2024-2027 Industrial Plan

2023FY results and 2024-27 Industrial Plan Analyst Call

26th March 2024

Disclaimer

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements regarding future events and the future results of Rai Way that are based on current expectations, estimates, forecasts, and projections about the industries in which Rai Way operates, as well as the beliefs and assumptions of Rai Way's management. In particular, certain statements with regard to management objectives, trends in results, margins, costs, rate of return and competition tend to be forward-looking in nature. Words such as "expects", "anticipates", "targets", "goals", "projects", "intends", "plans", "believes", "seeks" and "estimates", variations of such words and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Therefore, Rai Way's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. They are neither statements of historical fact nor guarantees of future performance. Rai Way therefore cautions against relying on any of these forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, the impact of competition, political, economic and regulatory developments in Italy. Any forward-looking statements made by or on behalf of Rai Way speak only as of the date they are made. Rai Way undertakes no obligation to update any forward-looking statements to reflect any changes in Rai Way's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Rai Way speakers

Roberto Cecatto, Chief Executive Officer

Adalberto Pellegrino, Chief Financial Officer

Giancarlo Benucci, Chief Corporate Development Officer

Agenda

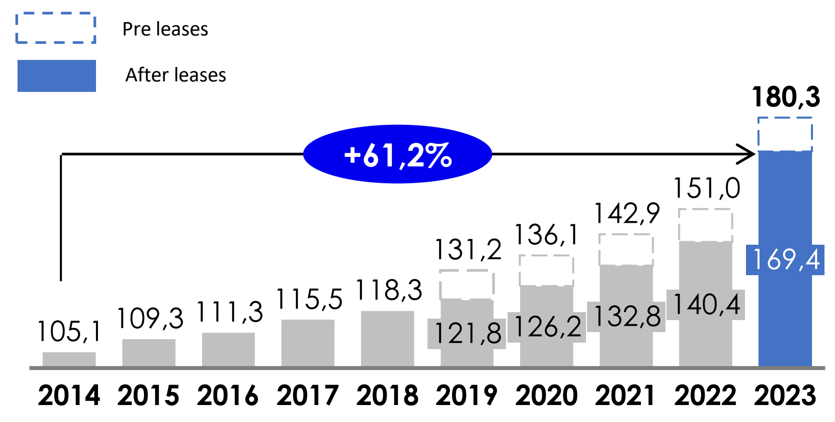
2023FY results

2024-2027 Industrial Plan

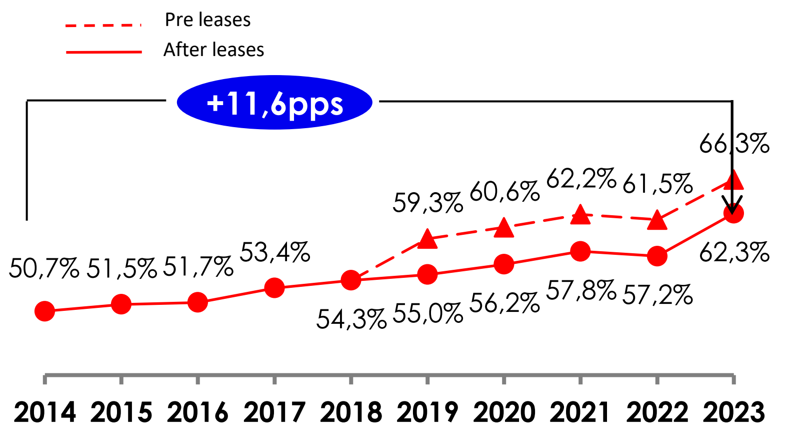
Marking the ninth consecutive year of steady growth

Mln Eur; %

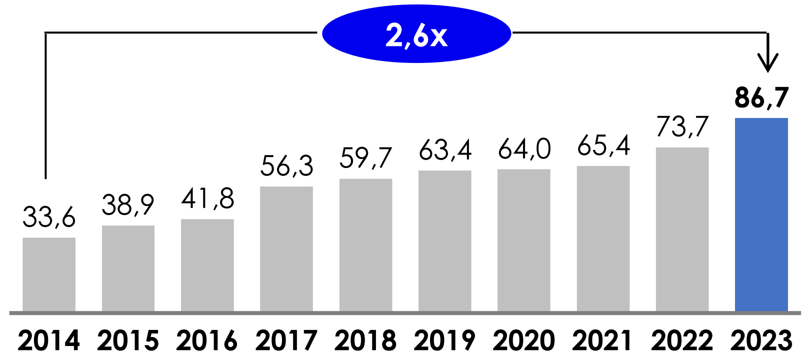
Adj. EBITDA (pre and after leases[1])



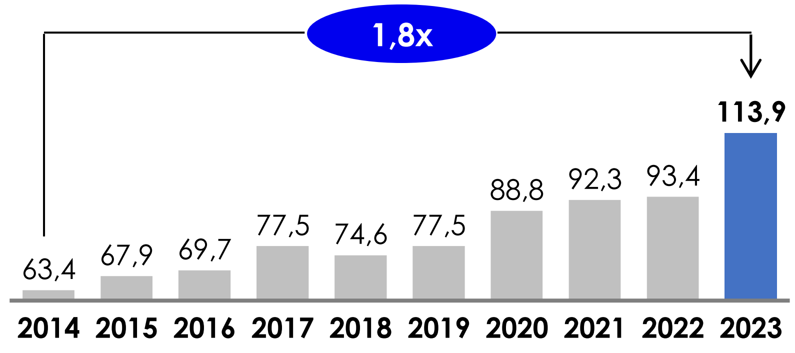
Adjusted EBITDA margin (pre and after leases[1])



NET INCOME



RECURRING FCFE[1,2]



1) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. Figure for 2021 restated to exclude a € 1 mln one-off tax benefit
2) Leases impact estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

Key messages on 2023

FINANCIAL RESULTS

- **4Q confirmed the healthy performance of the 9M leading to:**
  - **Core Revenues up 10,8%** (or >12% excluding non-recurring impacts) mainly driven by CPI-link and regional refarming; ~20% growth of Third-parties contribution
  - **Adjusted EBITDA up 19,4%** (margin +475bps at 66,3%) in line with guidance, supported by top-line growth, significant reduction in energy bill and firm cost control on other items
  - Development capex at €46m (Third-Party portion >70%), with a marked **acceleration in 4Q**
  - **Recurring cash generation up >20%** at € 114m
- 32,22 €/cent **dividend** proposed to the AGM, equal to 99,7% pay-out and 6,7% dividend yield(1)

OPERATING UPDATE

- Following confirmed Board support, **all diversification projects underway**; Hyperscale authorization process **moved to next stage**
- Tower hosting benefitting from healthy demand from **FWAPs** and **radio** broadcasters
- **Debt refinancing** finalized
- 88% of 2021-23 Sustainability Plan's initiatives successfully completed enabling further **enhancement of Company's ESG profile**

OUTLOOK

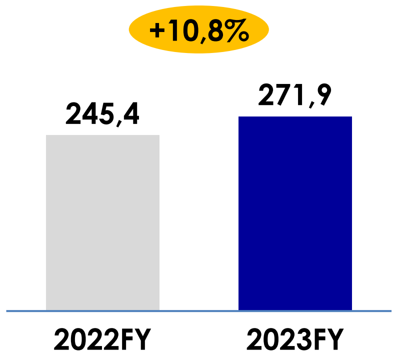
- Adjusted EBITDA to keep **growth trajectory in 2024**, despite new infra-related costs and lack of energy tax credit
- Development capex level in line with 2023

1) Dividend yield based on market closing price on 22/03/2024 (4,8 €/share)

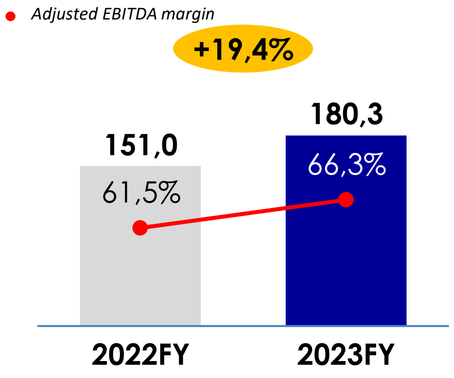
2023FY Financial highlights

Mln Eur; % — % YoY growth

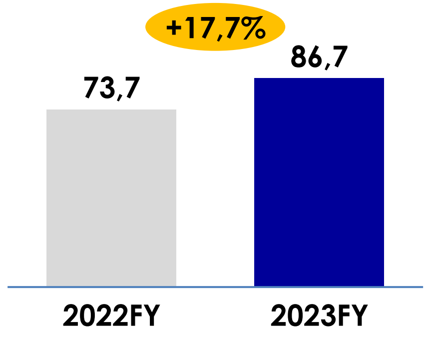
Core Revenues



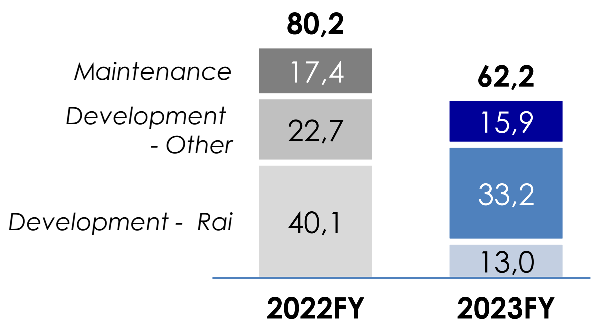
Adjusted EBITDA



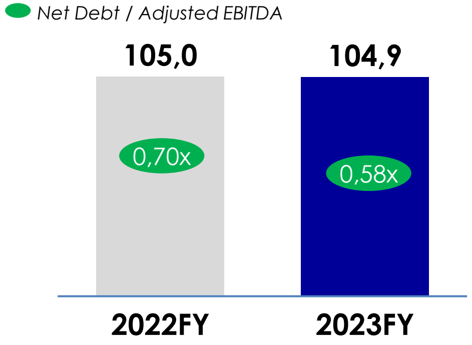
Net Income



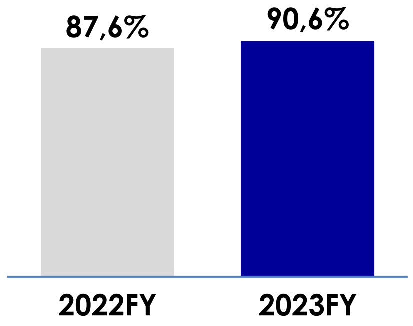
Capex(1)



Net debt (Net Cash)

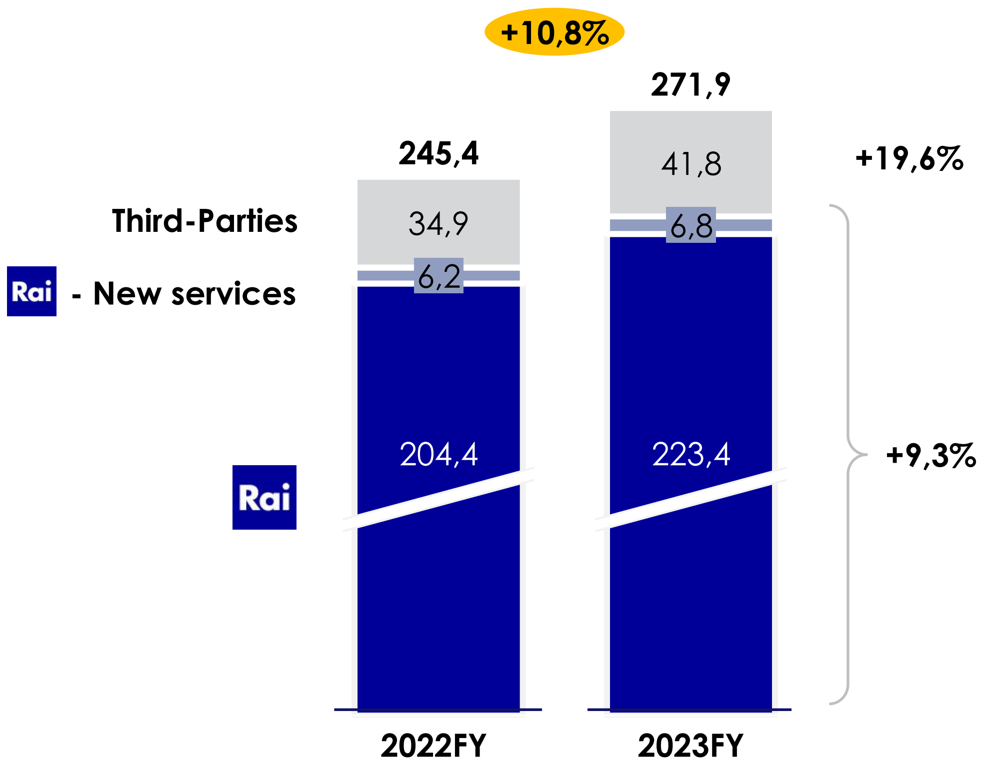


Cash conversion(2)



1) Capex excluding component related to IFRS-16 leasing. Development capex figure include € 4,8 million related to fiber IRU, reported under IFRS-16 financial liabilities in the financial statements
2) Cash conversion = (Adj. EBITDA after Leases – Maintenance Capex) / Adj. EBITDA after Leases. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

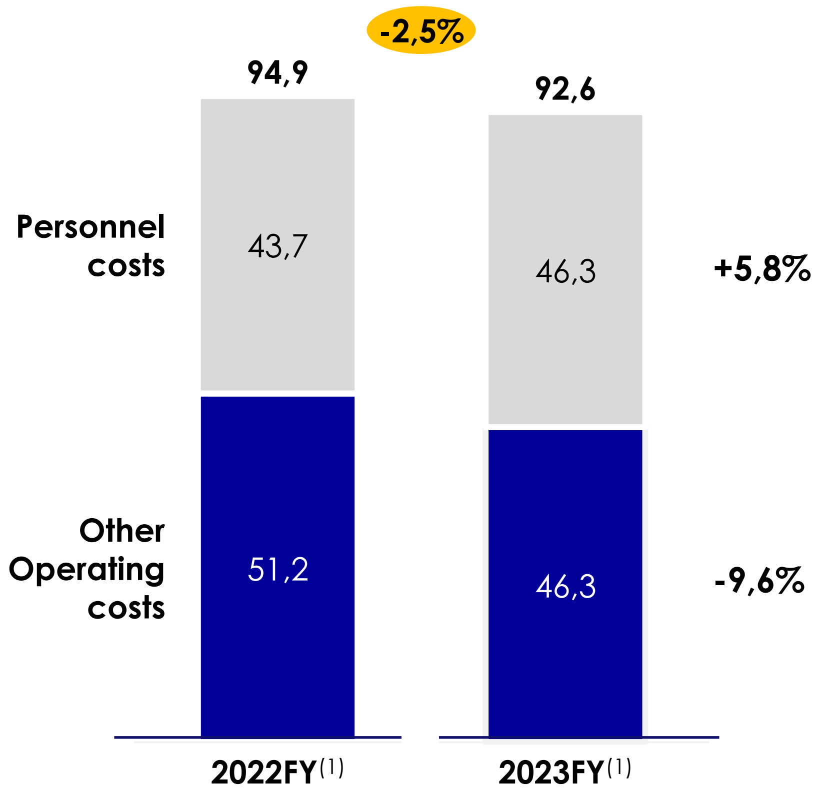
Core Revenues



- Excluding non-recurring impacts (e.g. termination of a minor radio service in 3Q22):
  - **RAI fixed consideration** up in line with **CPI**
  - **New services to RAI up by approx. 15%** benefitting from CPI-link and a number of small-size projects (e.g. DAB coverage extension, signals transport, …)

- **Third-parties up by approx. 20%** driven by **regional refarming, inflation escalator** and healthy performance of **FWAPs** and **radio broadcasters** (both at ca. +20%)

OpEx (excluding non-recurring)



- Excluding non-recurring benefits reported in 2022 and some non-core components, relatively stable underlying personnel cost (and headcount)
- Approx **10% reduction** of **Other Operating costs:**
  - **energy bill down 37% vs. 2022** as a result of sharp **price decline** (despite lower tax credit and incentives on ancillary tariff component) and **consumption efficiency** (-11%)

	2022FY	2023FY	Δ
Raw energy(1) price	257	134	-48%
Tax credit impact (equivalent per MWh)	-34	-18	
Ancillary components (equivalent per MWh)	45	75	
Total price (equivalent per MWh)	**268**	**190**	**-29%**
Consumption	**75,8**	**67,4**	**-11%**
Energy bill	**20,3**	**12,8**	**-37%**

