



Press Release

RAI WAY APPROVES THE 2022 DRAFT FINANCIAL STATEMENTS

All economic indicators improving; Adjusted EBITDA up 5.7% despite more than 70% increase in electricity costs; further marked growth in Adjusted EBITDA expected in 2023

- **Key results for the year ended 31 December 2022 (vs 31 December 2021):**
 - **Core revenues of € 245.4m (+6.7%)**
 - **Adjusted EBITDA¹ of € 151.0m (+5.7%)**
 - **Operating profit (EBIT) of € 103.8m (+14.0%)**
 - **Net profit of € 73.7m (+12.7%)**
- **Investments² of € 80.2m (€ 85.0m in 2021)**
- **Recurring cash generation³ of € 93.4m**
- **Net debt of € 105.0m (87.9m in 2021)**
- **Proposed the distribution of the entire 2022 Net income, equal to a dividend of 27.45 €cent/share and a dividend yield of 4.9%⁴**
- **Proposed new authorization to the Shareholders' Meeting for the purchase and disposal of treasury shares**

¹ The Company assesses performance also on the basis of certain measures not considered by IFRS. Set out below is a description of the components of the indicators that are important for the Company:

. EBITDA (earnings before interest, taxes, depreciation and amortization): this is calculated as profit before income taxes, depreciation, amortization, write-downs and financial income and expenses.

. Adjusted EBITDA: this is calculated as profit before income taxes, depreciation, amortization, write-downs, financial income and expenses and non-recurring expenses/income.

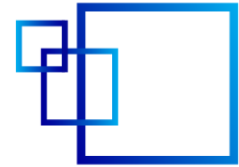
. EBIT (earnings before interest and taxes): this is calculated as profit before income taxes and before financial income and expenses.

. Net Debt: the format for the calculation of Net Debt is the one provided in paragraph 127 of CESR Recommendation 05-054b, which implements Regulation (EC) no. 809/2004.

² Excluding investments related to the application of new IFRS 16 Accounting Standard, equal to €7.4m in 2022. Investments in 2022 include € 4.6m related to fiber IRU, reported under IFRS-16 financial liabilities in the financial statement.

³ Recurring cash generation calculated as Adjusted EBITDA – Leases – Net Financial Charges (excluding lease component) – Normalised P&L Taxes – Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) and financial charges on leasing contracts

⁴ Dividend yield based on the closing price recorded on 15 March 2023 on MTA Stock Exchange managed by Borsa Italiana (5.62 €/share)



Rome, 16 March 2023 - The Board of Directors of Rai Way S.p.A. ("Rai Way" or the "Company"), met today under the chairmanship of Maurizio Rastrello, examined and unanimously approved the Company's draft of the financial statements for the year ended 31 December 2022.

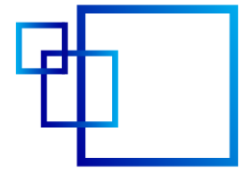
Aldo Mancino, CEO of Rai Way, stated: *"We are extremely satisfied with the operational and financial performance in 2022: we were able to cope with the severe pressure on energy prices – resulting in an increase of more than 70% in our second largest cost item - while preserving the growth trajectory of all indicators through development activities and a strong focus on costs. The agreements for the transition to the new digital TV have been successfully fulfilled; the interest of local broadcasters in our new regional networks has driven growth in the business with third-party customers; we have started the deployment of the new network of edge assets and services, reinforcing our conviction that these infrastructures will be a key enabler of the country's ongoing digital transition process. Furthermore, the progress in our Sustainability Plan is progressively improving the Company's ESG profile. For 2023, the business model, the further effects of development activities and the expected normalization in energy prices will contribute to a marked acceleration in our EBITDA"*.

Key Results at 31 December 2022

The 2022 results reflect the contributions of the various development initiatives in the TV broadcasting business and cost control, which drive growth in revenues, Adjusted EBITDA and recurring cash generation.

