



Separate
and Consolidated
Interim Financial
Statements
as at 30 June
2021

The Rai logo consists of the word "Rai" in a bold, white, sans-serif font, centered within a solid blue square. The background of the entire page is a light gray gradient.

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Contents

7

Introduction

17

Report on Operations

181

Interim Separate Financial Statements as at 30 June 2021

253

Interim Consolidated Financial Statements as at 30 June 2021

321

Corporate Directory

Contents

| | |
|---|-----------|
| Introduction | 7 |
| Corporate Officers | 8 |
| Organisational Structure | 9 |
| Introduction from the Chairperson of the Board of Directors | 10 |
| Financial Highlights | 12 |
| | |
| Report on Operations | 17 |
| Mission | 18 |
| Market scenario | 18 |
| The Rai Group | 25 |
| Television | 40 |
| Radio | 96 |
| RaiPlay and Digital | 106 |
| Television production | 118 |
| Technological activities | 119 |
| Transmission and distribution activities | 133 |
| Sales activities | 134 |
| Other activities | 139 |
| Changes in the regulatory framework | 151 |
| Corporate governance | 156 |
| Corporate Governance Report - the Rai Control Governance Model and the Internal Control and Risk Management System (SCIGR) | 157 |
| Other information | 163 |
| Human Resources and Organisation | 163 |
| Real Estate Assets and Services | 169 |
| Safety & Security | 170 |
| Intercompany Relations | 171 |
| Significant events occurring after 30 June 2021 | 178 |
| Outlook of operations | 179 |

Interim Separate Financial Statements as at 30 June 2021 181

| | |
|--|-----|
| Analysis of the results and performance of economic and financial management of the first half of 2021 | 182 |
| Financial Statements of Rai SpA | 197 |
| Notes to the Separate Financial Statements as at 30 June 2021 | 202 |
| Certification pursuant to article 154- <i>bis</i> of Italian Legislative Decree 58/98 | 249 |
| Independent Auditors' Report | 250 |

Interim Consolidated Financial Statements as at 30 June 2021 253

| | |
|---|-----|
| Analysis of the consolidated results and performance of economic and financial management of the first half of 2021 | 254 |
| Financial statements of the Rai Group | 269 |
| Notes to the Consolidated Financial Statements as at 30 June 2021 | 274 |
| Certification pursuant to article 154- <i>bis</i> of Italian Legislative Decree 58/98 | 317 |
| Independent Auditors' Report | 318 |

Corporate directory 321



Introduction

Corporate Officers

Board of Directors

| | <i>Until 15 July 2021</i> | <i>From 16 July 2021</i> |
|--------------------------------|--|---|
| Chairman | Marcello Foa | Marinella Soldi * |
| Chief Executive Officer | Fabrizio Salini | Carlo Fuortes |
| Directors | Rita Borioni Beatrice Coletti Igor De Biasio Riccardo Laganà Giampaolo Rossi | Simona Agnes Francesca Bria Igor De Biasio Alessandro di Majo Riccardo Laganà |
| Secretary | Anna Rita Fortuna | |

Board of Statutory Auditors

| | |
|-----------------------------|---|
| Chairman | Carmine di Nuzzo |
| Standing auditors | Giovanni Ciuffarella Maria Teresa Mazzitelli |
| Alternative auditors | Pietro Contaldi Antonella Damiotti |

Independent Auditor

PricewaterhouseCoopers

* Assumed the office of Chairperson of the Board of Directors as of 21 July 2021.

Organisational Structure

(short form)



Introduction from the Chairperson of the Board of Directors

In the first six months of the year, the Covid-19 pandemic, with different levels of intensity, continued to affect the whole world. However, in the main industrialised economic areas, the launch and intensification of vaccination campaigns has allowed, though to differing degrees, the beginning of a path to overcome the health emergency, progressively reducing the restriction measures adopted in the most acute phases of the crisis. In this scenario, the Italian government ordered in October a further easing of health measures concerning sports and other activities with intensive social contacts, such as theatres and cinemas.

The signs of recovery, especially in the most affected countries, such as Italy, are relevant. Indeed, Italy's GDP for 2021 is expected to outperform estimates: a slight growth in the first quarter (0.2% over the previous period) was followed by an increase of 2.7% in the second and it is estimated that the third quarter marked a further recovery in GDP, with +2.2%. While assuming a more moderate progression in economic activity in the last quarter, the annual growth forecast is now 6.0%.

In the first half of 2021, the Rai Group posted a profit of almost €10 million, improving on the result of the same period of the previous year (€4.8 million).

In terms of revenue, in a scenario of progressive recovery of the economy after the most acute phases of the pandemic, there was an overall increase of about €114 million, mostly due to licence fees as a result of the regulatory changes introduced with effect from 1 January 2021 by Italian Law no. 178 of 30 December 2020 and to advertising as a result of the significant growth of the market compared to the corresponding period of the previous year which had suffered a heavy setback.

The positive trend in revenue was contrasted by a cost dynamic affected by the resumption of production activities, strongly limited in the comparative half-year by the rules adopted to contain the pandemic, as well as by the postponement to the current year of the European Football Championship 2020, whose costs mainly impacted on the first half of the year.

The performance of these variables led, together with a slight reduction in depreciation, amortisation and write-downs, to a substantially stable EBIT, amounting to around €20 million.