  - underlying trend of **other cost items up** 6,6%

1) OpEx net of tax credits related to electricity expenses

P&L

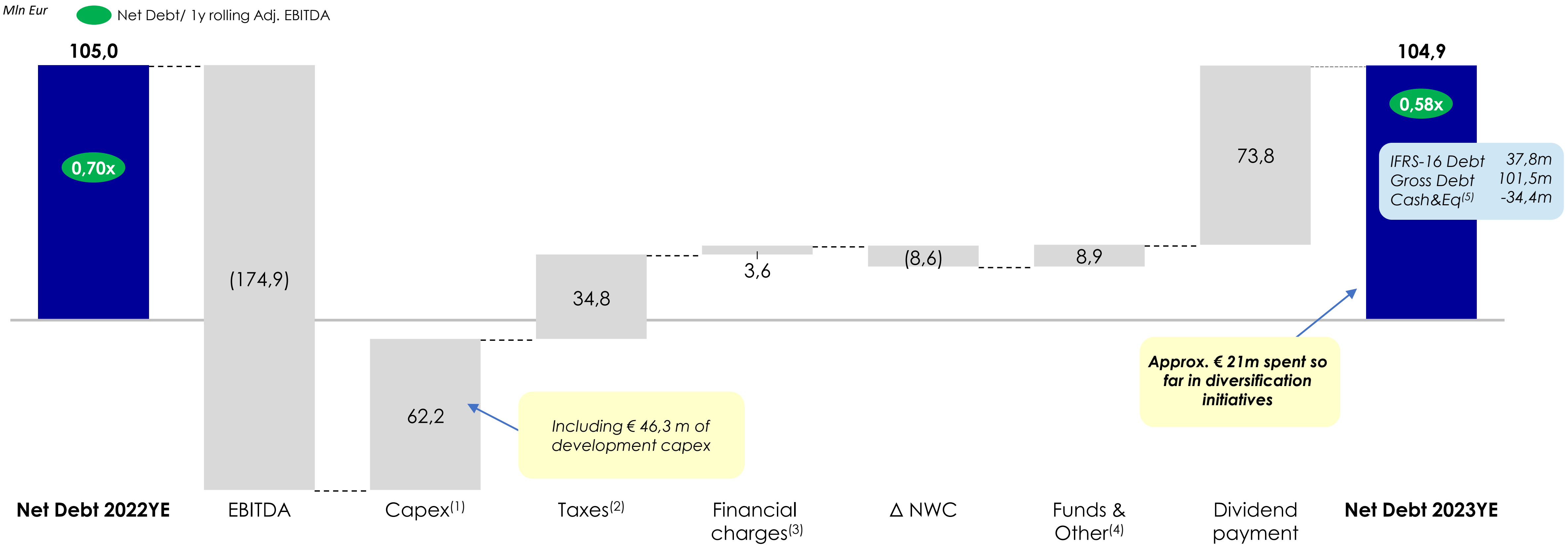
Eur Mln, %	4Q2022	4Q2023	% YoY	2022FY	2023FY	% YoY
Core Revenues	**61,1**	**67,8**	**11,1%**	**245,4**	**271,9**	**10,8%**
Other Revenues & income[1]	0,1	0,5		0,5	0,9	
Adj. EBITDA	**35,4**	**41,9**	**18,4%**	**151,0**	**180,3**	**19,4%**
% margin	*57,9%*	*61,8%*		*61,5%*	*66,3%*	
Non recurring costs	0,0	-1,7		0,0	-5,3	
EBITDA	**35,4**	**40,2**	**13,6%**	**151,0**	**174,9**	**15,8%**
% margin	*57,9%*	*59,2%*		*61,5%*	*64,3%*	
D&A[2]	-11,4	-14,7	29,3%	-47,2	-49,0	3,7%
Operating Profit (EBIT)	**24,0**	**25,5**	**6,1%**	**103,8**	**126,0**	**21,3%**
Net financial income (expenses)	-0,7	-1,6	118,3%	-2,1	-4,5	118,2%
Profit before Income taxes	**23,3**	**23,9**	**2,7%**	**101,8**	**121,5**	**19,4%**
Income Taxes	-5,8	-7,0	19,7%	-28,1	-34,8	23,8%
% tax rate	*25,1%*	*29,3%*		*27,6%*	*28,6%*	
Net Income	**17,4**	**16,9**	**-3,0%**	**73,7**	**86,7**	**17,7%**

1) Other Revenues and income net of tax credit related to electricity expenses
2) Including provisions

2023FY Net Income up by 17,7% at € 86,7m despite €5,3m non-recurring costs:

- Significantly higher EBITDA (+19,4%) and profitability (+475bps vs 2022)
- Higher D&A following investment activity and provisions
- Financial charges more than doubling reflecting higher interest rates
- Tax rate back to normal level (2022 positively impacted by one-off)

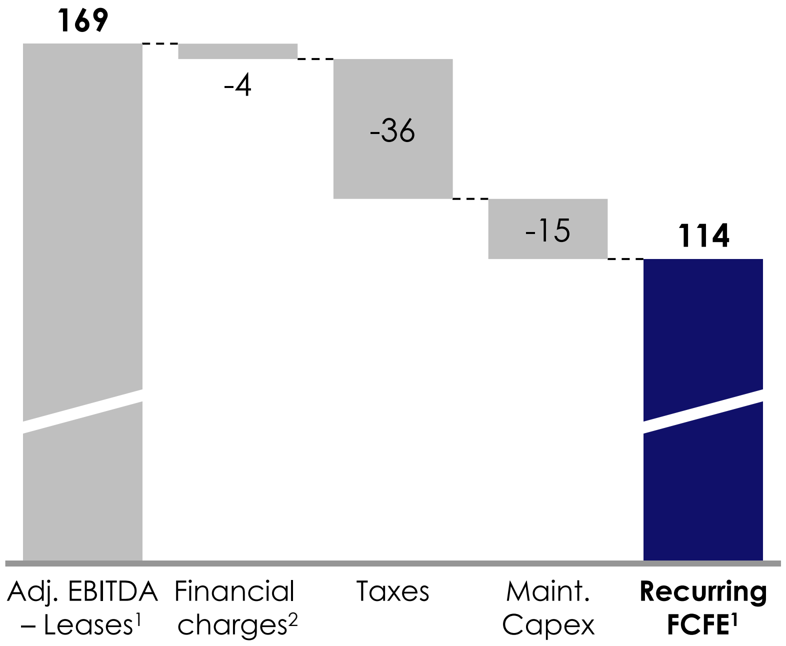
Net Debt bridge



2023 recurring FCFE[6] at ca. € 114m

1) Excluding component related to IFRS-16 leasing; development capex include € 4,8 million related to fiber IRU, reported under IFRS-16 financial liabilities in the financial statements
2) P&L taxes
3) P&L financial charges excluding interests on employee benefit liability and interests on leasing contracts;
4) Including renewal of leasing contracts and interests on leasing contracts;
5) Including current financial assets
6) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges (excl. IFRS-16 component) – P&L Taxes (adjusted to exclude benefits from non-recurring opex) – Recurring Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

2023 Recurring cash generation and dividend proposal



Dividend proposal

- Dividend proposal of 32,22 €cent/share (pay-out ratio of 99,7% of Net Income), with a dividend yield(4) of 6,7%
- Including the proposed dividend for 2023, approx. € 582m distributed to Shareholders since listing (72,5% of IPO market cap)

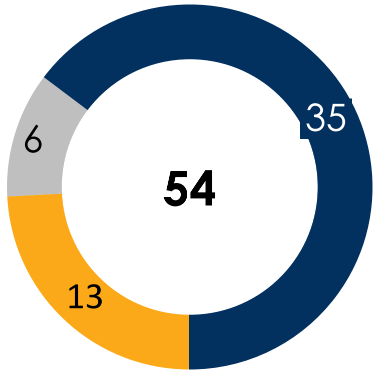
1) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts
2) P&L financial charges excluding interests on employee benefit liability and interests on leasing contracts
3) Development capex include € 4,8 million related to fiber IRU, reported as IFRS in the financial statements
4) Dividend yield based on market closing price on 20/03/2024 (4,79 €/share)
5) Dividend proposal

Sustainability Plan 2021-2023: targets achieved

Sustainability Plan 2021-2023

Strategic Guidelines	**6**
Objectives and target	**20+16**
Operational initiatives	**54**

- Increased coverage of the entire DTT network as part of the **refarming process**
- **- 26.4%** of EE consumption vs. 2020 values
- **100%** purchased **renewable energy**
- **Gender Equality Certification**
- **Sustainable Supply Chain Policy**



88% of completed initiatives (including recurring/compliance initiatives)

11% of initiatives to be completed within the 2024-2027 Sustainability Plan

81% of quantitative targets achieved

ESG Rating

CDP DISCLOSURE INSIGHT ACTION
Feb. 2024
Score: **A-**
Previously B- Management

MSCI
Feb. 2024
Score: **BBB**
Previously BBB

S&P Global
Gen. 2024
Score: **46/100 73°**
Previously 53/100 81°

SUSTAINALYTICS a Morningstar company
Mar. 2023
Score: **10,9 – Low risk**
Previously 6,6 - Negligible

INTEGRATED GOVERNANCE INDEX
Jun. 2023
Score: **57/98 – 41,8/100**
Previously 44/86 [45,5/100]

Outlook for 2024

- Outlook based on current level of power futures for 2024[1]

Adjusted EBITDA	***Further growth of Adjusted EBITDA although limited by new infra costs and lack of energy tax credits***	- CPI-link (+0,7% for RAI contract) - Rising contribution from DAB extension and regional refarming - Higher expected energy tariff due to lack of tax credits[1] - Costs related to new infrastructure/services, partially offset by lower other opex
Capex	• ***Maintenance capex on sales slightly above recurring normalized level*** • ***Development capex in line with 2023 level***	- Maintenance includes extraordinary renovation of some towers - Large majority of development capex devoted to diversification and other Third-Party / internal projects

1) Average level of raw energy price for FY2024 (excluding spread, green energy option and effect of tax credits) assumed at ca. 95 €/MWh. Total average energy tariff (equivalent per MWh, including raw energy, spread, green option and ancillary components) assumed at ca. 203 €/MWh

Agenda

2023FY results

2024-2027 Industrial Plan

1. Assets and Market Analysis

Industrial positioning to support value, priorities to support execution

Asset portfolio

Market trends

Company value levers

Strategic pillars
Combining broadcast with extension in media distribution and digital infrastructure

Initiatives
to reach strategic goals

Priorities
for a successful execution

Industrial Plan compatible with both stand-alone and consolidation scenarios

Key levers to unlock Rai Way's full pontential addressed

Pillars of Rai Way's equity story

Revenue predictability
granted by strong backlog

Protection from macro headwinds

Best-in-class profitability

Record cash generation
compared to industry levels

Generous dividend payout

Growth and capital deployment opportunities

2024-27 Industrial Plan: addressed value levers

Industrial Plan pillars

Strengthening traditional business	Cash generation enhancement
Value-creating diversification	• Returns • Growth profile • Long term sustainability
External growth	• Size • Synergies • Capital structure

Best-in-class and diversified asset portfolio underpinning a leading role as media distribution services and integrated digital infrastructure provider

Towers
- 2,300 broadcast towers

Broadcast networks
- 3 national MUX for RAI
- 8 regional MUXes
- 7 national radio networks for RAI

Transmission network
- 6,000km Fiber backbone
- Radio links
- Satellite systems

Data centers
- Network of interconnected edge DCs
- 1 hyperscale DC in Rome (under authorization)

Edge CDN
- Capillary CDN for low latency video/data distribution

Control Centers
- 2 NOC for transmission network and diffusion
- 1 SOC

Land & Real estate

Distributed workforce
- ~600 employees, half of which across the territory

Client portfolio
- Media, telco, corporate, and PA clients to leverage for diversification (cross selling)

- **Best broadcast infrastructure**
- **Carrier-neutral, state of the art, integrated infrastructure one-stop-shop for clients' networks and data hosting**
- **National footprint**

The latest trends in media and digital infrastructure markets confirm the rationale behind the development guidelines

Trends

Media Services

- **Video consumption** going up, driven by strong OTT platform growth
  - **Video broadcasting:** DTT resilience, confirming view on platform coexistance; broadcast network operators market structure stable following refarming conclusion
  - **Video streaming:** traffic volumes expected to keep growing as younger population increases media consumption
- **Radio:** market growing steadily post-pandemic, with sizeable opportunities to expand DAB network coverage

Digital infrastructure

Tower and hosting market still defined by growth opportunities:

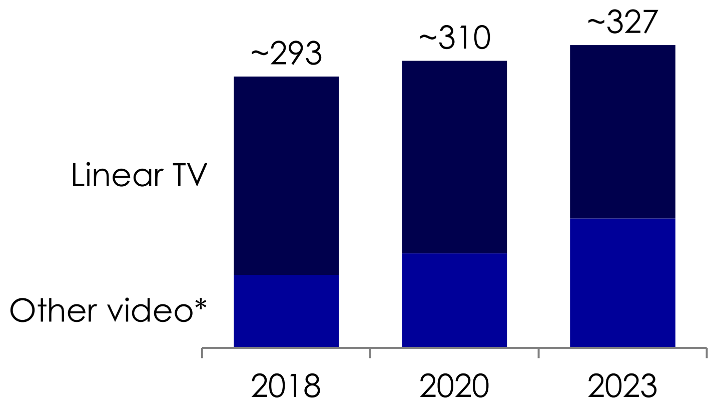
- **5G** macro network expansion ongoing (in rural areas) with polarization on captive towerco
- **FWA** network growth, helped by Piano Italia 1Giga
- Demand from **other client types** (radio x DAB, IoT, ISP, …)
- **TLC** clients **under pressure**, with risks linked to access network / operator consolidation
- **TowerCos:** established spin-off practice to leverage synergies and push to diversification

Data centers:

- **Demand growth** due to **data traffic increase**, **cloud adoption**, **new tech** (AI, IoT, Big Data) and **GDPR**; low latency applications require widespread distribution
- **Offer in Italy still limited** vs potential **fragmented,** and geographically bound

Video consumption going up, driven by OTT & mobile fruition

Video consumption (minutes/day), adults (18+) in Italy

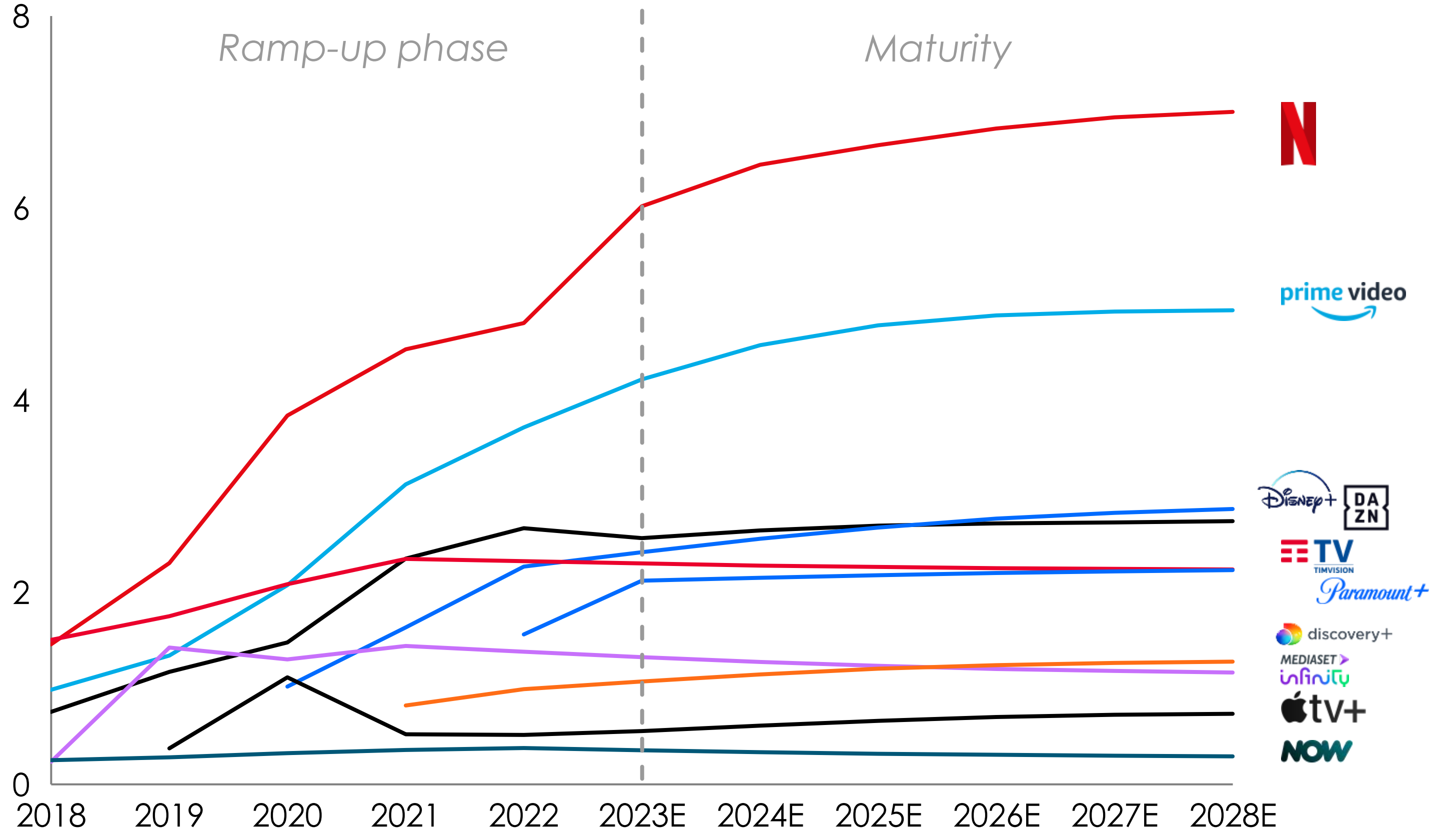


Key messages

Media consumption growth driven by OTT and mobile

Forecasted slow down in **OTT platform subscription** growth with expected player **consolidation**

Growth of streaming subscriptions in Italy (M)



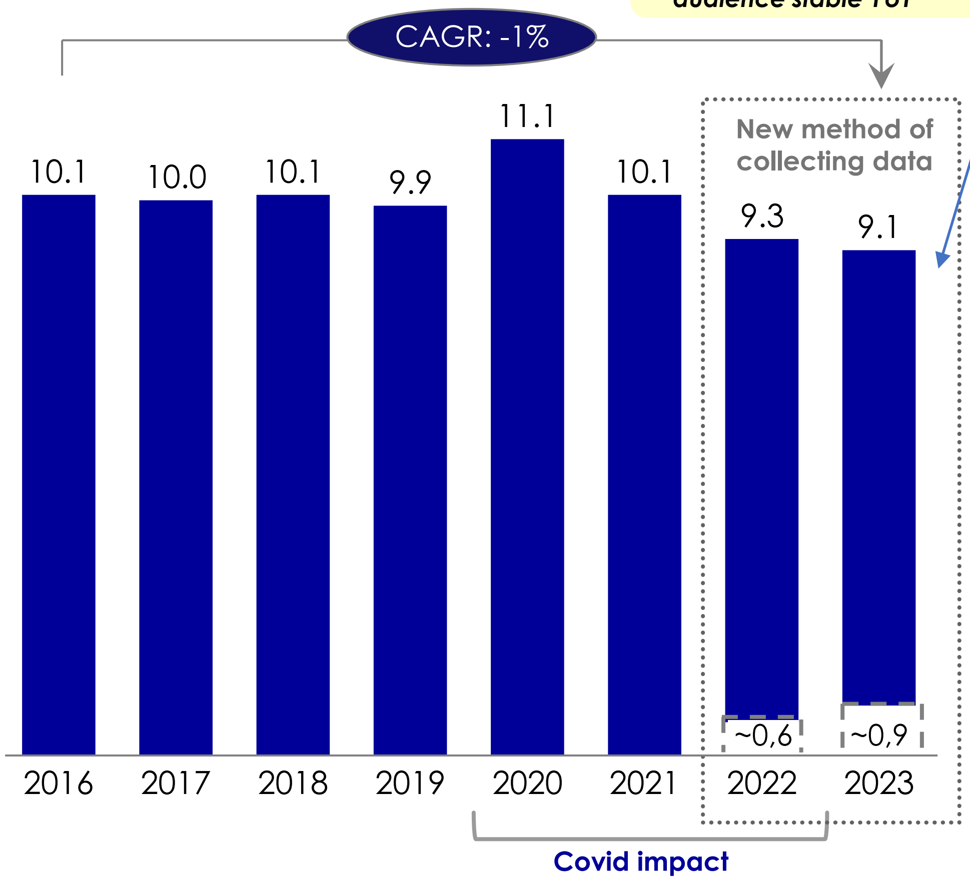
* OTT video (live streaming and VoD), online video and mobile video
Source: Ampere Nov. 2023; Media consumption in Italy (PQ Media)