In relation to activities for RAI, 2022 recorded the substantial completion of the DTT networks' upgrade. In line with the terms of the agreement signed in December 2019 ("refarming agreement"), during the year the new macro-regionalized MUX became operation and the transition of the national MUXes to DVB-T2 technology was finalized.

With regard to activities for Third-party customers, as part of the refarming process, in 2022



the roll-out of the regional DTT television networks in Lombardy, Piedmont, Veneto, Friuli Venezia Giulia, Puglia and Basilicata, Sicily and Lazio was completed and the transmission capacity rental service for local broadcasters was launched. In the Tower Rental segment, it is worth noting - in line with the objectives and actions of the Company's Industrial Plan - the renewal of the multi-year hosting contract with one of the main MNO customers, the signing of a framework agreement with a new mobile operator, as well as the positive growth dynamics of the business with Fixed Wireless and radio operators.

In addition, the Company made further progress in the design, permitting and procurement activities aimed at i) building a network of distributed and interconnected data centers enabling *continuum computing* (centralized storage and low-latency at the edge), and ii) developing - by leveraging the new edge infrastructure - a media distribution platform, along with the enhancement of the internal organizational structure ahead of the next roll-out and commercialization phase. Specifically, in 2022, the construction of the first five edge data centers was awarded and the final design of a further five completed, the authorization process for a hyperscale data center started, while the procurement procedure for the technological component of an edge video delivery network is underway. Meanwhile, also to interconnect the new distributed assets, the upgrade of Rai Way's backbone is underway, providing the Company - once completed - with a proprietary fiber network of approximately 5.500 km across the country.

The Company's **core revenues** amount to € 245.4 million for the year ended 31 December 2022, an increase of 6.7% over € 229.9 million reported in 2021, also as a result of indexation to inflation. Revenues from RAI, equal to € 210.5 million, also benefit from the increase driven by refarming activities (effective from the second half of 2021), as well as a one-off contribution of € 2.0 million. Revenues from third-party customers amount to € 34.9 million, up 13.6% driven by the contribution of the new regional digital terrestrial networks.

Adjusted EBITDA amounts to € 151.0 million, an increase of 5.7% over € 142.9 million in 2021. This growth is the result of higher revenues and operating costs which, net of the negative impact of over € 8 million resulting from the increase in energy prices and certain non-recurring benefits, remained substantially stable compared to the previous year. The margin



on revenues reached 61,5% (compared to 62.2% in 2021). Considering the absence of non-recurring expenses in 2022 (€ 0.4 million in 2021), **EBITDA** amounts to € 151.0 million, representing an increase of 5.9% over € 142.6 million reported in 2021.

Operating profit (EBIT) amounts to € 103.8 million, rising 14.0% over € 91.1 million in 2021, also benefiting from the full depreciation of DVB-T transmission equipment.

Net profit amounts to € 73.7 million, an increase of 12.7% compared to the 2021 results, when - including a one-off tax relief⁵ of € 1.0 million - it stood at € 65.4 million.

In 2022, **investments**⁶ amount to € 80.2 million, of which € 62.8 million relate to development activities (€ 85.0 million in 2021, of which € 70.7 million in development and M&A activities). This level includes, in addition to the progress of refarming activities for RAI, the roll-out of the regional DTT networks and the initial investments related to the new infrastructure under deployment and the upgrade of the fibre-optic backbone.

Net invested capital⁷ amounts to € 281.2 million, with **net debt** closing at € 105.0 million (including the impact from the application of the new IFRS-16 accounting standard for € 40.1 million) compared to € 87.9 million as of 31 December 2021. Net of development investments and dividend payments, **recurring cash generation**⁸ amounted to € 93.4 million.

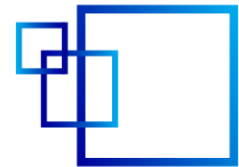
On the sustainability front, the Company continued to work along the guidelines of its Sustainability Plan. Among the most significant goals achieved during the year, the further reduction in energy consumption (approx. -15 GWh per year compared to 2020) and the adoption of a model aimed at promoting strict environmental, social and ethical standards for suppliers, including a specific corporate policy on Sustainable Supply Chain.