As at 30 June 2021, the net financial position was negative by €317.3 million (-€275.9 million as at 30 June 2020). Net of liabilities for operating leases, net financial debt amounted to €236.7 million, an improvement of €286.7 million compared to 31 December 2020, thanks to the cash flows in the first half, characterised by advance payments on ordinary licence fees equal to approximately 70% of the amount due for the year. The cash flow for the period also showed, compared to the comparative half-year, an increase in revenues from licence fees, as a result of the aforementioned regulatory changes, and advertising collections and, on the contrary, higher outlays, in particular for investments in intangible assets and advances for major sports events, as a result of the resumption of production activities.

From an editorial point of view, Rai television ratings recorded a general improvement. In particular, those of the entire day stood at 36.3% compared to 35.7% in 2020 (+0.6 pp); the prime time ratings recorded a share of 37.7% compared to 36.6% in the same period of the previous year (+1.1 pp).

These positive results benefited from the increase in the share recorded by the generalist networks, thanks also to the good performance in ratings of the UEFA Euro 2020 event.

The television audience for the entire day recorded in the first half of 2021 a decrease of about 1.1 million viewers compared to the same period of 2020; the comparison with the same period of 2019, without therefore considering the effects that the pandemic and the lockdowns have had on media consumption, recorded instead an increase. The trend that affected the entire day audience is even more accentuated with reference to prime time.

The health emergency, as is well known, has profoundly changed the lifestyles and habits of people and consumers, giving a strong boost especially to the digital economy; in this scenario, the use of services and multimedia content has continued to show signs of growth month after month.

As for the digital world, the users who in the period connected on average at least once a month to one of the various Rai sites or apps amounted to 11.6 million, i.e., 26% of the active population on the internet (a monthly average 44.5 million individuals in the half-year period). This number was down compared to the corresponding period of 2020, especially since the first half of 2020 coincided with the initial phase of the pandemic, during which the digital traffic recorded by Rai had achieved a significant surge as many people/users had sought information and reassurance with great intensity and frequency mainly in the editorial offerings of the Public Service provider. In this first part of the year, operators who offered evasive entertainment content were rewarded in particular, also taking into account the preference of consumers for "short" formats, compared to the "medium-long" ones typical of the Rai offering.

In this context, Rai, with its decades-long activity, has developed a distinctive code that characterises and differentiates it from all the other players on the Italian domestic media scene. Belonging to the ranks of the great European Public Service providers has shaped its uniqueness and recognised reliability.

In the clear awareness that the future is traced in not straying from the path taken, the Board of Directors, which took office last July and which I am honoured to chair, strongly feels the need to introduce profoundly innovative elements that can pre-constitute the conditions to ensure Rai the relevance so far achieved also in the new multimedia and multiplatform competitive landscape that now prevails in the market. Only this way can Rai confirm itself as a key partner for all generations, ensuring each - with the quality expected of the public service and in the most suitable ways - the contents that meet specific needs and preferences.

In this scenario, the Board of Directors has approved the start of the process to implement the new organisational model based on "Genres", already adopted by the main European Public Broadcasters. It marks a fundamental departure from the past and an inevitable starting point for the company, accelerating the digital transformation process as a necessary requirement for maintaining the Public Service's central role in the multiplatform context. In general, this transformation process will fall within the framework of reference set out in the new 2022-2024 Business Plan and the Service Agreement with the Ministry of Economic Development for the five-year period 2023-2027, i.e., the essential document where a balance needs to be struck between the Concessionaire's public service commitments and the economic resources allocated to it.