Despite the period of steep uptake of OTT, linear TV did not lose relevance remaining the platform with the highest audience and adv revenues

TV audience evolution in Italy

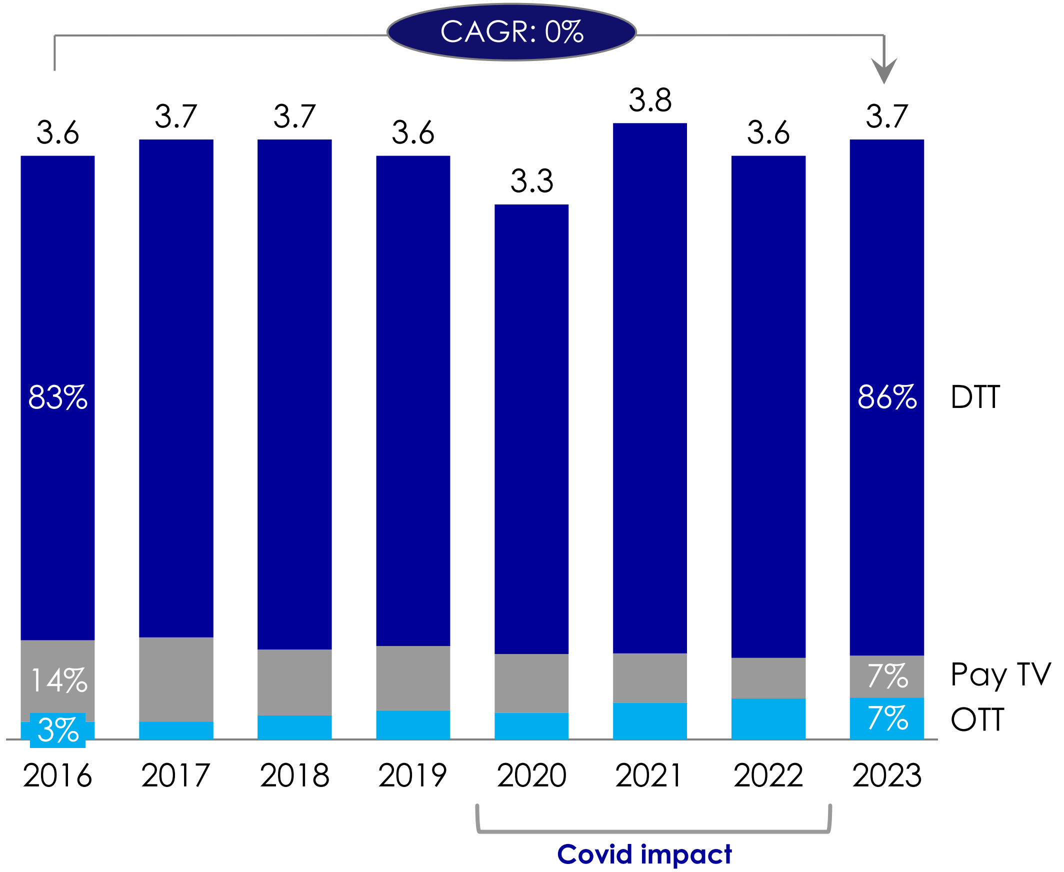
(M viewers, DTT+sat; FTA+pay)

- *1H22 still impacted by Covid*
- ***In 2H23 and beginning of 2024 audience stable YoY***



Video adv revenue share in Italy

(B€)



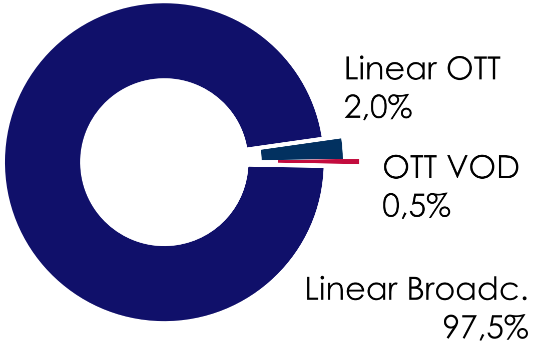
1. New way of collecting data (from May '22) to avoid double counting audience watching connected TV online
Source: Rai on Auditel figures

A long-term view where platforms coexist remains the most likely option

Content / Platform Polarization

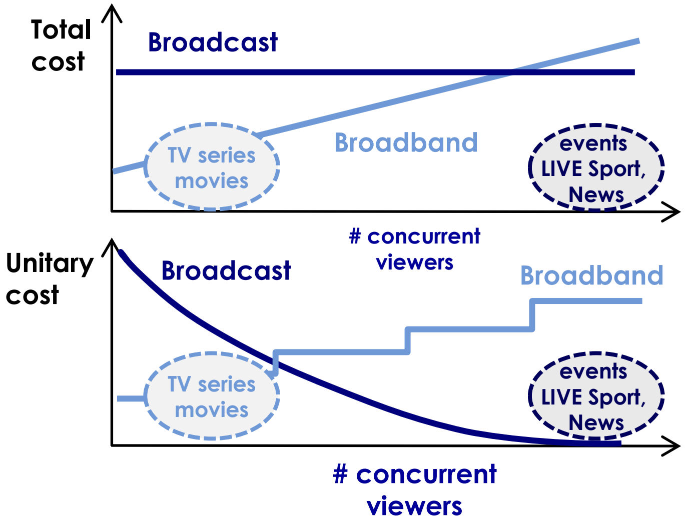
How Sanremo 2022 was viewed

Total Time Spent (TTS)



Broadcast for linear viewing vs OTT for on demand

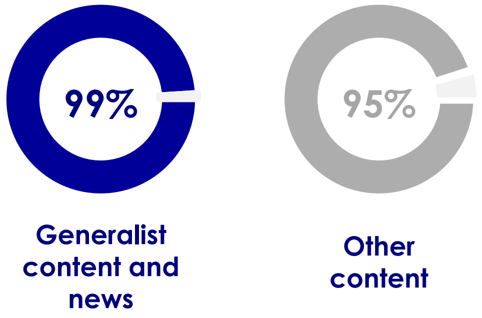
DTT efficiency for linear distribution



Public service requirements

Public service obligations

% coverage to be guaranteed



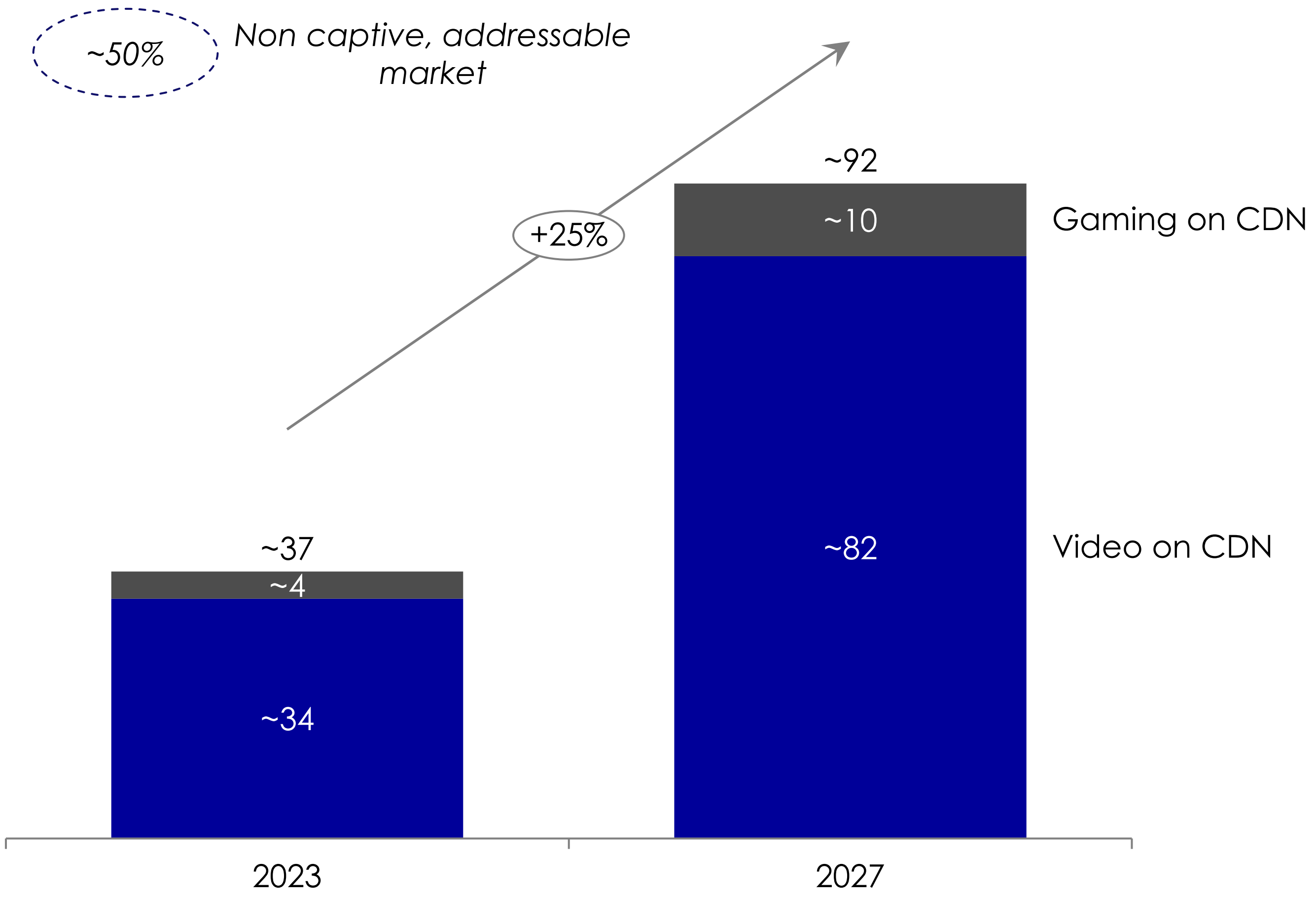
Validation of multiplatform strategy in the RAI-State Service Contract with commitment to improve coverage

Broadcasting market characterized by stable relationships between network operators and TowerCos; MUX12 still to be allocated

	Content providers /channels	Network operators: Frequencies	Network operators: Equipment	Tower operators
DTT (National TV)	Rai	3 MUX - Rai: Rai	Rai Way	Rai Way
	Mediaset	3 MUX - Mediaset: Elettronica Industriale	Elettronica Industriale	EI Towers
	Sky, Zona DAZN	1 MUX – DFREE: Prima TV, 3	Prima TV + 3lettronica	EI Towers
	Cairo Communication, La7, La7d	1 MUX – Cairo: Cairo Network	EI Towers	EI Towers
	Sky, Discovery Communications, De Agostini Editore, Sportitalia	3 MUX – Persidera	EI Towers	EI Towers
		MUX12: To be allocated		
DTT (Regional TV)	~400 channels	8 networks in 7 technical areas (coverage >30mln people)	Rai Way	Rai Way
		15 networks in 13 technical areas (coverage ~40mln people)	EI Towers	EI Towers
DTH – Free	tivùsat [Rai, Mediaset etc.]	Rai Way for Rai	EI Towers for Mediaset	
DTH – Pay-tv	Sky	Sky		
OTT	TIMVISION TV, Infinity, prime video, NOW, Netflix, Premium Online, RaiPlay, Disney+			

Growth in video streaming and gaming fueling traffic managed by Content Delivery Networks

Forecasted CDN market volumes in Italy ('000 PB)

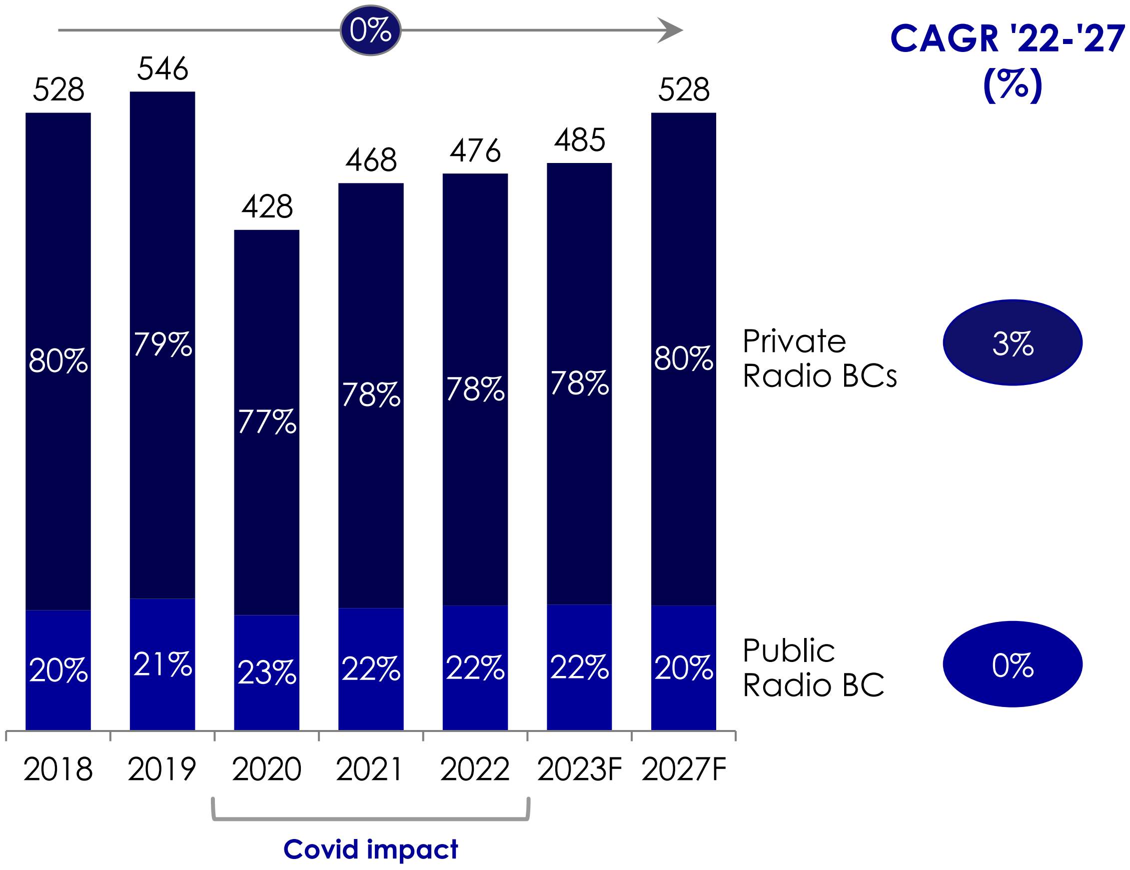


- Gaming Platforms
- eSports
- Streaming Networks
- **National Broadcasters**
- **Retail/Other Video content providers**
- **OTTs looking for a dedicated platform**

Source: PWC (Omdia 2022), VNI CISCO (2018)

Post-pandemic steady growth for radio broadcasters; opportunities for DAB network coverage enabled by frequencies availability

Radio Revenues in Italy (M€)



National DAB coverage

57%
of Italian territories covered

86%
of Italian population covered

95%
Highways covered

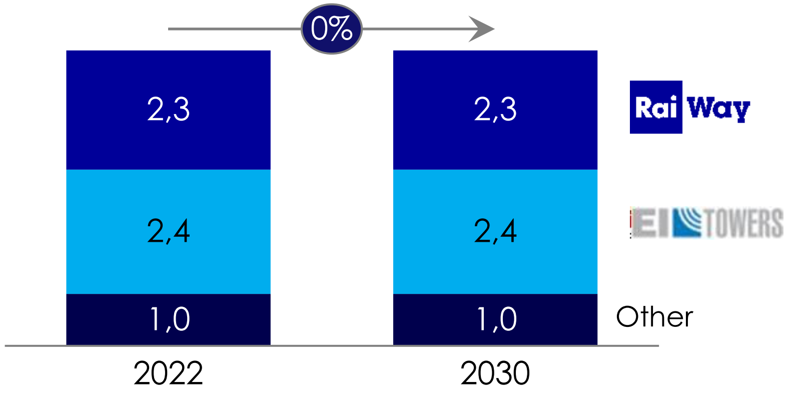
- Following frequencies availability freed up by TV refarming:
  - Public tender to award new DAB frequencies incentivizes **national networks** coverage extension
  - Deployment of **regional DAB** networks in several areas

Source: PWC, Tavolo Editori Radio (TER), Digital Radio

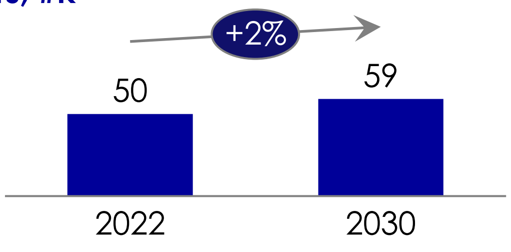
Telecommunication network rollout still guarantees hosting volume growth

Macro towers in Italy, 2022-2030

Broadcast towers, by operator, #k



Telco towers, #k



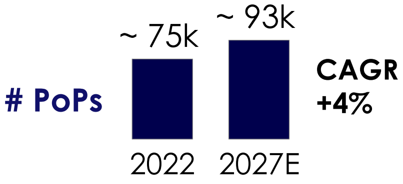
	2022		2030
Towers	~60%	% tot.	~50%
Rooftops	~40%		~50%

Clients: market trends

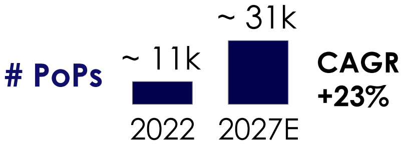
TV Broadcasters — ≈ Stable

Radio Broadcasters — Growth driven by DAB

MNOs



FWA



Other — Slight growth driven by demand from new client types, such as IoT, ISP, etc.