⁵ The tax relief relates to the € 1 million increase in the maximum limit granted for State aid applied to the calculation of IRAP for the 2020 financial year pursuant to the Support Decree of 22 March 2021 and the Relaunch Decree of 19 May 2020

⁶ Excluding component related to IFRS-16 Leasing

⁷ Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets

⁸ Recurring cash generation calculated as Adjusted EBITDA – Leases – Net Financial Charges (excluding lease component) – Normalised P&L Taxes – Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) and financial charges on leasing contracts



Proposal for the allocation of profit for the year

The Board of Directors of Rai Way adopted a resolution at today's meeting to propose to the Shareholders' Meeting - scheduled for April 27, 2023 in single call - the allocation of the net income for 2022 to dividend to Shareholders for an amount of approx. € 73.7 million and to "Retained earnings reserve" for an amount of approx. € 21,110. Consequently, the proposal envisages - taking into account the 3,625,356 treasury shares in portfolio whose right to dividend is attributed proportionally to the other shares⁹ - the payment of a total gross dividend of € 0,2745 per each outstanding ordinary share, to be paid on 31 May 2023 and with record date (the date which determines the Shareholders entitled to receive the dividend) set at 30 May 2023, with the share going ex-dividend on 29 May 2023 on detachment of coupon no. 9.

Outlook

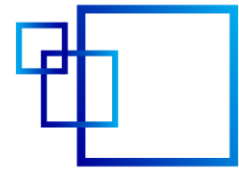
For the financial year 2023, the Company expects:

- Adjusted EBITDA growth rate in the mid-teens (based on current electricity price forecasts for 2023);
- Maintenance investments in line with the previous year; development investments substantially in line with 2022 but with a different RAI-third parties mix.

Proposal to the Shareholders' meeting to authorize the purchase and disposal of treasury shares following the revocation of the previous authorization

The Board of Directors has resolved to propose to the above mentioned Shareholders' Meeting - following the revocation of the authorization approved on April 27, 2022 - to reauthorize the purchase, for the period of eighteen months following the date of the Shareholders' Meeting approval and on one or more tranches and also through intermediaries, of treasury shares up to a maximum number of shares not exceeding 10% of the *pro tempore* share capital, at a price that shall be neither lower nor higher by more than

⁹ Pursuant to art. 2357-ter of the Italian Civil law

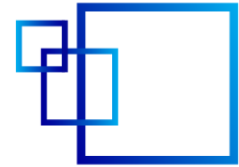


20% of the official stock exchange price recorded by Borsa Italiana S.p.A. in the session preceding each individual transaction or in the session preceding the date of the announcement of the transaction - depending on the technical procedures identified by the Board of Directors - by any of the means permitted by applicable rules (laws or regulations, national or European) in force with respect to the subject matter, excluding the faculty of purchasing treasury shares through the purchase and sale of derivative instruments traded on regulated markets that entail the physical delivery of the underlying shares, which purchase may be, possibly, carried out also according to applicable market practices permitted by Consob.

All the above in order to enable the Company to continue to have at its disposal an important instrument of flexibility, which might be used for:

- investing liquidity in the medium and long term, or for purposes of optimizing the structure of the share capital or in any case for taking advantage of market opportunities;
- limiting, in accordance with the provisions in force, unusual movements in quotations and regularizing trends in trading and prices in situations of temporary distortions due to an excess of volatility or a low level of trading liquidity;
- creating a portfolio of treasury shares that can then be deployed for uses deemed to be the interest of the Company, including the servicing of stock incentive plans or the issuing of bonus shares to shareholders.