Marinella Soldi

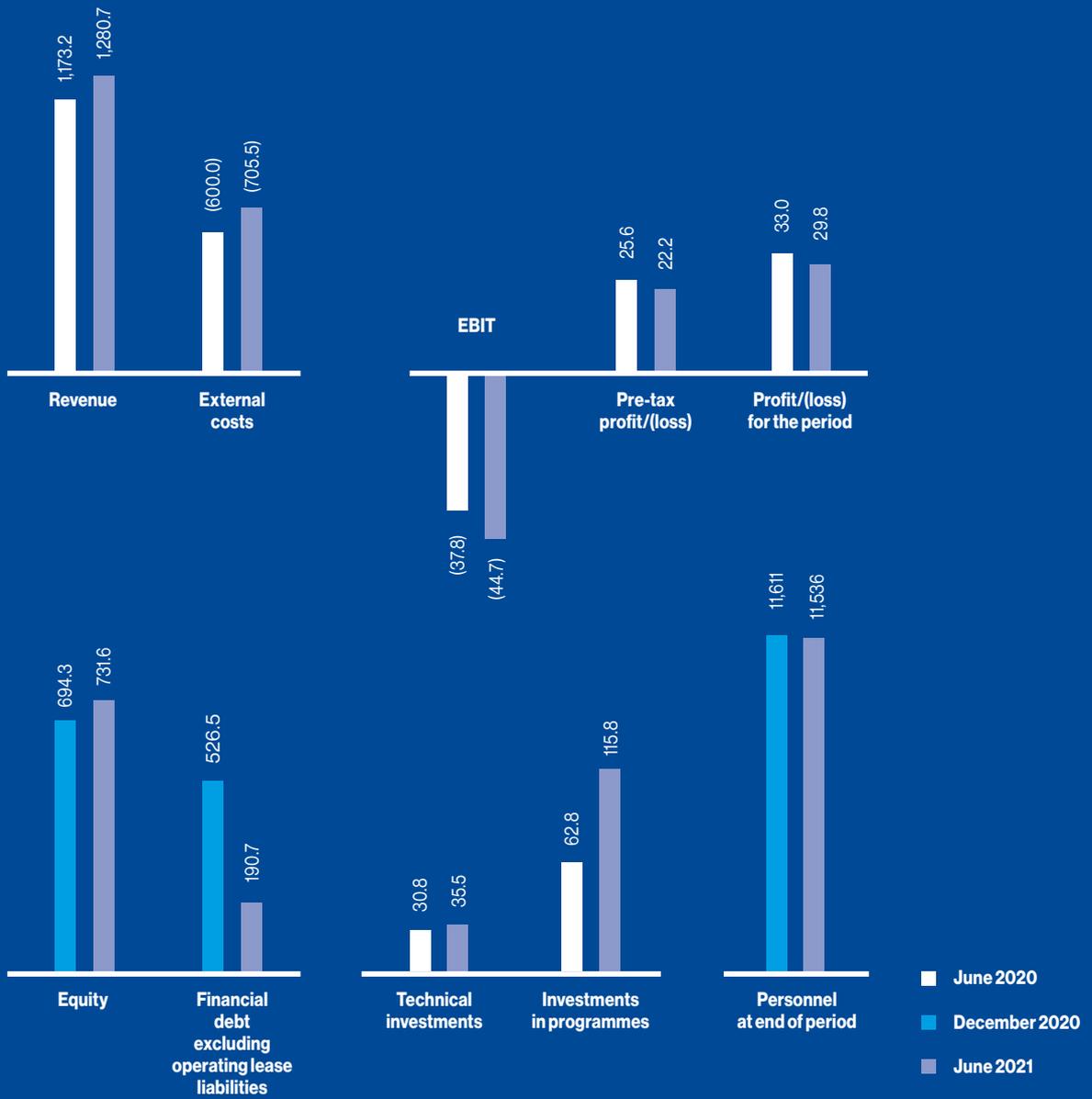
Financial Highlights

Rai SpA

| (€/million) | June 2021 | June 2020 | Change |
|-------------------------------------|------------------|------------------|----------------|
| Revenue | 1,280.7 | 1,173.2 | 107.5 |
| External costs | (705.5) | (600.0) | (105.5) |
| HR expenses | (474.7) | (464.1) | (10.6) |
| Total operating costs | (1,180.2) | (1,064.1) | (116.1) |
| EBITDA | 100.5 | 109.1 | (8.6) |
| EBIT | (44.7) | (37.8) | (6.9) |
| Pre-tax profit/(loss) | 22.2 | 25.6 | (3.4) |
| Profit/(loss) for the period | 29.8 | 33.0 | (3.2) |
| Investments in programmes | 115.8 | 62.8 | 53.0 |
| Technical investments | 35.5 | 30.8 | 4.7 |
| Investments in lease rights of use | 5.3 | 14.3 | (9.0) |
| Total investments | 156.6 | 107.9 | 48.7 |

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|---|--------------|------------------|----------------|
| Equity | 731.6 | 694.3 | 37.3 |
| Net financial debt excluding operating lease liabilities | 190.7 | 526.5 | (335.8) |

| (units) | 30 June 2021 | 31 December 2020 | Change |
|--|---------------|------------------|-------------|
| Permanent personnel as at | 11,323 | 11,450 | (127) |
| Temporary personnel as at | 213 | 161 | 52 |
| Permanent and temporary personnel as at | 11,536 | 11,611 | (75) |