- **Main growth drivers**:
  - **5G adoption** spreading to non-urban areas
  - **Fixed Wireless Network** expansion, also pushed by Piano Italia 1Giga
  - **New client types**
- **Spin-off** trend continuing
- Tower operators **diversifying** to grow

- Possible challenges:
  - MNOs relying mostly on **captive towers**
  - Access networks / operators **consolidation** (creating less demand for new towers, partially offset by RAN-sharing fees)

Source: Berenberg, TowerXchange, Investor reports, Standard&Poors

TowerCos are diversifying vertically towards new businesses to leverage current assets and capabilities for future-proof growth

Telco TowerCo

Services besides Tower

1. Frequencies

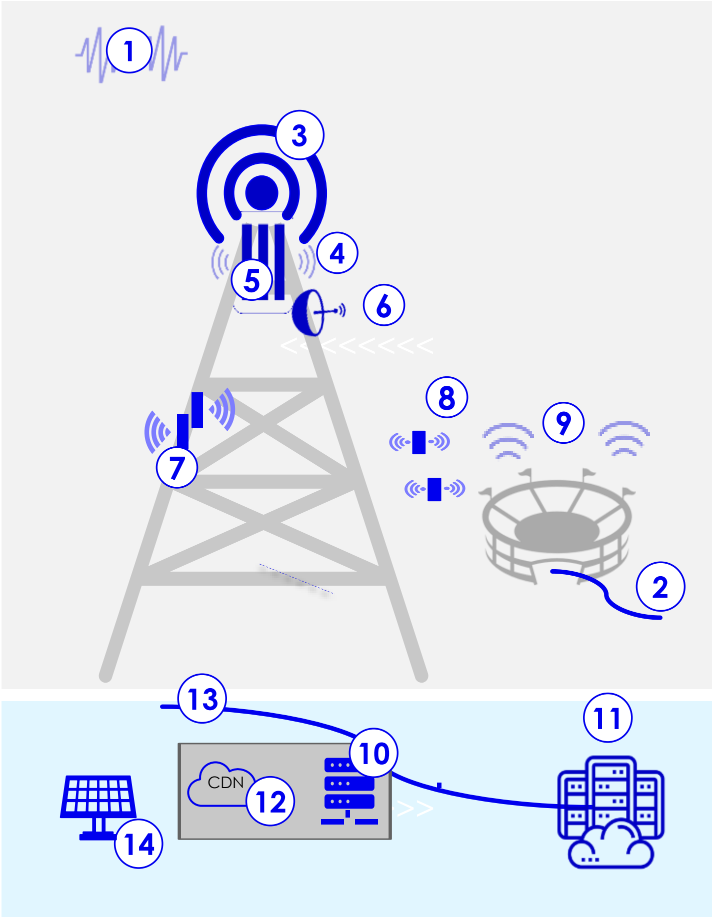
Services on the Tower

3. RAN sharing
5. MNO antennas
6. FWA antennas
7. IoT sensors

Services not connected to the Tower

8. DAS
9. Small Cells

10. **Edge Data Center**
11. **Hyperscaler Data Center**
13. **Fiber connectivity**



Broadcast TowerCo

- **Transmission** (2)
- **Broadcast equipment** (4)
- **Media Value chain expansion (es. CDN, CMS)** (12)
- **Real Estate** (e.g. solar panels) (14)

Not in scope | Addressed by Rai Way | Already part of Rai Way's portfolio

Digital Infra demand growth fueled by exponential increase in data traffic and Cloud services that require Data Center infrastructures

Rising Demand

Tech drivers

Data consumption and storage

5G & edge computing

AI

Client drivers

Global Cloud Service providers growth and geo diversification

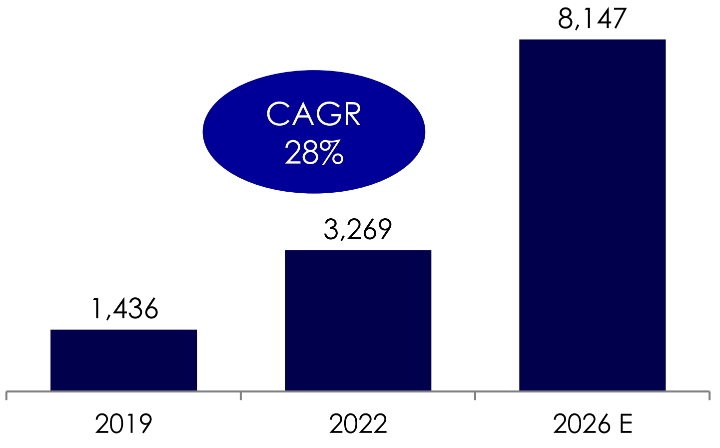
Public Admin. (DC rational. and cloud migration)

Corporate IT externali-zation (also through hybrid cloud)

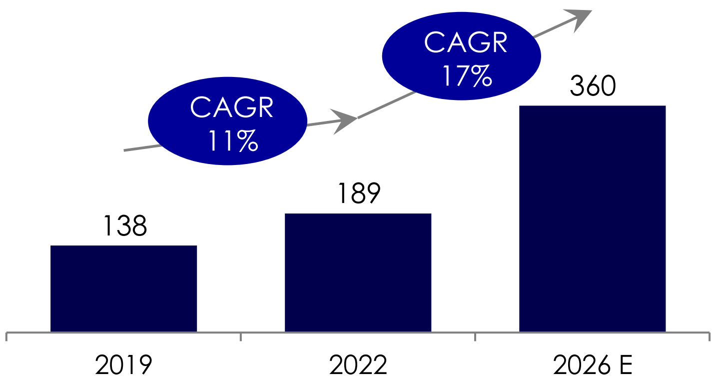
Regulatory drivers

GDPR & data sovereignty

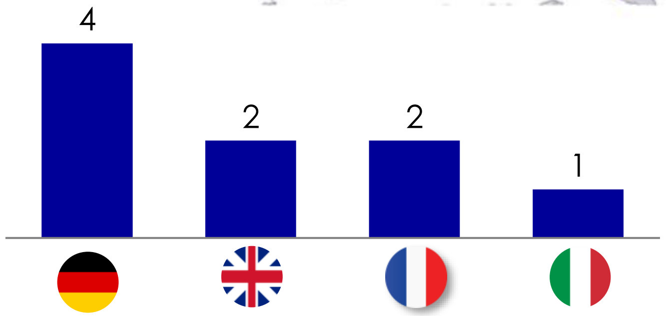
Global data consumption, '19-26 (000 PB)



Edge Computing market in Italy, '19-26(€M)



Region DC* per Country (Microsoft)



G g Google data center location (G active, g announced)

A Amazon AWS data center locations (active) M m Microsoft Azure Datacenter location (m active, m announced)

* The Region Data Center (DC) is an area with high concentration of data centers, hence consuming more data than average

Source: Gartner IDC; Pwc Entertainment & Media Outlook in Italy 2022-2026; Company Investor report presentations

Supply however still fragmented and scarce, with opportunities for Rai Way to expand its infra portfolio with hyperscaler and edge DCs

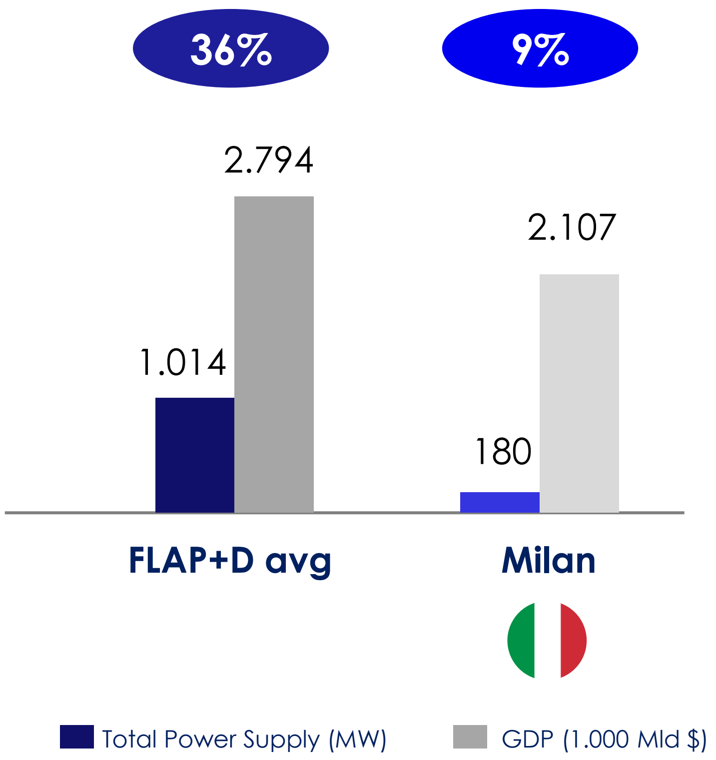
Limited Offer

Early-stage market with fragmented and limited offering

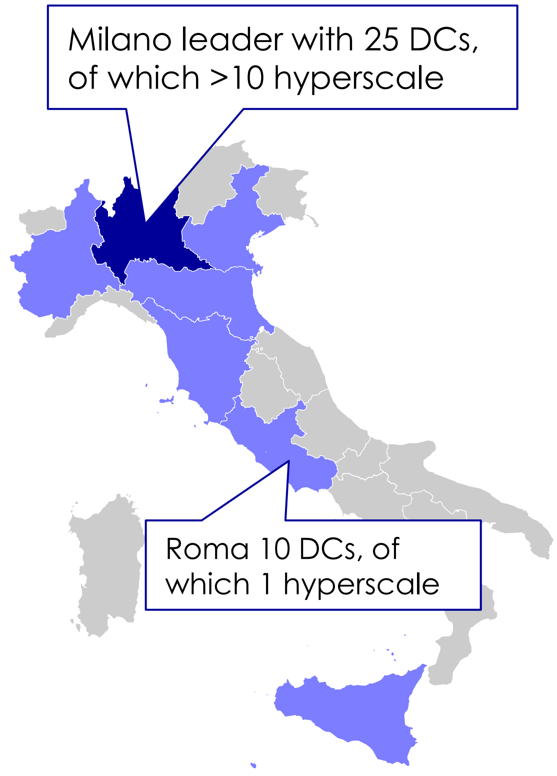
Quality Hyperscale assets concentrated in the Milan area

Possible competitors on edge now limited and with areas of weakness (carrier neutrality, asset quality, focus)

MW supply / National GDP Italy vs FLAP+D average*



Major DC distribution per region in Italy

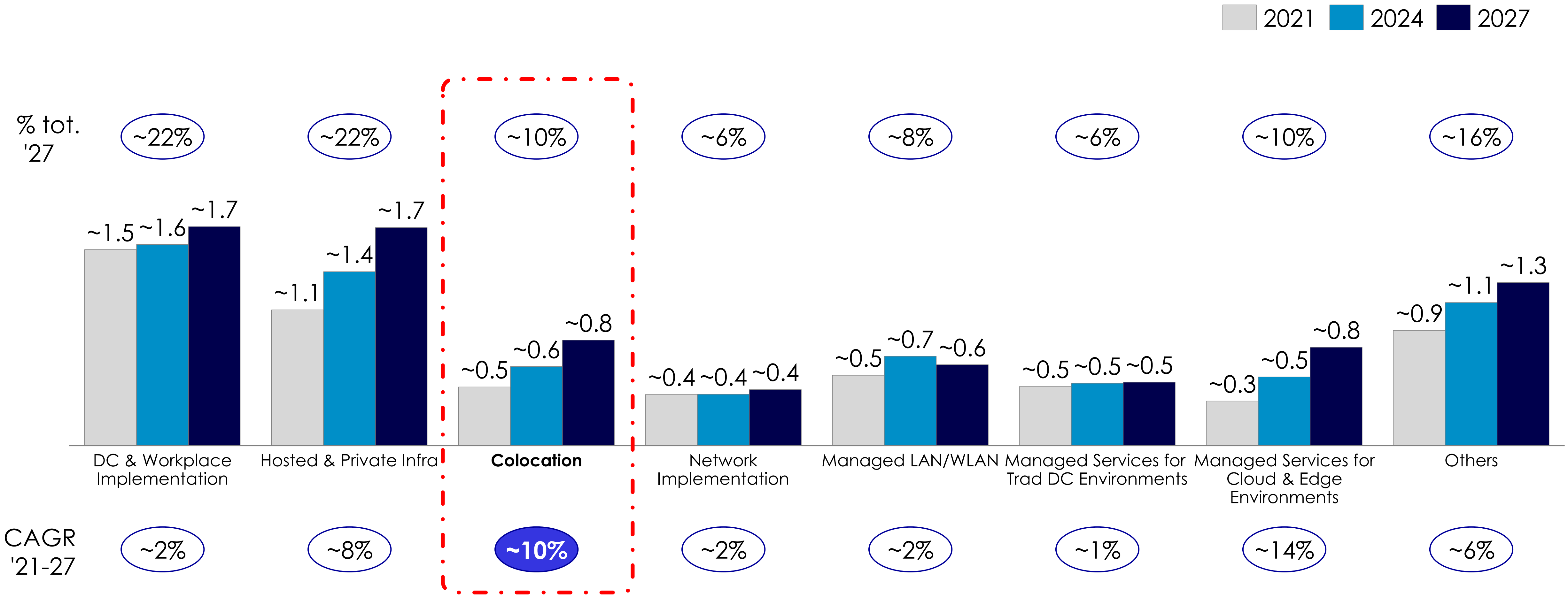


	# DC
North	**56**
Center	21
South	12
Tot	89

*FLAP+D= Frankfurt, London, Amsterdam, Paris + Dublin
Source: CBRE 2022; World bank 2021; Datacentermap; Omdia; company websites

Colocation market expected growth at ~10% p.a. (edge component even higher…)

Infrastructure implementation & Infrastructure Managed Services market, by service type (€B)



Source: Gartner IDC

Agenda

2023FY results

2024-2027 Industrial Plan

2. Industrial Plan Pillars and Related Initiatives

Industrial Plan Pillars

		Media Distribution	Digital Infrastructure	Other assets
Operational	Traditional Businesses / assets	• **Network provider** (Rai) • **Broadcasting** (regional BCs & others) • **Transmission** • **Network services**	• **Tower hosting** • **Connectivity**	• **Land portfolio**
		Growth opportunities	**Growth opportunities**	
			Valorization of internal assets	**Valorization of internal assets**
		Operating Efficiency improvements	**Operating Efficiency improvements**	
	Diversification areas	• **Edge CDN**	• **Hyperscale DC** • **Edge DCs**	
		Widening role in media value chain		
			Digital Infrastructure expansion	
Fin.		**External growth & capital structure improvement**	**External growth & capital structure improvement**	**External growth & capital structure improvement**

Enhance Rai Way positioning as media distribution services and digital infra provider

1) **Strengthening traditional businesses/assets**, by:

1.a) Taking advantage of selected **growth opportunities**, mainly related to network coverage extension

1.b) **Increasing value of internal asset** currently not used to full potential:

1.c) **Improving operational efficiency**, through:

- Operating model evolution
- Real Estate footprint optimization

2) **Widening our role in the Media Value Chain**, capturing rising demand for IP content distribution

3) **Expanding digital infrastructure**, completing roll-out and marketing the Data Center network to support digital transition

4) **Speeding up strategy and improving capital structure** through **external growth:**

- Achieving synergies and reduction of time-to-market
- Enhancing Shareholders' return

2024–2027 Capital allocation

2027 Target

Organic development investments[1]

Traditional Businesses / assets

~€ 98 Mln Development Capex

~6,5% recurring *maintenance capex on sales level*

- Revenues growth doubling CPI contribution
- Adj. EBITDA +€24m vs '23 (+13%, CAGR +3,2%), with ca. 150bps margin improvement
- Rec. FCFE generation at ~€130 Mln in 2027, +15% vs. 2023

Diversification areas

~€ 138 Mln Development Capex[2]

Negligible *maintenance capex during plan period*

- 2027 Revenues contribution > € 10 Mln
- Marginal contribution to 2027 EBITDA and Rec. FCFE
- Run-rate EBITDA contribution expected > € 15m, with sizeable scalability opportunities

---

Dividends paid to shareholders

100% Payout ratio

~€ 350M distributed in 2024-27

- Distribution of >25% of market cap[3] over the 4 years Plan horizon

---

Growth through acquisitions

~1,4x 2027 Net Debt/ EBITDA[4]

Organic capital structure

- Availability of resources to finance external growth targeting:
  - industrial synergies
  - diversification acceleration
- Improve capital structure

1. Excluding cost of capitalized personnel. 2. Including development of CDN, 10 edge DC for ca. 3MW and first data hall of the hyperscale DC for 4,4MW (half of Module1) 3. Based on market closing price on 22/03/2024 (4,8 €/share) 4. Post IFRS-16

(Organic) Development investments: traditional businesses/assets continue to offer opportunities, acceleration of new infrastructure deployment