Simultaneously, the proposal will also be made – again, following the revocation of the authorization already approved by the Shareholders' Meeting of April 27, 2022 – to authorize, without time limit, the disposal also through intermediaries, of treasury shares purchased according to the above terms, or already held by the Company, even before having fully exercised the authorization to purchase referred above, at a price or, in any case, in accordance with criteria and conditions established by the Board of Directors, having regard to the procedures actually deployed, the trend in share prices in the period preceding the transaction and the best interest of the Company, in accordance with the purposes (including those set out above) and in any means permitted by applicable laws or regulations, national or European, in force with respect to the subject matter. Shares



serving equity incentive plans will be granted in the manner and under the terms set forth in the regulations of the related plans. For further information, reference should be made to the Report of the Board of Directors on the authorization proposal, which will be published in accordance with the prescribed procedures (including by publication on the Company's website www.raiway.it under the section dedicated to the Shareholders' Meeting) and within the prescribed time periods.

Rai Way announces that today, Thursday 16 March 2023 at 5:30pm CET, the results for 2022 will be presented to the financial community via conference call.

The presentation supporting the conference call will be made available in advance on the Company's website www.raiway.it, in the Investor Relations section.

To take part in the conference call:

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

Alternatively, please register [here](#) to receive the weblink to the event directly in your inbox and Outlook Calendar.

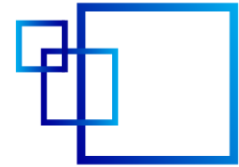
The replay of the conference call will be available after the end of the event in the Investor Relations - Events kit section of the website www.raiway.it.

The manager in charge of preparing the corporate accounting documents, Adalberto Pellegrino, declares, pursuant to article 154-bis of the Consolidated Finance Law (TUF), that the accounting information in this release corresponds to the underlying accounting documents, books and entries.

Disclaimer

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





Rai Way S.p.A.

Rai Way manages and develops the terrestrial broadcast infrastructure which carries the television and radio signals for RAI, the Italian public broadcasting company, and for local broadcaster, also providing services to its business customers.

Rai Way has an extensive experience and technological, engineering and organisational know-how in the Italian media and broadcast infrastructure market. Such a unique expertise, together with the skills and ongoing training of its around 600 employees, makes Rai Way an ideal partner for any companies and entities seeking for integrated solutions to develop their network and transmit their signals.

Rai Way operates throughout the national territory and can rely on its headquarters in Rome, 20 local network centres and more than 2,300 sites across Italy.

For more information:

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2022FY Income Statement

(€m; %)	4Q21	4Q22	FY21	FY22
Core revenues	58,2	61,1	229,9	245,4
Other revenues and income ¹	0,0	1,4	0,6	3,1
Purchase of consumables	(0,5)	(0,5)	(1,5)	(1,5)
Cost of services	(10,6)	(13,3)	(38,2)	(49,0)
Personnel costs	(13,7)	(11,9)	(45,4)	(43,7)
Other costs	(0,8)	(1,4)	(2,8)	(3,4)
Opex	(25,6)	(27,0)	(87,9)	(97,5)
Depreciation, amortization and write-downs	(13,8)	(11,4)	(50,5)	(47,2)
Provisions	(1,0)	(0,0)	(1,0)	0,0
Operating profit (EBIT)	17,8	24,0	91,1	103,8
Net financial income (expenses)	(0,1)	(0,7)	(1,2)	(2,1)
Profit before income taxes	17,7	23,3	89,9	101,8
Income taxes	(5,1)	(5,8)	(24,5)	(28,1)
Net Income	12,6	17,4	65,4	73,7
EBITDA	32,6	35,4	142,6	151,0
<i>EBITDA margin</i>	<i>56,0%</i>	<i>57,9%</i>	<i>62,0%</i>	<i>61,5%</i>
Non recurring costs	(0,4)	-	(0,4)	-
Adjusted EBITDA	33,0	35,4	142,9	151,0
<i>Adjusted EBITDA margin</i>	<i>56,6%</i>	<i>57,9%</i>	<i>62,2%</i>	<i>61,5%</i>

1) "Other Revenues and income" include tax credits related to electricity expenses