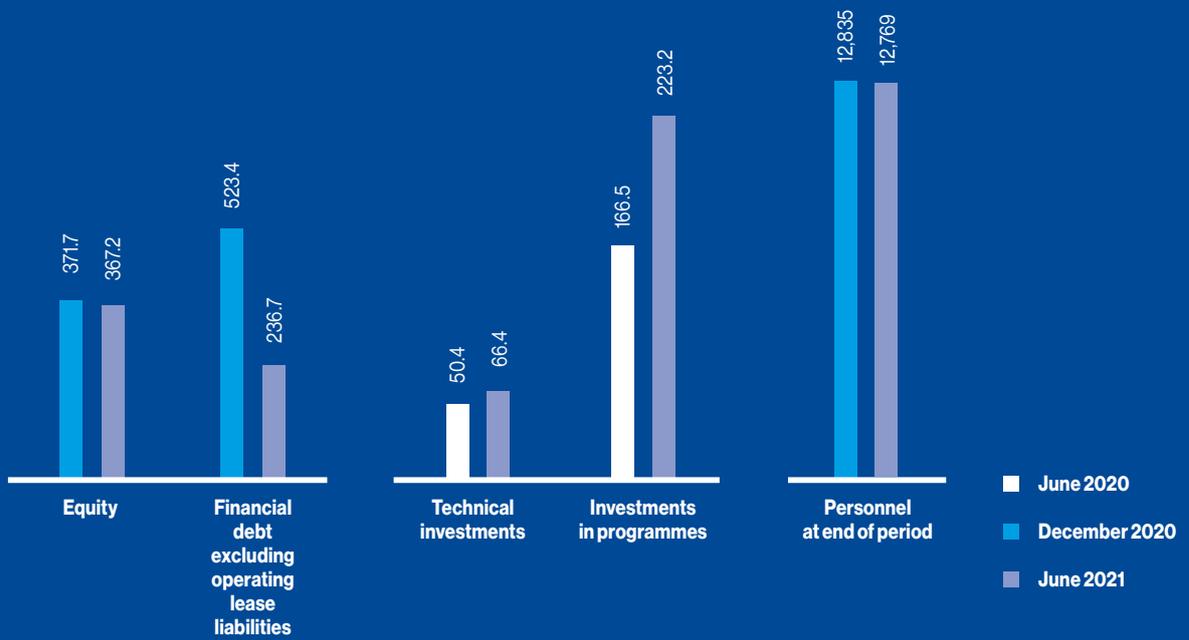
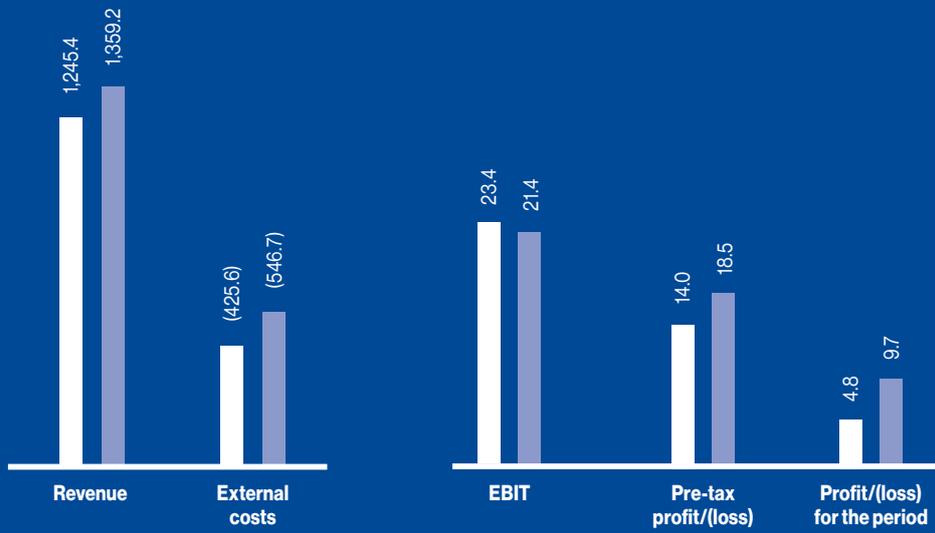