1) Capex including capitalized personnel

Value creation on main projects

Mln Eur

	Pillar	EBITDA '27	CapEx 24-27[a]		EBITDA run-rate (*Plan +5y*)	Incremental CapEx post 2027	CapEx/ EBITDA	
Trad. Business/ assets	Growth opportunities Internal asset valorization Operating efficiency improvement	~14	~71				~5x	
Diversification	Media value chain extension Digital Infrastructure expansion	~1[b]	~138[b]	*No extra-capex (HS DC at 4,4MW)*	>15[b]	-	~9x[d]	Unlev. IRR >10%
				Further development of the HS DC to17,6MW	>30[c]	~+160[c]		

vs comp. EV/ EBITDA trading multiples:
~20-30x DC operators
~15x CDN operators

a. Capex figure not including capitalized personnel cost
b. Based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW
c. Assuming further development of the hyperscale data center to reach 17,6MW (2 out of 4 modules)
d. Multiple calculated including capex spent before 2024 for ca. €21m

Strengthening traditional businesses: growth opportunities

Traditional Businesses / assets
- **Growth opportunities**
- Valorization of internal assets
- Operating Efficiency Improvements

Diversification areas
- Widening role in media value chain
- Digital Infrastructure expansion

External growth & capital structure improvement

Initiatives

1. Improve DTT Rai network coverage
2. Extend coverage of DAB Rai
3. MUX12
4. Start 5G broadcasting coverage
5. Tower Hosting business optimization

Initiatives to extend networks and optimize tower hosting

1 Improve RAI DTT network coverage

Activities to improve network quality

3 MUX12

Hosting or network management services
(in case of MUX awarding)

4 Start RAI 5G broadcasting coverage

5G broadcasting networks in 5 test cities

2 DAB coverage...

Extend Rai DAB coverage, currently lower than the other 2 main market players

...and "DAB in galleria"
Improve coverage extending the signal in the main tunnels of the major highways

5 Tower Hosting Optimization

Hosting Development

- 5G rollout
- FWA
- DAB (no RAI & local)
- MNO clients stabilization

Better processes & offering

Optimize efficiency of requests logged into the system and internal provisioning process

Expand offering

- Fiber Backhauling in selected sites
- Radio backhauling

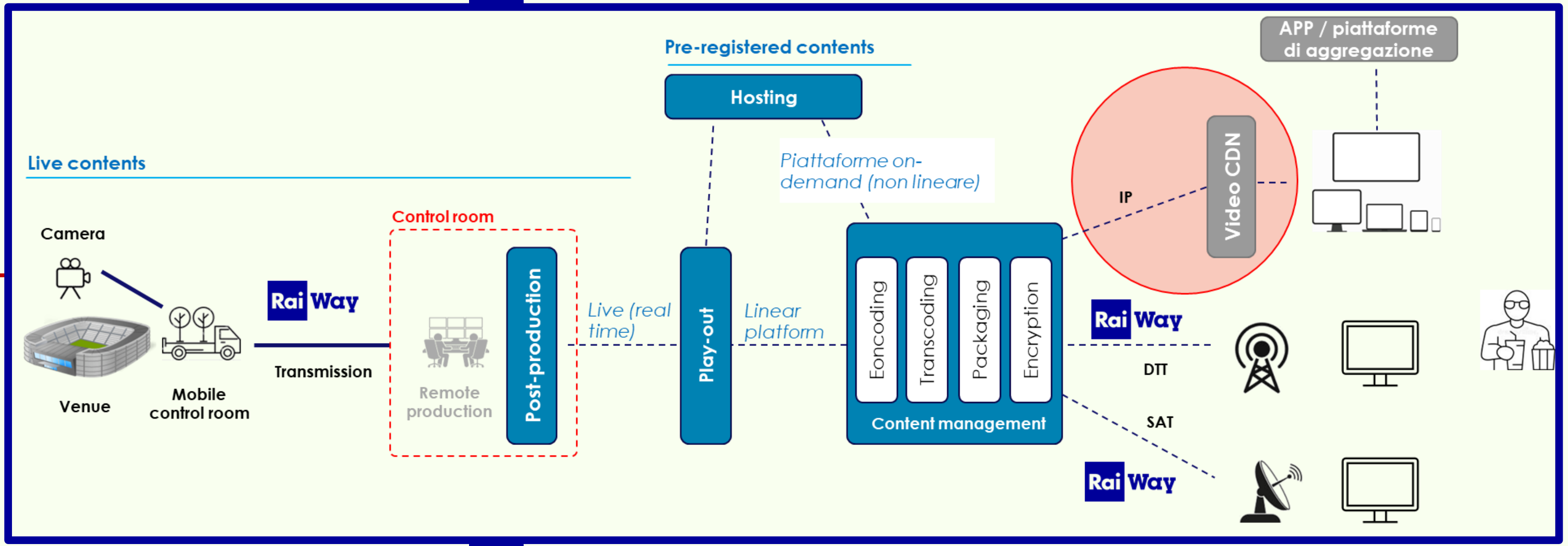
Source: worlddab.org; ANAS; EURO DAB; DAB Italia

Widening role in media value chain

- Traditional Businesses / assets
  - Growth opportunities
  - Valorization of internal assets
  - Operating Efficiency Improvements
- Diversification areas
  - **Widening role in media value chain**
  - Digital Infrastructure expansion
- External growth & capital structure improvement

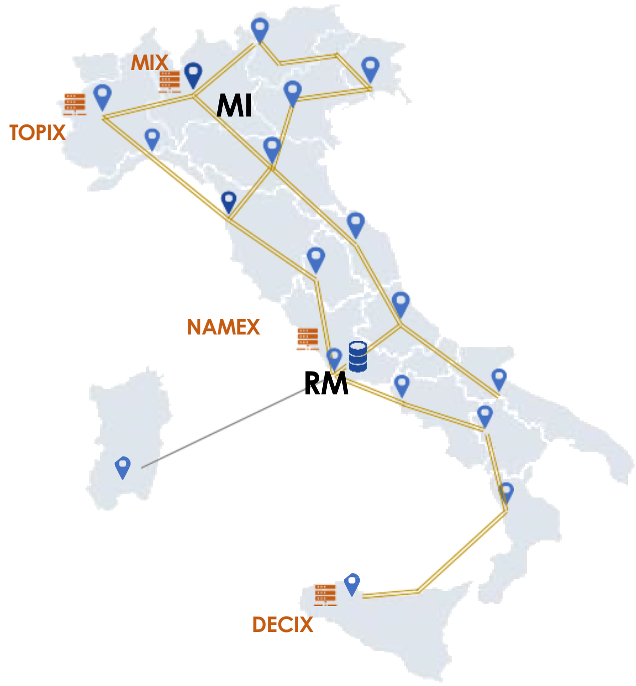
Initiatives

6 IP Distribution of contents on proprietary CDN network



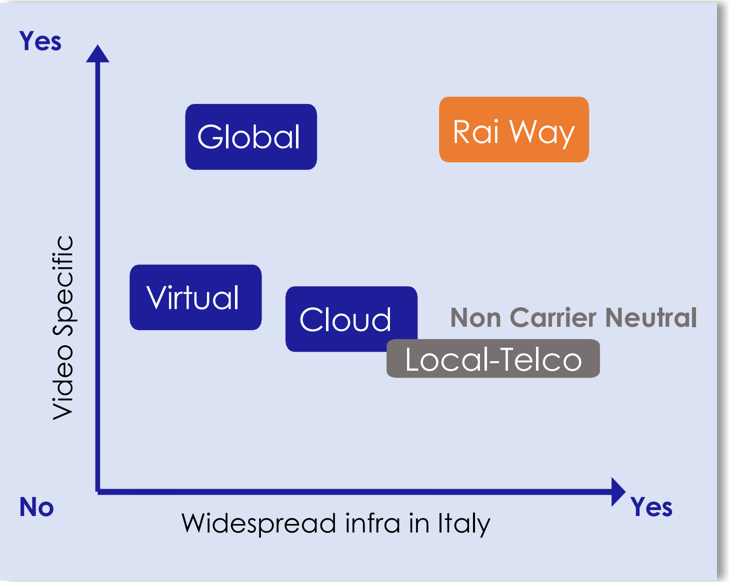
IP distribution of contents on proprietary CDN network: architecture and value proposition

Distributed national architecture



- Distributed PoPs widespread on Italian territory
- Synergy with the new infrastructure of Edge Data Centers
- Selection of the best tech vendors

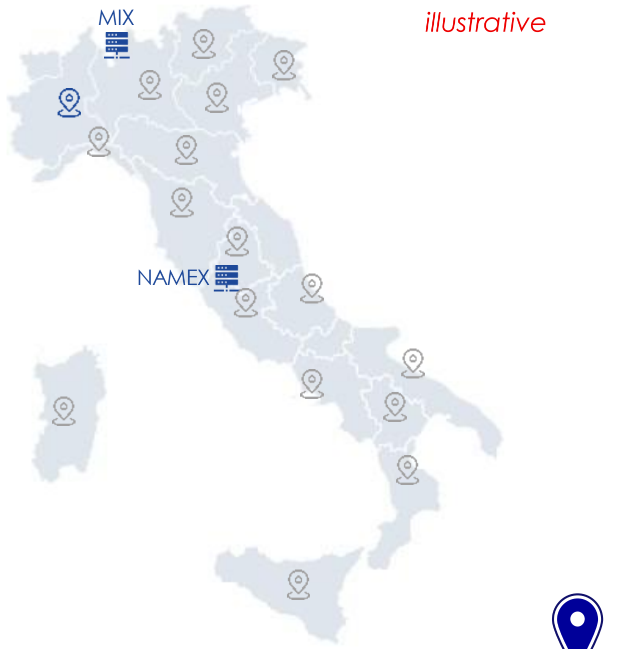
Origin and core systems
Backbone/IRU
PoP/Edge cache CDN
IXP



Rai Way to position own Edge CDN solution to address needs for
- Live streaming of Multimedia world (Video, Gaming, …)
- Low latency services

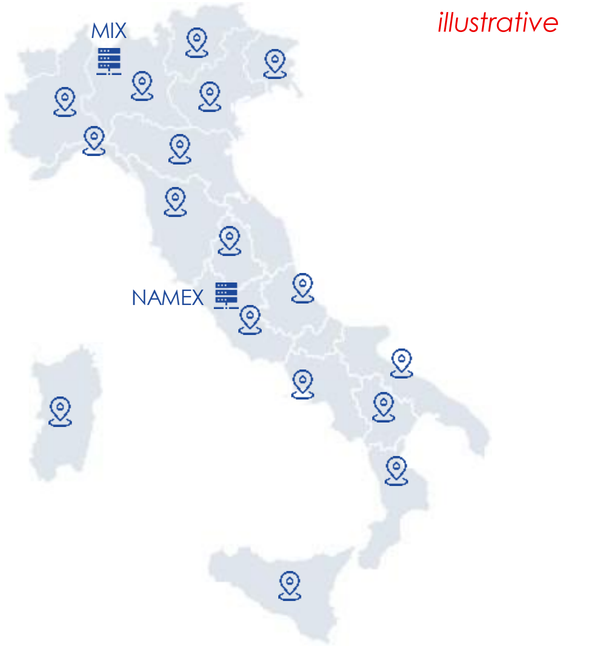
Edge CDN creation project to be developed in 3 phases with the first two steps of set-up and scale-up to be completed by end of '24

Initial set-up: 3 Nodes



Scale-up: 7 Nodes

Final architecture >10 Nodes



Jan 2024	Feb 2024	Mar 2024	April 2024	May 2024	**Jun 2024**	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	**Dec 2024**	Based on traffic evolution / clients' needs

Digital Infrastructure Expansion

Traditional Businesses / assets
- Growth opportunities
- Valorization of internal assets
- Operating Efficiency Improvements

Diversification areas
- Widening role in media value chain
- **Digital Infrastructure expansion**

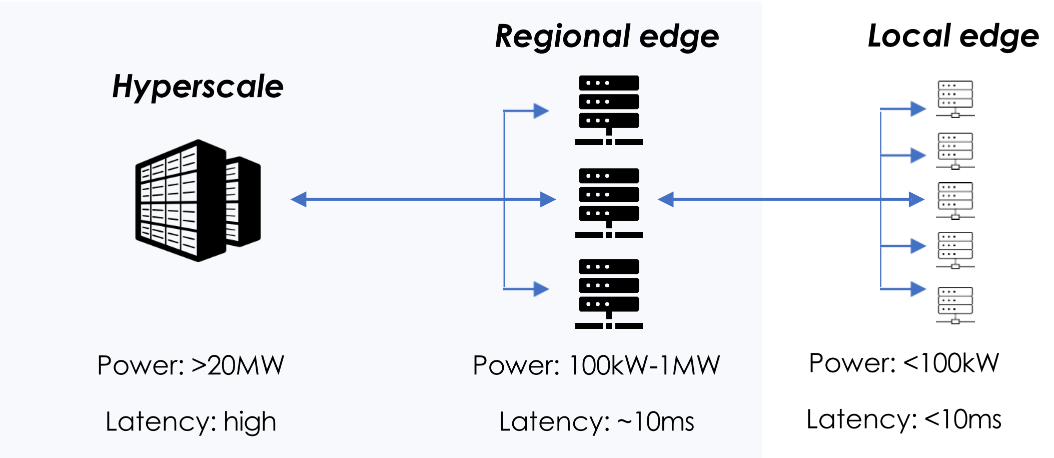
External growth & capital structure improvement

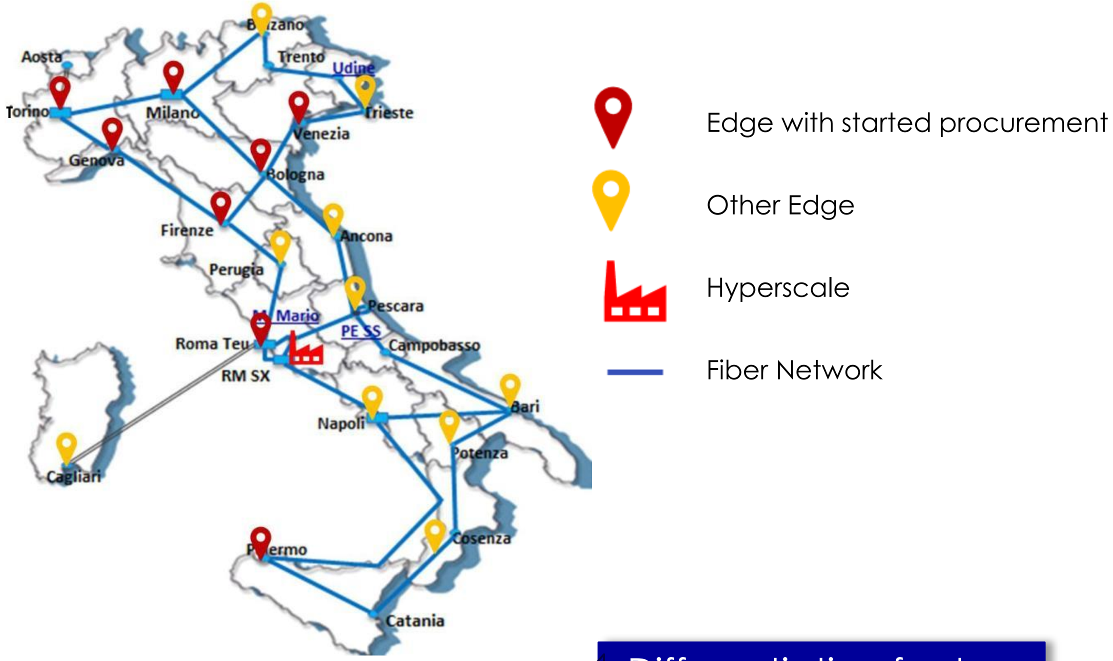
Initiatives

7. Hyperscale Data Center
8. Edge Data Center

Rai Way's new digital infrastructure

The infrastructure project





- **Multi Edge Data Centers network**
- **1 TIER-IV Hyperscale Data Center in Rome** area (ca. 35MW potential, scalable IT load distributed across 4 buildings)
- **Interconnection** through proprietary backbone
- Clear **value proposition** for clients / partners:
  - Independent, reliable and carrier-neutral
  - Integrated Edge DC network to meet low latency requirements
  - Computing Continuum

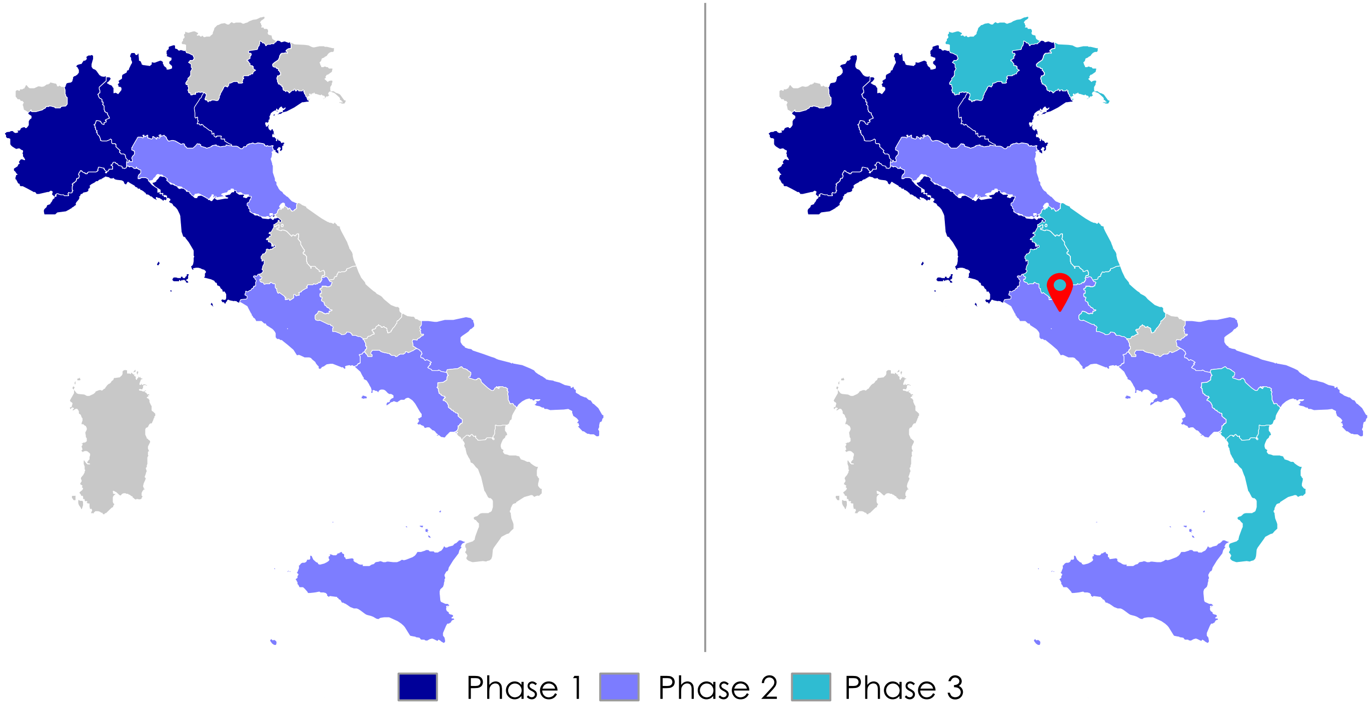
Differentiating factors

- **Pure infrastructure offering:** co-location (space, energy, security) and connectivity
- **High synergies with societary assets:**
  - Wide-spread footprint, with space available in relevant areas and brand new quality assets
  - Proprietary backbone
  - Possibility to upsell current clients
  - First mover advantage on edge