2022FY Balance Sheet

(€m)	2021FY	2022FY
Non current assets		
Tangible assets	244,5	280,8
Rights of use for leasing	31,5	33,4
Intangible assets	17,2	19,5
Financial assets, holdings and other non-current assets	1,4	0,9
Deferred tax assets	3,0	1,8
Total non-current assets	297,7	336,4
Current assets		
Inventories	0,8	0,8
Trade receivables	67,8	66,2
Other current receivables and assets	3,9	2,5
Current financial assets	0,5	1,5
Cash and cash equivalents	17,2	35,2
Current tax receivables	0,1	0,1
Total current assets	90,4	106,2
TOTAL ASSETS	388,0	442,6
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,3	38,2
Retained earnings	64,4	73,7
Treasury shares	(20,0)	(20,0)
Total shareholders' equity	165,9	176,2
Non-current liabilities		
Non-current financial liabilities	69,0	-
Non-current leasing liabilities	21,4	22,6
Employee benefits	12,3	10,0
Provisions for risks and charges	17,2	15,1
Other non-current liabilities	-	0,3
Total non-current liabilities	119,9	48,0
Current liabilities		
Trade payables	51,7	60,5
Other debt and current liabilities	35,2	38,5
Current financial liabilities	0,2	101,5
Current leasing liabilities	15,1	17,6
Current tax payables	0,1	0,4
Total current liabilities	102,2	218,4
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	388,0	442,6



2022FY Cash Flow Statement

(€m)	4Q2021	4Q2022	FY2021	FY2022
Profit before income taxes	17,7	23,3	89,9	101,8
Depreciation, amortization and write-downs	13,8	11,4	50,5	47,2
Provisions and (releases of) personnel and other funds	4,3	2,5	5,2	2,8
Net financial (income)/expenses	0,0	0,7	1,0	1,9
Other non-cash items	0,2	0,9	0,3	1,1
Net operating CF before change in WC	36,1	38,7	146,9	154,8
Change in inventories	0,0	0,0	0,1	0,0
Change in trade receivables	8,8	10,8	(5,5)	1,3
Change in trade payables	9,0	17,2	6,1	9,1
Change in other assets	0,9	0,3	0,7	0,8
Change in other liabilities	(5,6)	(6,4)	(0,9)	1,8
Use of funds	(1,8)	(1,9)	(2,1)	(2,9)
Payment of employee benefits	(1,3)	(0,8)	(3,7)	(3,1)
Change in tax receivables and payables	(0,1)	(0,8)	(0,1)	(0,9)
Taxes paid	(2,4)	(1,0)	(24,2)	(23,9)
Net cash flow generated by operating activities	43,5	56,3	117,4	137,0
Investment in tangible assets	(26,3)	(28,1)	(79,4)	(68,9)
Disposals of tangible assets	0,0	0,0	0,0	0,0
Investment in intangible assets	(3,2)	(5,6)	(4,6)	(6,7)
Disposals of intangible assets	(0,0)	0,0	-	0,0
Change in other non-current assets	0,0	0,2	0,1	0,2
Change in holdings	0,5	-	0,5	-
Change in non-current financial assets	(0,0)	(0,1)	0,1	-
Business combination	-	-	(1,0)	-
Net cash flow generated by investment activities	(29,0)	(33,7)	(84,3)	(75,4)
(Decrease)/increase in medium/long-term loans	13,0	(32,0)	53,9	-
(Decrease)/increase in current financial liabilities	(15,9)	31,7	(0,7)	31,9
(Decrease)/increase in IFRS 16 financial liabilities	(0,7)	(2,1)	(8,4)	(9,0)
Change in current financial assets	0,1	0,0	0,1	(0,3)
Net Interest paid	(0,3)	(0,4)	(0,8)	(1,1)
Dividends paid	(0,0)	(0,2)	(64,0)	(65,2)
Net cash flow generated by financing activities	(3,9)	(3,0)	(19,9)	(43,7)
Change in cash and cash equivalent	10,7	19,6	13,2	17,9
Cash and cash equivalent (beginning of period)	6,5	15,6	4,1	17,2
Cash and cash equivalent (end of period)	17,2	35,2	17,2	35,2