial, financial and social security nature with the following Related Parties:

- RAI (hereinafter the "Parent Company");
- key management ("Senior Management");
- other subsidiaries/associates of RAI and/or companies in which the Parent Company has an interest ("Other related parties").

Related party transactions are conducted under normal market conditions.

The following table sets out details of the Company's statement of financial position items with regard to related parties as at 30 September 2023 and 31 December 2022:

⁴ 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.

Related party transactions (Statement of financial position)

<i>(in thousand of euro)</i>	Parent Company	Senior Management	Other related parties	Total
Lease rights of use				
As at 30 September 2023	5,733		1	5,734
As at 31 December 2022	8,564		11	8,575
Non-current financial assets				
As at 30 September 2023	-	-	-	-
As at 31 December 2022	-	-	-	-
Current financial assets				
As at 30 September 2023	146	-	-	146
As at 31 December 2022	376	-	-	376
Current trade receivables				
As at 30 September 2023	64,682	-	-	64,682
As at 31 December 2022	58,194	-	104	58,298
Other current receivables and assets				
As at 30 September 2023	-			-
As at 31 December 2022	91			91
Non-current lease liabilities				
As at 30 September 2023	1,965	-	-	1,965
As at 31 December 2022	4,891	-	-	4,891
Current financial liabilities				
As at 30 September 2023	-	-	-	-
As at 31 December 2022	-	-	-	-
Current lease liabilities				
As at 30 September 2023	7,713	-	-	7,713
As at 31 December 2022	8,500	-	12	8,512
Trade payables				
As at 30 September 2023	3,731	-	-	3,731
As at 31 December 2022	3,793	-	12	3,781
Other debt and current liabilities				
As at 30 September 2023	25,155	304	978	26,437
As at 31 December 2022	23,709	265	182	24,156
Employee benefits				
As at 30 September 2023	-	-	125	125
As at 31 December 2022	-	120	126	246

The following table sets out details of the Company's income statement items with regard to related parties as at 30 September 2023 and 30 September 2022:

Related party transactions (Economic)

(in thousand of euro)	Parent Company	Senior Management	Other related parties	Total	
Revenues (*)					
As at 30 September 2023	185,898	-		185,898	
As at 30 September 2022	171,759		937	172,697	
Other revenues and income					
As at 30 September 2023			-	-	
As at 30 September 2022	-		-	-	
Purchase of consumables					
As at 30 September 2023	-		-	-	
As at 30 September 2022	-		-	-	
Cost of services					
As at 30 September 2023	4,943		-	4,943	
As at 30 September 2022	4,821	-	-	4,821	
Personnel costs					
As at 30 September 2023	-	66	2,035	576	2,545
As at 30 September 2022	-	48	2,192	549	2,692
Other costs					
As at 30 September 2023		127		-	127
As at 30 September 2022		48			48
Right of use amortisation/depreciation					
As at 30 September 2023		2,866		10	2,876
As at 30 September 2022		2,855		9	2,864
Financial income					
As at 30 September 2023		6			6
As at 30 September 2022	-		-	-	-
Financial expenses					
As at 30 September 2023		69		-	69
As at 30 September 2022		102		-	102

(*) The amounts are shown gross of marginal costs to the Parent Company of Euro 13,283 thousand (Euro 13,203 thousand at 30/09/2022)

Parent Company

The relations with the Parent Company, RAI, at 30 September 2023, mainly regard the Service Contract renegotiated on 31 July 2014 and amended in December 2019 in certain contractual terms and conditions, which relates to the provision of new integrated network services by the Company, the RAI supply agreement (regarding personnel administration, general services, IT systems, administration and treasury and the research and technological innovation centre), the lease and supply contract of connected services by RAI, the domestic tax

consolidation, the VAT legislation consolidation and an agreement for an intercompany current account agreement used to deal with residual payments.

Senior Management

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

Other Related Parties

The Company has dealings of a commercial and social security nature with other Related Parties and in particular with:

- San Marino RTV which provides transmission services and receives transmission services from Rai Way;
- Supplementary pension funds for employees and executives.

Events subsequent to 30 September 2023

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

Rome, 14 November 2023

on behalf of the Board of Directors

The Chairman

Giuseppe Pasciucco

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

The manager in charge of preparing the corporate accounting documents of Rai Way S.p.A., Adalberto Pellegrino, declares, pursuant to Art. 154- bis, paragraph 2 of the Consolidated Finance Act, that the accounting information contained in this Interim financial report as at 30 September 2023 corresponds to the supporting documentation, accounting books, and records.

Rome, 14 November 2023

Adalberto Pellegrino

The Manager in charge of preparing
the corporate accounting documents