Edge DCs roll-out plan

18 Edge Data center: 10 (major) DCs to build in Phase 1 & 2, and more (minor) to build based on demand

PH1, 2024: 5 EDGE + PH2, 2025-26: 10 Edge > After '26: up to 18 Edge + 1 HS DC[1]



- ~ 3 MW IT load for the first 10 sites, possibly scalable based on demand
- Interconnected via own optic fiber and locally linked to the public network via ISP
- Built to be sustainable and create value from Rai Way's real estate

1. Initial 4,4 MW (50% of the first module)

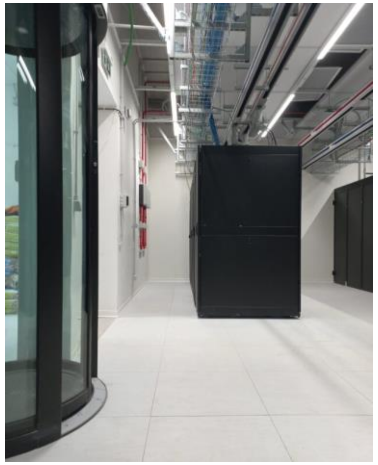
Edge DC Phase 1 approaching completion

Torino

- Data hall: 118 sqm
- 39 rack
- Up to 280 kW IT Load

Milano

- 2 data hall of 230 sqm
- 60 rack (+28 cold expansion)
- Up to 450 kW IT Load



Venezia

- Data Hall: 108 sqm
- 34 rack
- Up to 204 kW IT Load

Genova

- Data hall: 3 containers of 105 mq
- 32 rack
- Up to 204 kW IT Load

Firenze

- Data hall: 185 sqm
- 60 rack
- Up to 432 kW IT Load

1,6 MW IT Load

249 rack

747 sqm data hall

~27 M€ Capex

Hyperscale DC | Rendering and concept design data

100%
Green electricity

Data Center Modules Configuration

- 4 Modules with 8,8 MW IT Load per Module
- Emergency power supply and air conditioning
- UPTIME Institute TIER IV compliance
- Solar panels; centralized water supply

- **«Conferenza dei Servizi» underway** – authorization possibly within 2024
- Construction time: 12-18 months
- **First data hall availability (4,4 MW) and revenues contribution assumed from 2027**

Why Rome

- Limited hyperscale DC presence (1 live, 4 in development), while Rome expected to become next italian HS region
- Assets currently concentrated in Northern Italy
- Lower latency for Center/South of Italy vs Milan
- Traffic managed by Rome IXP expected to grow
- Strategic location to aggregate international traffic

Commercial approach and priorities

	Client	Needs	Main sales channel	Commercial Priorities	Status
Data centers	**Cloud providers / SaaS**	• Cloud regions • Edge services	**Direct**	• Approach potential anchor clients to improve risk-reward of the initiatives • Enter into commercial agreements with indirect partners	• Ongoing discussions with possible anchor clients • Collecting high interest from local cloud/ICT players for regional DCs
	Telco	• Cloud • Edge cloud/5G	**Direct**		
	OTT	• Edge services	**Direct**		
	PA	• Proximity	**Indirect**		
	Enterprises	• Proximity	**Indirect**		
CDN	**Broadcasters**	Content / data distribution Web acceleration	**Direct**	• Incentivize trials to prove superior performance • Enter into commercial agreements with indirect partners	• Trials planned with targeted customers
	OTT	Content / data distribution Web acceleration	**Direct**		
	Gaming	Content / data distribution Web acceleration	**Direct**		
	Retail / Enterprises	Content / data distribution Web acceleration	**Indirect**		

Valorization of internal assets

Traditional Businesses / assets
- Growth opportunities
- **Valorization of internal assets**
- Operating Efficiency Improvements

Diversification areas
- Widening role in media value chain
- Digital Infrastructure expansion

External growth & capital structure improvement

Initiatives

9 — Transmission network to be leveraged for connectivity services

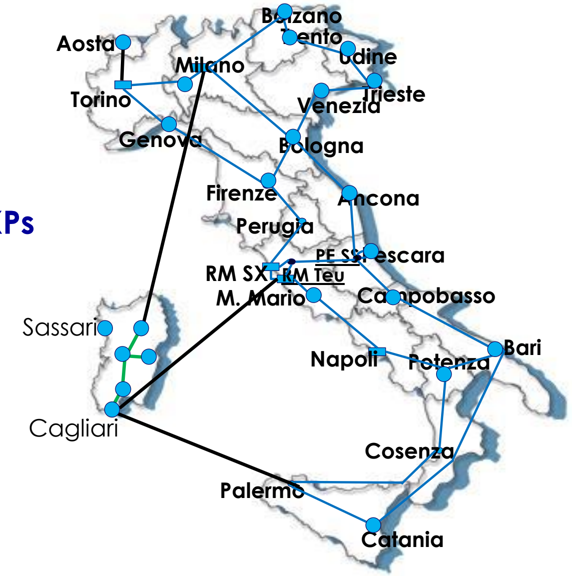
10 — Land portfolio
- Solar panels
- Land to rent for telecommunications projects (e.g. satellite gateways)
- Land sale

Transmission network to be leveraged for (wholesale) transport services

Fiber backbone

6,000 Km

- 30 PoP
- Interconnection with main IXPs
- Internal network monitoring



- Regional sites
- Production centers

Radio-link backbone

>500 IP links

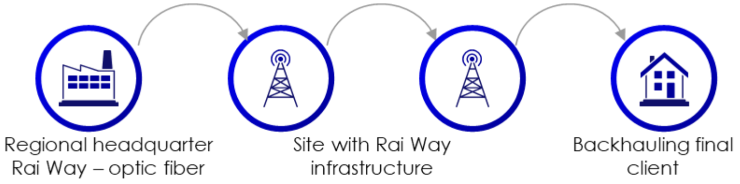
Our plan

Fiber Optics transport services

- Dedicated transport in fiber optics
- Wholesale strategy addressing carriers' needs

Point to Point radio links transport

- Transport services in grey/white areas not covered by fiber
- Wholesale strategy



Land portfolio valorization

Rai Way analyzed possibility to create value from ~40 land plots, in 3 possible ways

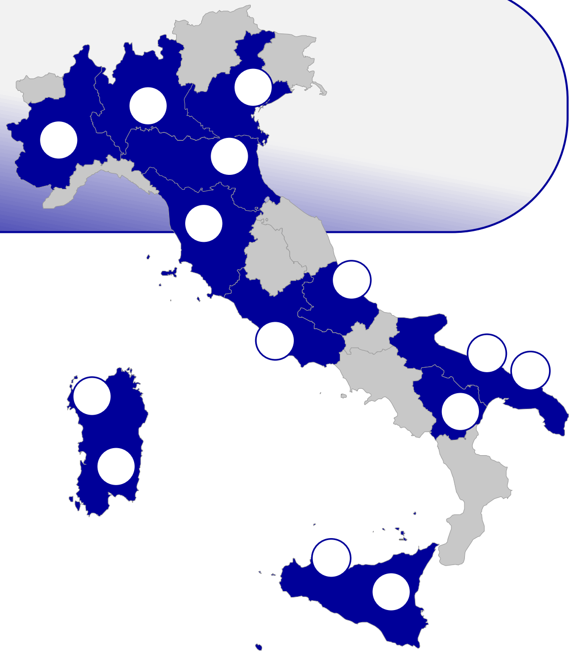
40 Main land plots analyzed

200 Total hectares of land

Solar panels

Land to rent for telecommunications projects (e.g. satellite gateways)

Land sale



- **Selected 14 sites for solar panels, with target power of ~ 40 MW and target production of ~75 GWh/year**

Operating Efficiency Improvements

Traditional Businesses / assets
- Growth opportunities
- Valorization of internal assets
- **Operating Efficiency Improvements**

Diversification areas
- Widening role in media value chain
- Digital Infrastructure expansion

External growth & capital structure improvement

Initiatives

12 Operating model

13 Corporate functions efficiency

14 Real estate properties

Enhancing efficiency in operating model improvements, corporate initiatives and real estate property management

Operating model initiatives

- Reorganization of regional departments
- Digitalization of monitoring of assets through the implementation of **predictive maintenance**

Maintenance accounts for the majority of field force activities

Real Estate Management

- **Workplace** evolution towards hybrid models (allowing spaces reduction)
- Benchmark on rental costs and service levels to identify **room for further efficiencies**
- Greater use of owned premises
- More efficient management of **headquarter**

Corporate functions efficiency

- **Digital transformation** in systems (e.g. new BSS platform) and processes to enable further corporate efficiencies

External growth lever to accelerate strategy and improve capital structure

Traditional Businesses / assets

- Growth opportunities
- Valorization of internal assets
- Operating Efficiency Improvements

Diversification areas

- Widening role in media value chain
- Digital Infrastructure expansion

External growth & capital structure improvement

Initiatives

15 External growth

Target M&A – Areas of interest

Area	Description	*Industrial synergies*	*Capital structure optimization*	*Diversifi-cation*
Traditional Businesses / assets	• Consolidation of national broadcasting infrastructures → **Transformational** • Acquisition of independent (minor) portfolios of broadcast towers → **Strategic Mom & Pop**	✓	✓	

Diversification areas	• Data Center assets:
	  • Independent assets with client portfolio and development opportunities
	  • Assets spun-off by anchor clients (cloud provider, corporate...)
	  • Location and technical features consistent with Rai Way edge network
	→ **Time to Market acceleration of diversification and insourcing of competencies**
			✓	✓

Possible additions to offering	• E.g. system Integrators, P2P network operators, CDN tech/network providers, etc...	✓	✓	✓

Rationales

Rai Way's commitment to sustainability: 2024-2027 ESG goals

Sustainability Plan 2024-2027

Strategic Guidelines	6
Objectives and target	24+20
Operational initiatives	38

- **ESG risks** of the ERM catalogue included in the definition of objectives and initiatives
- **New topics** introduced:
  - **Circular economy**
  - **Biodiversity**
  - Developing **partnership and networking activities**
- **Photovoltaic system** design and implementation on a few selected sites

SUSTAINABLE VALUE CREATION: 6 STRATEGIC GUIDELINES and 13 SDGs

- Fight climate change and reducing environmental impact
- Promote the well-being and development of our people
- Contribute to the social, cultural and economic development of the community and territory
- Ensure high standards of health and safety throughout the value chain
- Development and maintenance of a governance system aligned to best practice, integrated with sustainability profiles
- Develop technological innovation and contribute to the digitisation of the country

@2025

- **Carbon Neutrality scope 1+2 by 2025**
- **Maintain 100% renewable energy purchase**
- **Cybersecurity training to at least 75% of employees**
- **Establishment of an internal control system related to ESG data and information (“CSRD”)**
- **Full management alignment through the ambitious goals of the new LTI plan**

Agenda

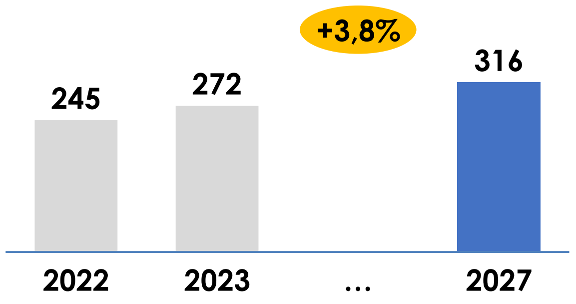
2023FY results

2024-2027 Industrial Plan

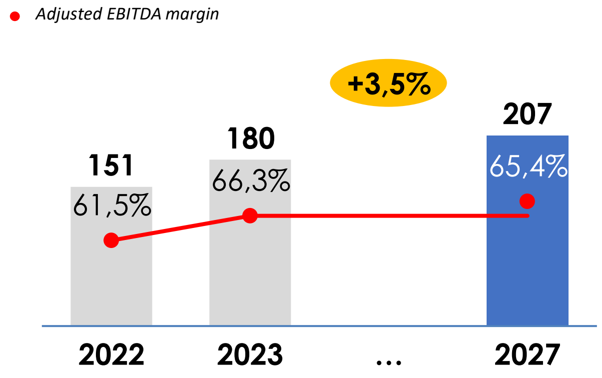
3. Financial targets

Key financial highlights(1)

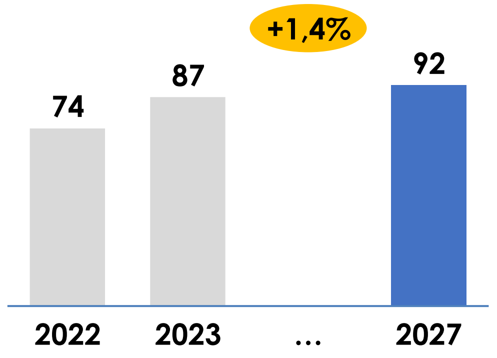
Core Revenues



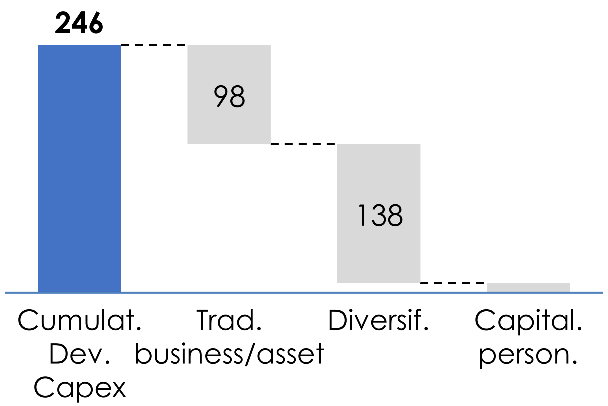
Adjusted EBITDA



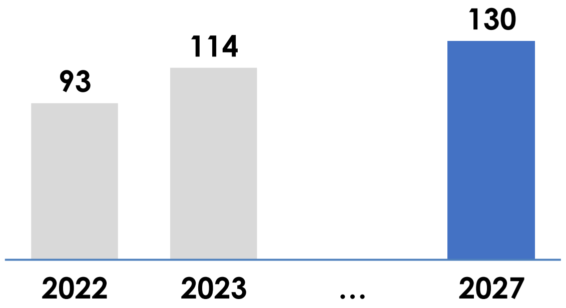
Net Income



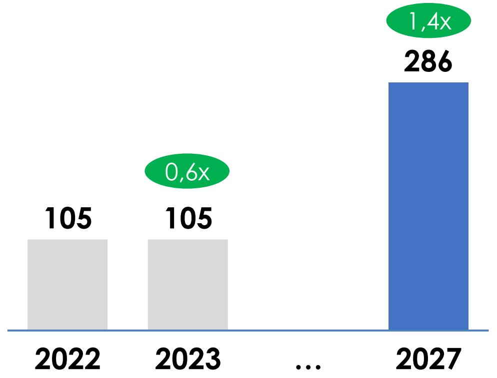
Development Capex



RECURRING FCFE[1,2]



Net Debt



1) On organic basis; 2) Based on CPI assumptions of: 0,7% in 2023 and1,5% in 2024-26, with impact on revenues in the following year; 3) Raw energy price assumption (excluding spread, green option and ancillary component): 95 in 2024 and ca. 85 in 2027 3) Excluding non-cash component related to IFRS-16 Leasing 4) Recurring FCFE = Adjusted EBITDA – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. All figures adjusted to deduct rents impacted by IFRS-16 from the calculation of cash generation