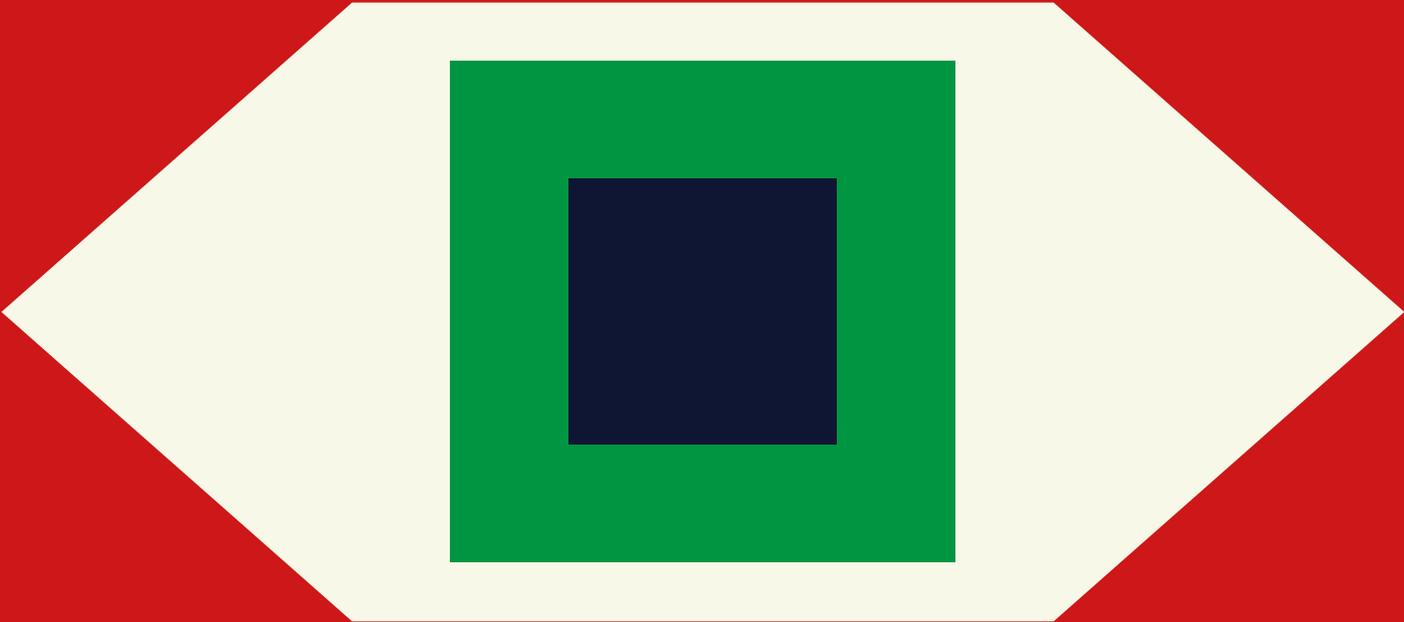
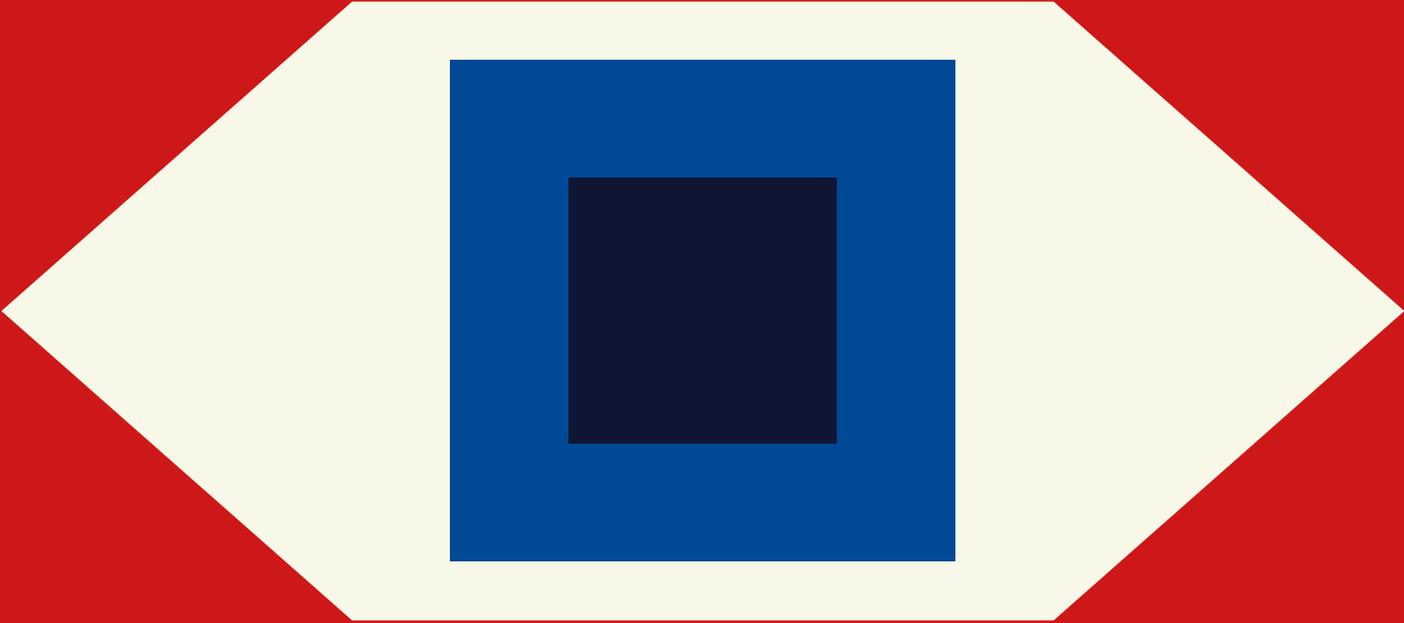
Rai Group

| (€/million) | June 2021 | June 2020 | Change |
|-------------------------------------|------------------|----------------|----------------|
| Revenue | 1,359.2 | 1,245.4 | 113.8 |
| External costs | (546.7) | (425.6) | (121.1) |
| HR expenses | (524.8) | (513.1) | (11.7) |
| Total operating costs | (1,071.5) | (938.7) | (132.8) |
| EBITDA | 287.7 | 306.7 | (19.0) |
| EBIT | 21.4 | 23.4 | (2.0) |
| Pre-tax profit/(loss) | 18.5 | 14.0 | 4.5 |
| Profit/(loss) for the period | 9.7 | 4.8 | 4.9 |
| Investments in programmes | 223.2 | 166.5 | 56.7 |
| Technical investments | 66.4 | 50.4 | 16.0 |
| Investments in lease rights of use | 10.0 | 24.4 | (14.4) |
| Total investments | 299.6 | 241.3 | 58.3 |

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|---|--------------|------------------|----------------|
| Equity | 367.2 | 371.7 | (4.5) |
| Net financial debt excluding operating lease liabilities | 236.7 | 523.4 | (286.7) |

| (units) | 30 June 2021 | 31 December 2020 | Change |
|--|---------------|------------------|-------------|
| Permanent personnel as at | 12,519 | 12,649 | (130) |
| Temporary personnel as at | 250 | 186 | 64 |
| Permanent and temporary personnel as at | 12,769 | 12,835 | (66) |





Report on Operations

Mission

By Decree of the Italian Prime Minister, published in the Official Gazette No. 118 of 23 May 2017, Rai was established as the exclusive concession holder of the Public Radio, Television and Multimedia Service for a period of 10 years, starting from 30 April 2017, and the outline agreement attached to the concession was approved.

The subject of the concession is the radio, television and multimedia Public Broadcasting Service to be considered as a general interest service, consisting in production and broadcasting activity on all distribution platforms for direct audiovisual and multimedia contents, including through the use of new technologies, ensuring complete and impartial information, as well as to encourage education, civil growth, progress and social cohesion, promote the Italian language, culture and creativity, safeguard the national identity and ensure socially useful services.