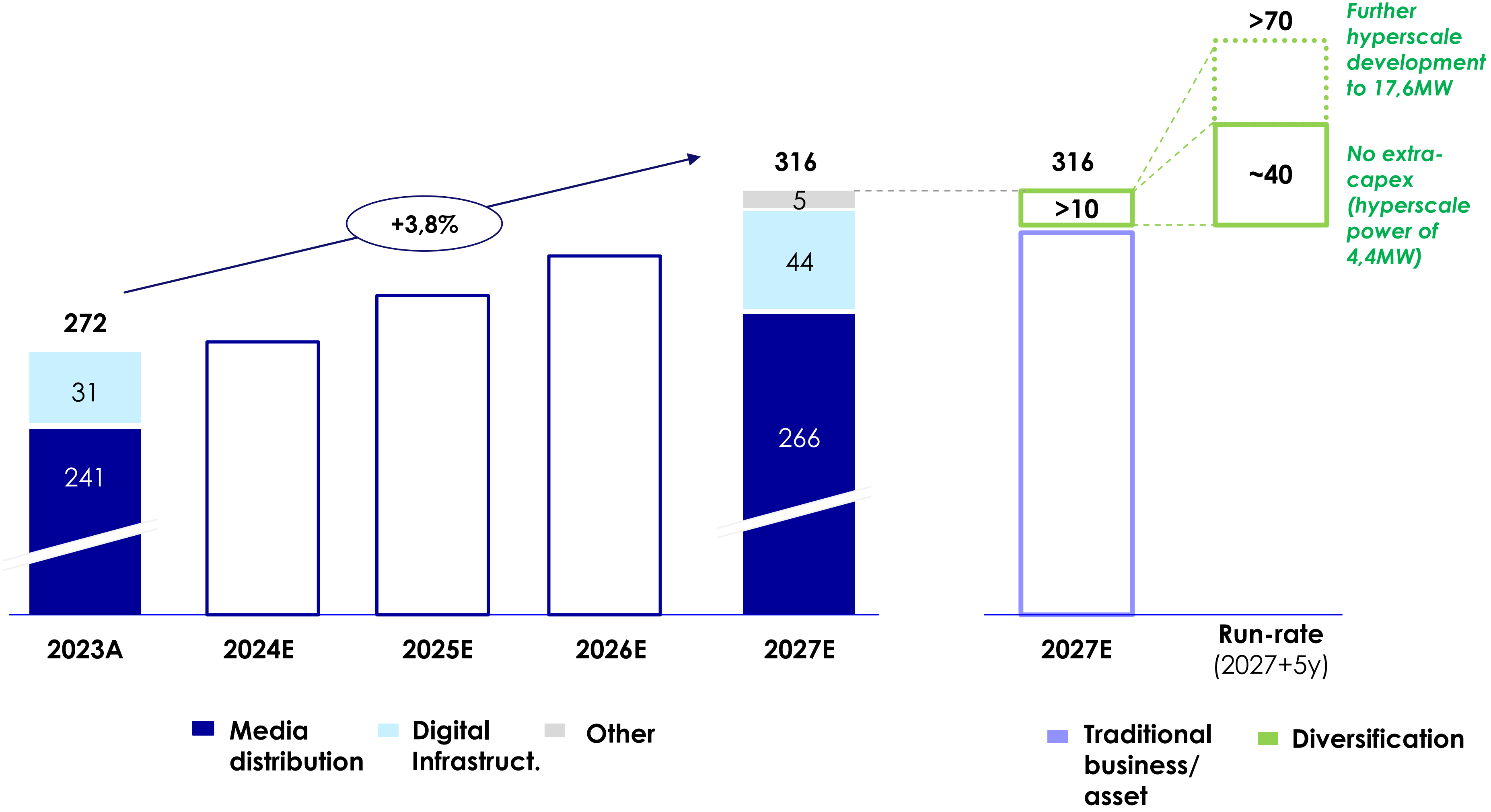
ABC	Traditional business/assets
ABC	Diversification areas

New Core revenues breakdown

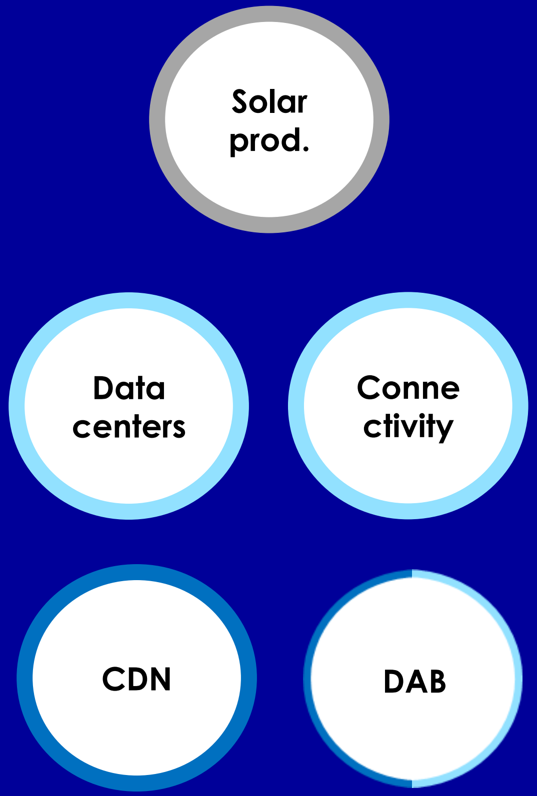
Media Distribution	Digital Infrastructure	Other
• RAI Service contract (fixed consideration & new services) • Broadcasting (regional Muxes, DAB networks & other clients) • Transmission • Network services • CDN	• Tower Hosting • Connectivity • Edge data centers • Hyperscale data center	• Land valorization (solar energy production, leases, …)
2023 revenues: 240,9	31,0	-

Core Revenues: 2023-27 evolution

Mln Eur; %



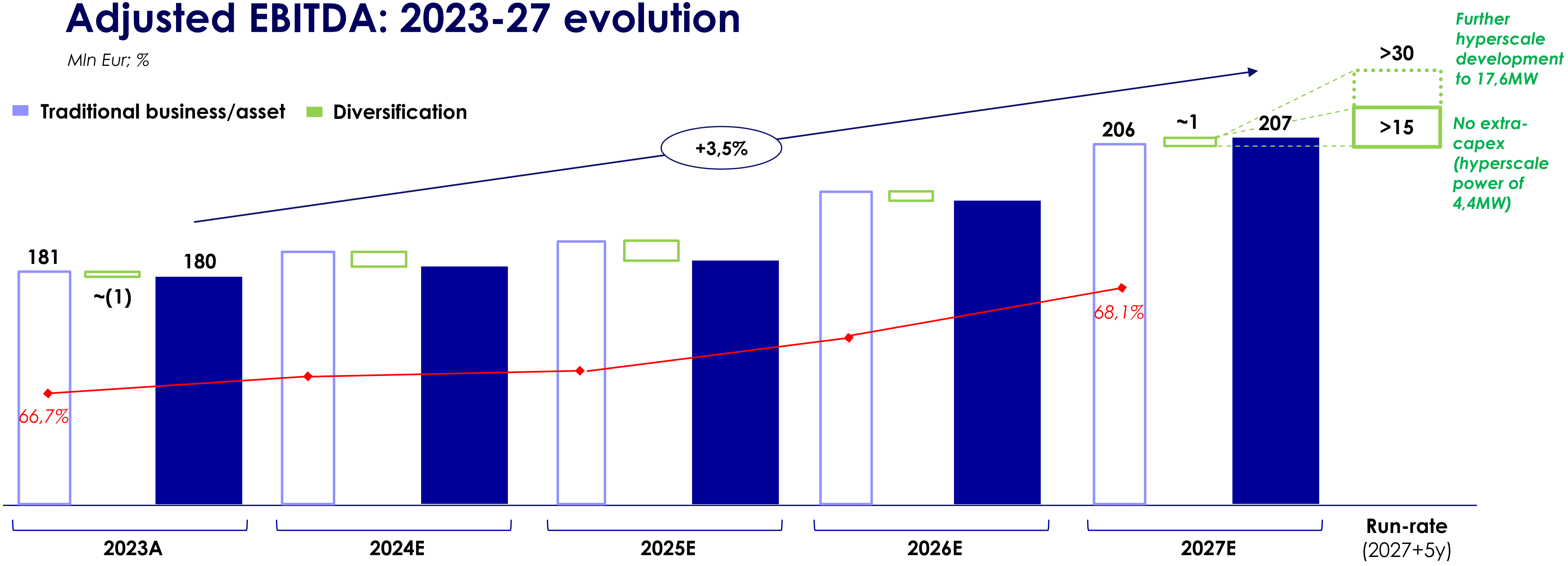
Main drivers



- 2027 figures based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW
- Assuming further development of the hyperscale data center to reach 17,6MW (2 out of 4 modules) with € 160m additional capex

Adjusted EBITDA: 2023-27 evolution

Mln Eur; %



Traditional business / asset

Margin improvement: **~ +150 bps**

- **Oper. leverage**
- **Oper. model efficiency**
- **RE rationaliz.**

Diversification

Run-rate margin : **40-50%**

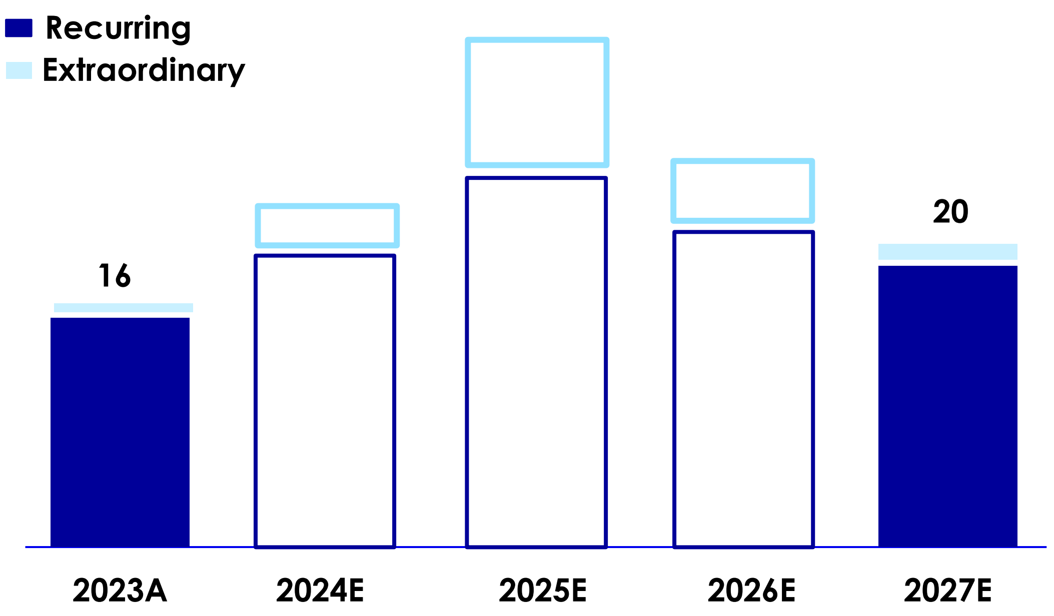
Head-count

~ +30 mainly to support diversification initiatives (also leveraging on internal reallocation)

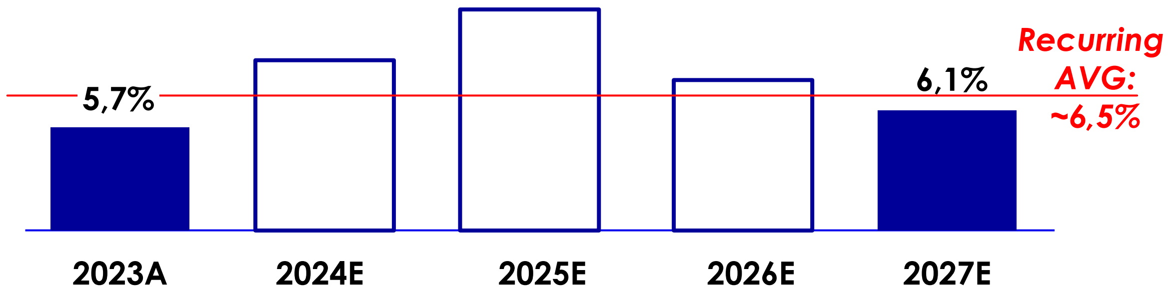
Mln Eur; %

Capex

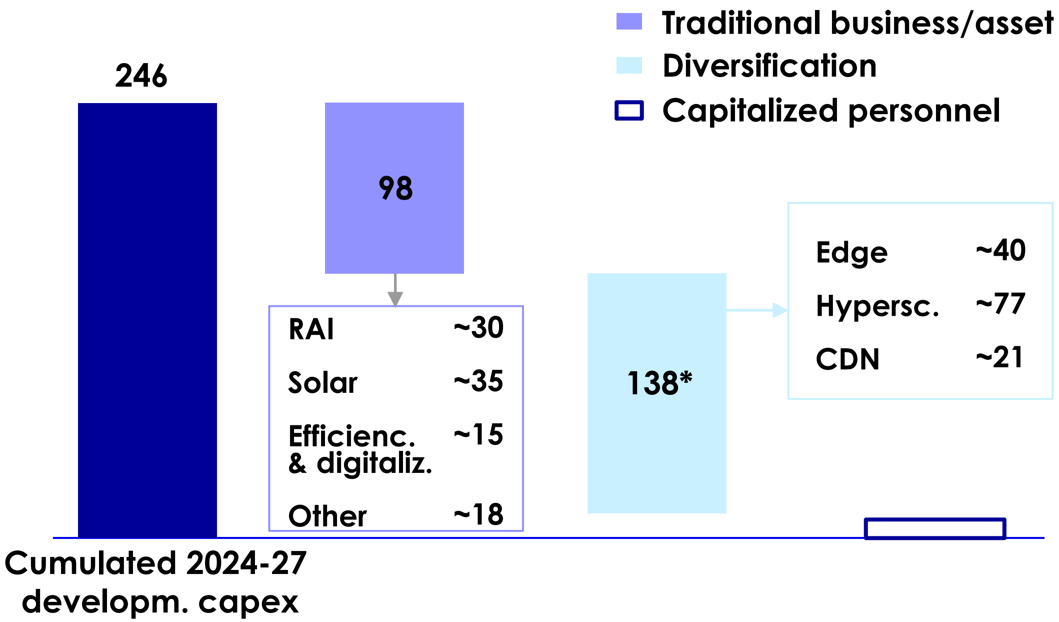
MAINTENANCE

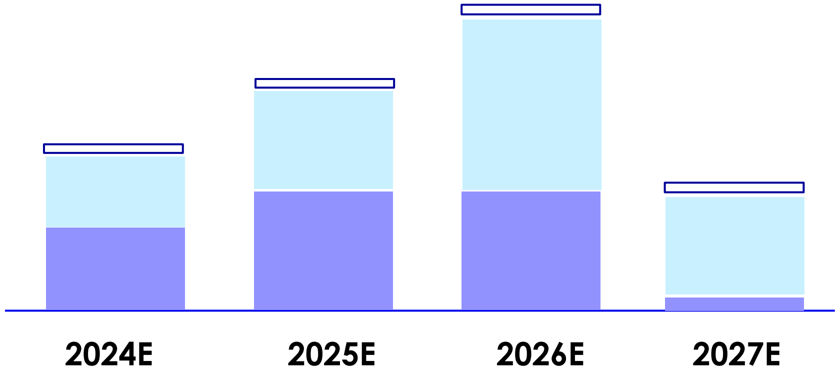


Recurring maintenance capex on core revenues ratio



DEVELOPMENT

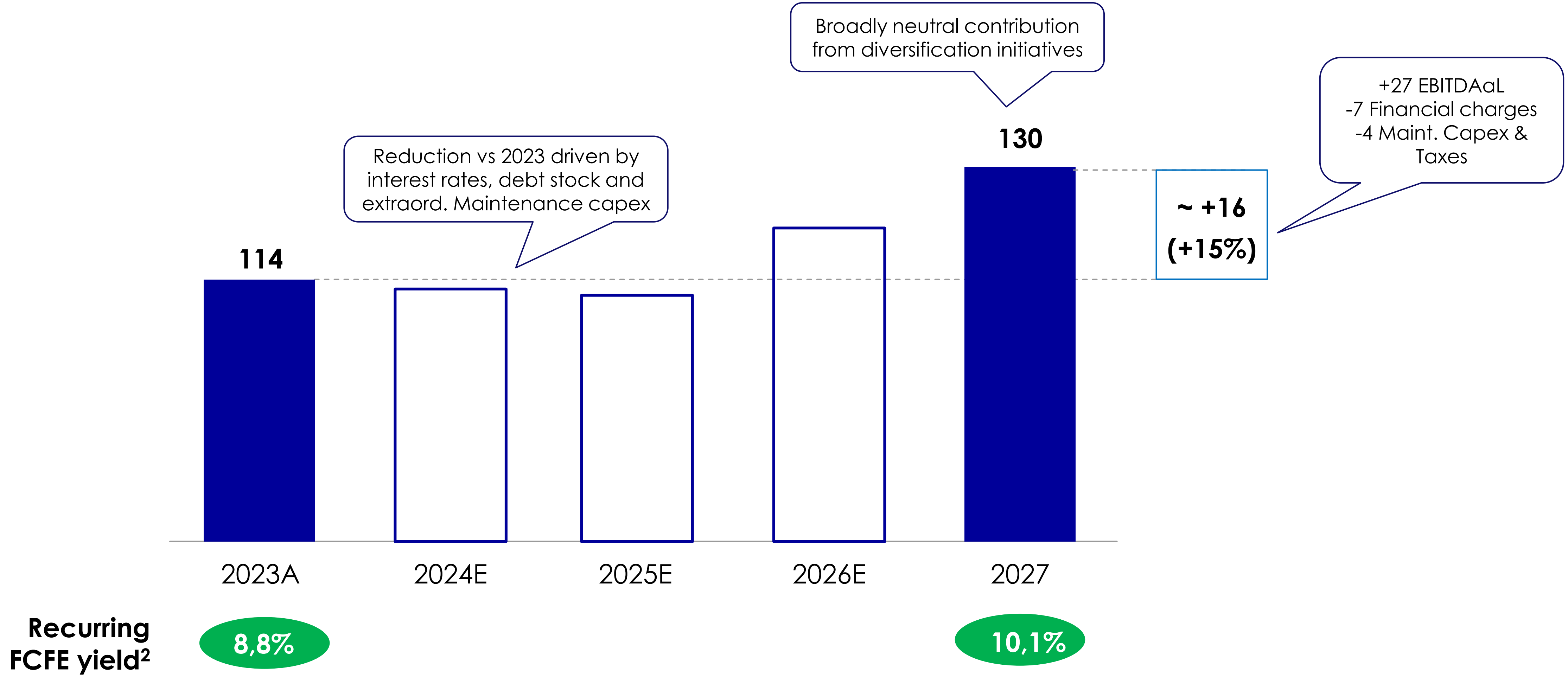




* Based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW

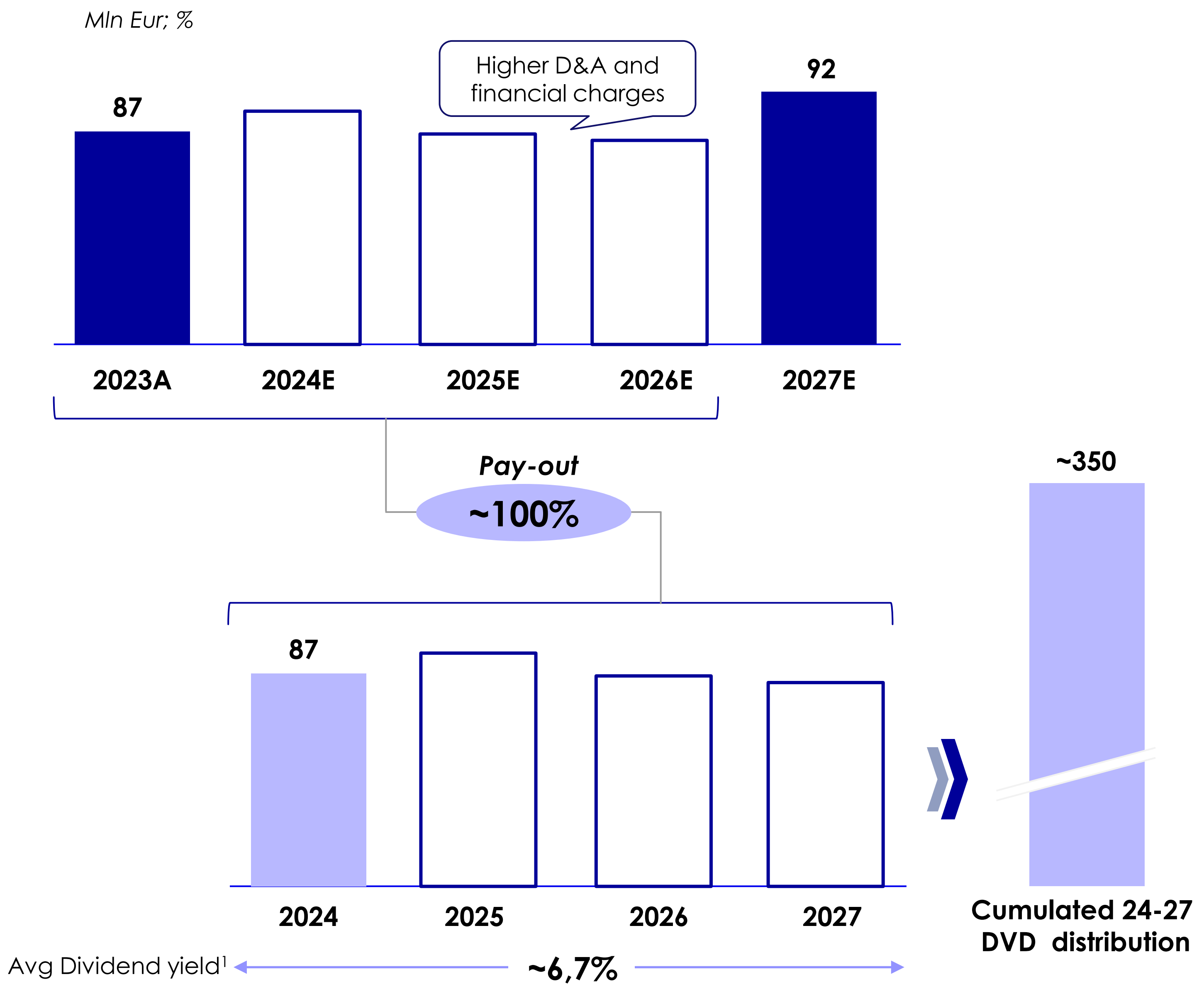
Recurring FCFE: 2023-27 evolution

Mln Eur; %



1) Recurring FEFE: Adjusted EBITDA – Leases – Oneri finanziari (excl. Componente leases) – Adjusted P&L Taxes – Recurring Maintenance capex
2) Based on market closing price on 22/03/2024 (4,8 €/share)

Net Income & Dividends

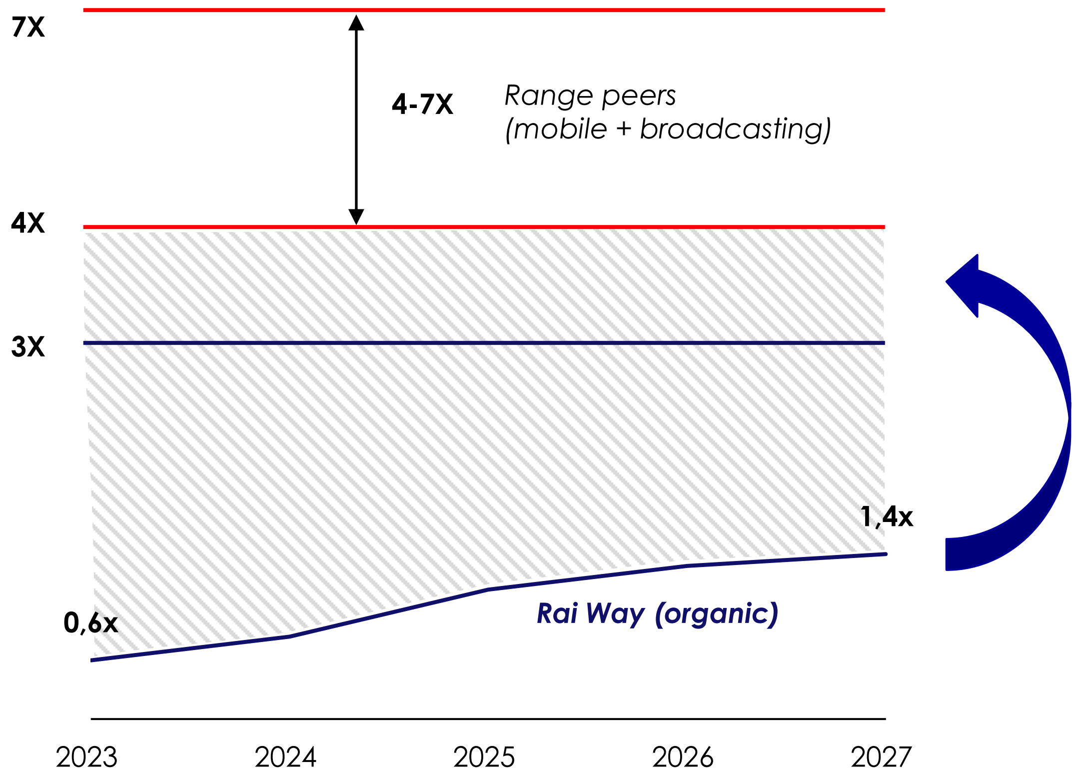


- Proposed **pay-out** of around **100% of Net Income**, in continuity with the past (average **dividend yield(1) equal to ca. 6,7%**)
- Expected distribution of **approx. €350 Mln cumulated dividends** in the 2024-27 period, equal to more than 25% of current market cap(1)

(1) Based on market closing price on 20/03/2024 (4,79 €/share)

Capital structure evolution

NFP/Adjusted EBITDA



- On an organic basis, 2027E financial leverage (post-dividend payment) at around 1,4x NFP(1)/Adjused EBITDA, giving flexibility to pursue external growth
- **Sustanaible and reasonable level** of financial leverage in a **3-4x range**, also depending on market conditions

M&A FINANCIAL CRITERIA

- Even within the same asset class (e.g. towers, data centers), targets may have different risk profile (e.g., DC already built vs. to be developed, with committed demand vs. without commitment, with high vs. low % fill rate)

→ Unlevered IRR level appropriate for the risk profile of the asset

(1) Net Financial Position including IFRS-16 leasing

Agenda

2023FY results

2024-2027 Industrial Plan

4. Closing remarks

A clear industrial path…

Renewed focus on 2 business segments (media distribution and digital infra) with a clear industrial proposition enabled by a modern, integrated digital asset portfolio

Traditional business continues to offer growth opportunities (networks expansion, efficiencies, asset valorization) thanks to a unique business model and competencies

Synergic, value-creating diversification confirmed, ensuring long-term sustainable growth

External growth to accelerate strategy and improve capital structure

….addressing key levers to unlock Rai Way's full pontential, while preserving its distinctive features…

Pillars of Rai Way's equity story

- **Revenue predictability** granted by strong backlog
- **Protection from macro headwinds**
- **Best-in-class profitability**
- **Record cash generation** compared to industry levels
- **Generous dividend payout**
- **Growth and capital deployment opportunities**

2024-27 Industrial Plan: addressed value levers

Industrial Plan pillars

Strengthening traditional business	Cash generation enhancement
Value-creating diversification	• Returns • Growth profile • Long term sustainability
External growth	• Size • Synergies • Capital structure

Full awareness of key levers

Commitment to execution to unlock relevant Shareholders' value

…and defining near-term priorities for a successful execution

Move forward with assets roll-out

Finalize commercial agreements on new infra and services

Effort to accelerate on external growth

Q&A session

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Appendix

Detailed summary of 2023FY Income Statement

(€m; %)	4Q22	4Q23	FY22	FY23
Core revenues	**61,1**	**67,8**	**245,4**	**271,9**
Other revenues and income [1]	1,4	0,5	3,1	2,1
Purchase of consumables	(0,5)	(0,4)	(1,5)	(1,3)
Cost of services	(13,3)	(13,4)	(49,0)	(43,8)
Personnel costs	(11,9)	(13,8)	(43,7)	(51,4)
Other costs	(1,4)	(0,6)	(3,4)	(2,7)
Opex	**(27,0)**	**(28,2)**	**(97,5)**	**(99,1)**
Depreciation, amortization and write-downs	(11,4)	(13,0)	(47,2)	(47,3)
Provisions	(0,0)	(1,7)	0,0	(1,7)
Operating profit (EBIT)	**24,0**	**25,5**	**103,8**	**126,0**
Net financial income (expenses)	(0,7)	(1,6)	(2,1)	(4,5)
Profit before income taxes	**23,3**	**23,9**	**101,8**	**121,5**
Income taxes	(5,8)	(7,0)	(28,1)	(34,8)
Net Income	**17,4**	**16,9**	**73,7**	**86,7**
EBITDA	**35,4**	**40,2**	**151,0**	**174,9**
EBITDA margin	*57,9%*	*59,2%*	*61,5%*	*64,3%*
Non recurring costs	-	(1,7)	-	(5,3)
Adjusted EBITDA	**35,4**	**41,9**	**151,0**	**180,3**
Adjusted EBITDA margin	*57,9%*	*61,8%*	*61,5%*	*66,3%*

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

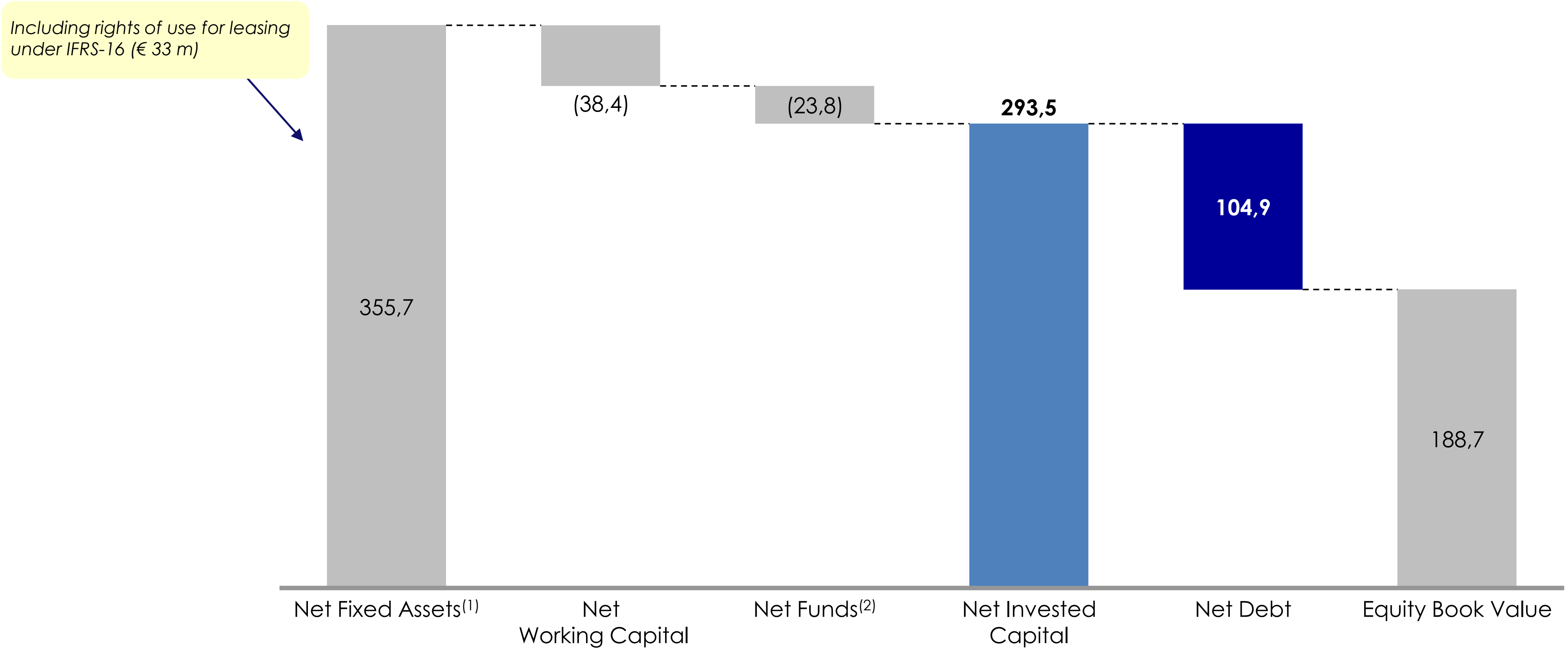
Summary of 2023YE Balance Sheet

(€m)	2022FY	2023FY
Non current assets		
Tangible assets	280,8	297,4
Rights of use for leasing	33,4	33,0
Intangible assets	19,5	24,7
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	1,8	2,9
Total non-current assets	**336,4**	**359,0**
Current assets		
Inventories	0,8	0,8
Trade receivables	66,2	74,8
Other current receivables and assets	2,5	1,4
Current financial assets	1,5	0,3
Cash and cash equivalents	35,2	34,1
Current tax receivables	0,1	0,1
Total current assets	**106,2**	**111,3**
TOTAL ASSETS	**442,6**	**470,3**

(€m)	2022FY	2023FY
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	38,2	37,7
Retained earnings	73,7	86,7
Treasury shares	(20,0)	(20,0)
Total shareholders' equity	**176,2**	**188,7**
Non-current liabilities		
Non-current financial liabilities	-	100,4
Non-current leasing liabilities	22,6	17,5
Employee benefits	10,0	8,9
Provisions for risks and charges	15,1	17,9
Other non-current liabilities	0,3	0,3
Total non-current liabilities	**48,0**	**145,0**
Current liabilities		
Trade payables	60,5	65,0
Other debt and current liabilities	38,5	48,9
Current financial liabilities	101,5	1,1
Current leasing liabilities	17,6	20,2
Current tax payables	0,4	1,4
Total current liabilities	**218,4**	**136,6**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**442,6**	**470,3**

2023YE Balance Sheet

Mln Eur



1) Including long-term financial items and the rights of use for leasing introduced from 2019 with the application of IFRS 16
2) Net funds include employee termination indemnities, provision for risks and deferred taxes

Summary of 2023FY Cash Flow Statement

(€m)	4Q2022	4Q2023	FY2022	FY2023
Profit before income taxes	**23,3**	**23,9**	**101,8**	**121,5**
Depreciation, amortization and write-downs	11,4	13,0	47,2	47,3
Provisions and (releases of) personnel and other funds	2,5	5,9	2,8	7,0
Net financial (income)/expenses	0,7	1,5	1,9	4,3
Other non-cash items	0,9	0,0	1,1	0,4
Net operating CF before change in WC	**38,7**	**44,3**	**154,8**	**180,4**
Change in inventories	0,0	-	0,0	0,0
Change in trade receivables	10,8	5,3	1,3	(9,1)
Change in trade payables	17,2	28,2	9,1	4,5
Change in other assets	0,3	2,4	0,8	1,1
Change in other liabilities	(6,4)	15,4	1,8	3,6
Use of funds	(1,9)	(1,6)	(2,9)	(2,2)
Payment of employee benefits	(0,8)	(1,9)	(3,1)	(3,6)
Change in tax receivables and payables	(0,8)	(0,1)	(0,9)	(2,3)
Taxes paid	(1,0)	(25,5)	(23,9)	(25,5)
Net cash flow generated by operating activities	**56,3**	**66,7**	**137,0**	**146,9**
Investment in tangible assets	(28,1)	(27,0)	(68,9)	(47,4)
Disposals of tangible assets	0,0	-	0,0	-
Investment in intangible assets	(5,6)	(5,7)	(6,7)	(10,0)
Disposals of intangible assets	0,0	-	0,0	-
Change in other non-current assets	0,2	0,0	0,2	0,0
Change in non-current financial assets	(0,1)	-	-	-
Net cash flow generated by investment activities	**(33,7)**	**(32,7)**	**(75,4)**	**(57,4)**
(Decrease)/increase in medium/long-term loans	(32,0)	100,4	-	100,4
(Decrease)/increase in current financial liabilities	31,7	(105,1)	31,9	(101,4)
(Decrease)/increase in IFRS 16 financial liabilities	(2,1)	(4,6)	(9,0)	(13,4)
Change in current financial assets	0,0	0,5	(0,3)	0,1
Net Interest paid	(0,4)	(1,6)	(1,1)	(2,6)
Dividends paid	(0,2)	(0,2)	(65,2)	(73,8)
Net cash flow generated by financing activities	**(3,0)**	**(10,6)**	**(43,7)**	**(90,7)**
Change in cash and cash equivalent	**19,6**	**23,4**	**17,9**	**(1,1)**
Cash and cash equivalent (beginning of period)	15,6	10,7	17,2	35,2
Cash and cash equivalent (end of period)	35,2	34,1	35,2	34,1

Credit lines

- Amount: **€ 185m**, of which € 143m Term loan (with **bullet** repayment at maturity) + € 42m Revolving
- Term Loan to be drawn as needed upon borrower's request
- Tenor: **3 years**
- Interest: **Euribor (0 floor) + 1,10%**
- Commitment fee: 35% of the spread
- One-off fees: 27,5bps upfront fee; 7,5bps coordination fee
- Covenant: **Net Debt / EBITDA ≤ 3,0x**

Cash generation and available debt to finance development initiatives