The Service Agreement for the five-year period 2018-2022, published in the Official Gazette of 7 March 2018, was therefore signed.

Market scenario

In the first half of 2021, the Covid-19 pandemic crisis continued to affect all the countries of the world with different incidences. However, the half year was characterised by the launch of vaccination campaigns that allowed the beginning of a path to overcome the health emergency by reducing the restriction measures adopted.

The main economic areas, after the major contraction last year due to the lockdowns, are gradually showing signs of recovery; for example, compared to the company's core businesses, the global TV adv market recorded an improving trend, from USD 132.9 billion in 2020 to USD 143.9 billion estimated for 2021 (Source Ampere Analysis).

The health emergency has profoundly changed the lifestyles and habits of people and consumers, giving a strong boost especially to the digital economy; the use of services and multimedia content is continuing to record signs of growth month after month.

At global level, the economic recovery is confirmed by all major international institutions (the IMF forecasts indicate global growth in the order of 6% for 2021 and 4.9% for 2022). The latest estimates on Italy's economy are also on the rise, with GDP growth close to 4.9% for 2021 and 4.2% for 2022 (Source IMF, *World Economic Outlook*). Despite the positive signs, the health emergency still raises considerable concerns and therefore a climate of uncertainty persists.

As is well known, the impacts of the pandemic have heavily affected the entire audiovisual chain, resulting in delays in the production and distribution of content. On the other hand, the first months of 2021 were characterised by important recovery and investment policies, which primarily concerned the US powerhouses, which, precisely as a result of the pandemic crisis, were able to increase the customer base. Video streaming services have seen an acceleration in their growth curve; according to the estimates of Ampere Analysis, in the first six months of the year, there were significant increases at global level in subscribers for all SVoD services compared to 2020: Netflix by 7.6% with 219 million subscribers, Amazon Prime Video by 16.9% with 144.4 million, Disney+ by 30.9% with 86.7 million and, finally, Apple TV+ by 61.4% with 85.9 million.

As proof of the importance of the major OTT players, active in the VoD market, it is interesting to note that, while before the pandemic crisis, in leading international forums, such as *the Emmy Awards*, these managed to collect a number of nominations ranging between one sixth and a quarter of the choices, in 2020 they garnered 40% and in 2021 50% (Source Ampere Analysis).

From an industrial point of view, growth continued in the first half of the year by resuming expansion and diversification strategies. For example, in the first quarter, the video on demand service Netflix – also as a result of the renewed competition in streaming war by film majors – commissioned a major list of new projects

Main television operators active in Italy - 1st half of 2021

Digital terrestrial

Rai
Mediaset Group
Discovery Italia Group
Sky Italia Group
Cairo Communication
AL.MA Media^{*}
Viacom Italia
GEDI Gruppo Editoriale
Sciscione Group

Free- to-air TV

Satellite

Rai
Mediaset Group
Discovery Italia Group
Sky Italia Group
Cairo Communication
Viacom Italia

Pay Tv

Satellite and Digital Terrestrial

Sky Italia

publishers active on the platform, i.e. who broadcast their channels also on Sky:

Mediaset Group
Discovery Italia
Fox Italia group
Turner Broadcasting System
Viacom Italia
De Agostini SpA
GEDI Gruppo Editoriale
A&E Network
DAZN Group

^{*} The television group has been inactive since February 2021.

that includes the largest number of originals ever ordered by the player in a single quarter. In turn, for its prime video streaming service, Amazon has mainly focused on licensing and the recent agreement with Metro Goldwyn Mayer. In May, the powerhouse born from e-commerce bought for USD 8.45 billion MGM, a historical film production company with a library of over 4,000 films and with more than 15,000 TV series and programmes (plus 180 Oscars and about 100 *Emmy Awards*). The *studio's* film library was the reason driving the acquisition. Even before the deal, Prime Video hosted more than 70% of all MGM movies available on streaming platforms in the United States. This acquisition has allowed Amazon to integrate and strengthen its content catalogue and to complete the expansion and diversification strategy that it launched in November 2010 with the creation of Amazon Studios. In addition, in line with its strategy, Amazon has also consolidated its interests in sports entertainment: from 2022 it will have the exclusive in the United States to broadcast the matches of the *National Football League* while, in the 2021/22 season it will distribute in Italy, always exclusively, 16 of the 137 *Champions League* matches on Wednesday (Source Ampere Analysis).

Also in the M&A category, AT&T, the US telecommunications giant, announced the merger of its subsidiary WarnerMedia (acquired in 2018) with the Discovery Group. The agreement, worth USD 43 billion, provides for the creation of a new strategic player in the entertainment sector with the Warner Bros film studios, the television brands HBO, CNN, and Cartoon Network, and franchises such as DC Comics with Discovery Channel, Food Network, Animal Planet and Eurosport; above all, the new player will have two streaming platforms to deliver content, HBO Max and Discovery+.

In Italy, from an industrial point of view, *bundling/embedding* operations continued. By activating integrations between offers and making new hubs available for use, these favour the growth of service penetration levels. Examples in this regard are the deal between DAZN and Tim that, by extending the partnership already in place, has made the contents of the DAZN streaming service available on Timvision and the agreement between Sky and Disney for the distribution of the Disney+ SVoD service on Sky Q and on the NOW Smart Stick and NOW Box devices. In terms of subscribers, there was a positive trend for all the services considered: Netflix +12% and 4.2 million subscribers, Amazon +22% and 2.2 million, Disney+ +86% and 1.8 million, Apple TV+ +72% and 1.8 million, and Tim Vision +13% and 2.3 million (yoy).

The impact of the health emergency on the use of digital multimedia content is confirmed by the growth in the number of subscribers to SVoD services as well as from the point of view of consumers. For instance, the survey conducted annually by the Doxa Institute in collaboration with the Politecnico di Milano as part of the Digital Innovation Observatories recorded, also in the first half of 2021, an increase in the use of online content (video + 7pp., from 73% to 80%; news +6pp., from 73% to 79%; videogames +12pp., from 31% to 43%; Internet population sample 18-75 years, vs. 2020).

In detail, the survey conducted by Doxa on *digital consumers* showed: as regards video entertainment consumption, 80% of respondents declared to use it in free mode and 4% pay (with an average monthly expenditure of €7.7), 83% of this consumption takes place at home, 53% of respondents declared to use it mainly after dinner, with an average duration of about 30'. With regard to the consumption of info & news, 79% access it for free and 8% for pay (€6.2 was the value of the average monthly expense) and use takes place mainly at home (76%) and during the afternoon (25%) for about 23'. Music content is enjoyed by 76% of respondents in free mode (14% for pay, with €6.7 in monthly expenditure), while 64% of consumption takes place at home, mainly in the afternoon (33%) and with an average duration of 21'; compared to the use of videogames, access for free accounted for 43% and for pay 8% (average expenditure of €8.1 per month) with use of 72% at home both in the afternoon (32%) and during the evening (31%) and with an average playing time of 28'. The respondents who claimed to use free e-books accounted for 32% of the sample, those for pay 10% (€7.5 in average monthly expenditure); use takes place at home for 64%, while 40% declared to use it after dinner with an average time of 25'. Podcasts are enjoyed by 28% of respondents for free and by 7% for pay (€5.2 in average monthly expenditure) and the activity is carried out mainly at home (56%) while 33% said that they listen to them mainly in the afternoon with an average time spent of 22'. Audio books are chosen by 22% of the sample for free and by 8% for a fee (€6.7 in average monthly expenditure), 56% of the respondents prefer home/domestic use, especially after dinner (31%) or in the afternoon (30%) with 20' of average time dedicated.

More generally, always from the point of view of consumers, the ongoing survey *Social and Consumer Climates*, conducted by the GfK Institute (spring 2021) highlighted that the health emergency has profoundly changed the *sentiment* of Italians with respect to the future: while in spring 2019 the perception of living in a context *impervious* to change was increasingly widespread, today 66% of Italians (14+) declare instead that *nothing will be the same as before*, embracing a new paradigm. According to GfK researchers, the segment that best interprets the spirit of the times is represented by those who are open to change and want to manage it proactively even by reviewing their consumption priorities, a consumer who is increasingly sensitive and attentive to respecting the issues of sustainability in all its forms (social, environmental, etc.), the so-called *Re-think spending* that in spring 2021 stood at 56% compared to 49% in the previous survey. As regards the digital world, the survey also confirmed the importance of technological development, so much so that for 62% of the sample digital technology will be a driver for improvement in the quality of life. Although the pandemic has favoured the entry of new targets into the digital world, the *digital divide* persists with 21% of consumers declaring that they do not have sufficient *digital skills*.

With regard to the advertising market, in the first half of 2021, there was significant growth compared to the corresponding period of the previous year (+26.7%). According to Nielsen, it went from €2.2 billion in the first half of 2020 to €2.8 billion in 2021. Considering OTTs and search, social, classified, other

display and non-FCP video components – estimated by Nielsen at €1.6 billion – the growth of the advertising investment market stood at 25.7%, rising from €3.5 billion in the first half of 2020 to €4.4 billion in 2021. As regards the breakdown of revenue from the various media, in the first half of 2021, once again in comparison with the corresponding period of 2020, there was a generalised increase - with the only exception of those sectors which have been particularly impacted by mobility restrictions (Transit -28.3% and Go TV -13.7%): TV +33.2%, Radio +22%, Digital +29.3% (+24.5% including the estimate for OTT, Search, Social, Classified, Other Display and non-FCP Video), Newspapers +16.2%, Periodicals +3.9%, Outdoor +6.3%, and Direct mail +11%. Cinema revenues are not available.

Limited to the television market, compared to individual publishers, Rai (32.9%) and Mediaset (32%) showed growth substantially in line with the market average (+33.2%); Sky recorded an increase of 45.8%, Discovery 33.5% and La7 17.9%.

Compared to traditional Pay TV services, even in the period under review, the decline in the number of households subscribed to Sky continued, reaching just under 3.6 million as at 30 June 2021 (3.8 million as at 30 June 2020 and 4 million as at 30 June 2019). According to analysts, this decline was due to a number of factors: the economic impacts of the pandemic, the suspension and postponement of the various sports events (the backbone of the satellite platform), the shutdown of the Disney channels and the strong competition between SVoD services, starting with DAZN, which was awarded the lion's share of the broadcasts rights for the *Serie A Football Championship*.

Compared to 30 June of the two reporting periods, as regards the free satellite platform TivùSat, there was, however, an increase in both active smart cards, from 3.7 million to almost 4.2 million, and in the number of active users, from 2.5 million to 2.7 million.

During the first half of the year, the competition landscape witnessed the following changes in the linear TV market:

- in February, Rai launched the revamped Rai Scuola portal with new graphics and content;
- in April, two new sports channels of the Media Sport Group were made available on the free satellite platform TivùSat: MS Channel and MS MotorTV;
- in June, Sky Italia announced the launch, on 1 July, of four new channels: Sky Serie, Sky Investigation, Sky Documentaries and Sky Nature. Also in June, Sky revamped the graphics of the Sky TG24 channel in a multi-platform perspective.

At the same time, the new features in the digital video-on-demand market included:

- in January, Discovery reorganised its streaming offering with the launch of the Discovery+ platform (AVoD/SVoD), which replaces the Dplay service, and concluded an agreement with Vodafone for the distribution of its content on the Vodafone TV platform in 12 countries, including Italy; nationwide, Discovery entered into a partnership with Tim for the distribution of its offering on Timvision;
- in February, Disney made available the contents of Star,

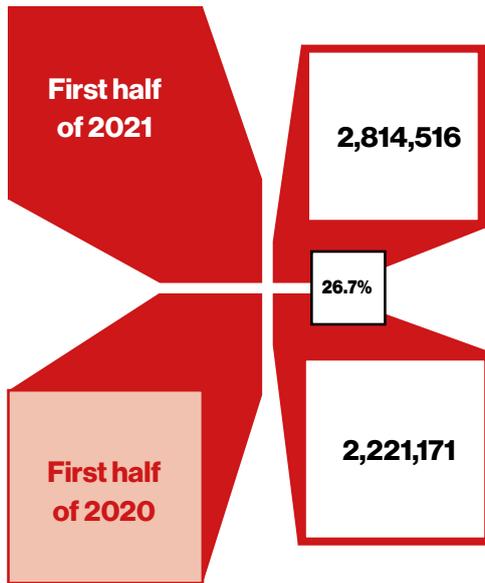
an entertainment brand for an adult target, on its Disney+ platform; DAZN and TIM signed a distribution agreement that, extending the partnership already in place, made the contents of the streaming service available on Timvision for the next three years;

- in March, Sky's SVoD service, Now Tv, launched a rebranding plan, becoming Now;
- in April, SKY and Disney, as anticipated, concluded an agreement for the distribution of the Disney+ SVoD service on Sky Q and on the NOW Smart Stick and NOW Box devices. Also in April, Mediaset integrated Mediaset Play's free and Infinity pay offerings into a single platform, Mediaset Infinity;
- in May, the Italian Tennis Federation launched the OTT Super Tennix platform dedicated to Tennis, Padel and Beach Tennis, available on Smart TV, Smartphone, Tablet, Amazon Fire Stick and Web;
- from June, in Italy, the Discovery+ streaming service is available on Amazon Prime Video Channels at an additional cost compared to the Amazon Prime subscription; Mediaset and TIM signed a multi-year agreement for the non-exclusive distribution of the Mediaset Infinity app on the Timvision platform.

As at 30 June 2021, there was a total of 351 TV channels under TV publishers – net of any duplications – available on DTT, DTH or both platforms; of these 351, 73 were only available on the digital terrestrial platform, 214 only on satellite (free and pay) and 64 available on both platforms. In terms of the business model, a total of 192 free channels are available, 120 of which can be seen on the TivùSat platform; there are 159 pay TV channels net of duplications - all owned by Sky Italia - of which 142 are visible on the satellite platform only, 7 on the digital terrestrial platform only, and 10 channels visible on both platforms. The high-definition offering (HD, Super HD, UHD-4K) is stable at 115 channels net of duplications on the various platforms. Gross of duplications, there are 108 HD channels on satellite and 23 on the digital terrestrial platform (source Confindustria RadioTv).

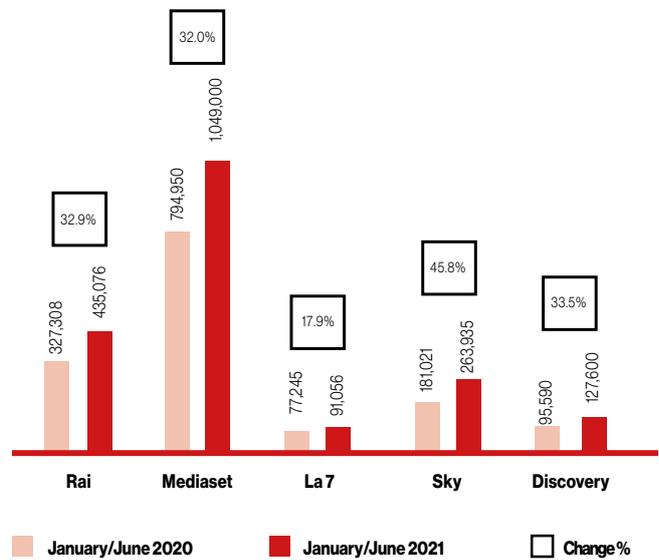
Total advertising

(source: Nielsen - thousands of euros)



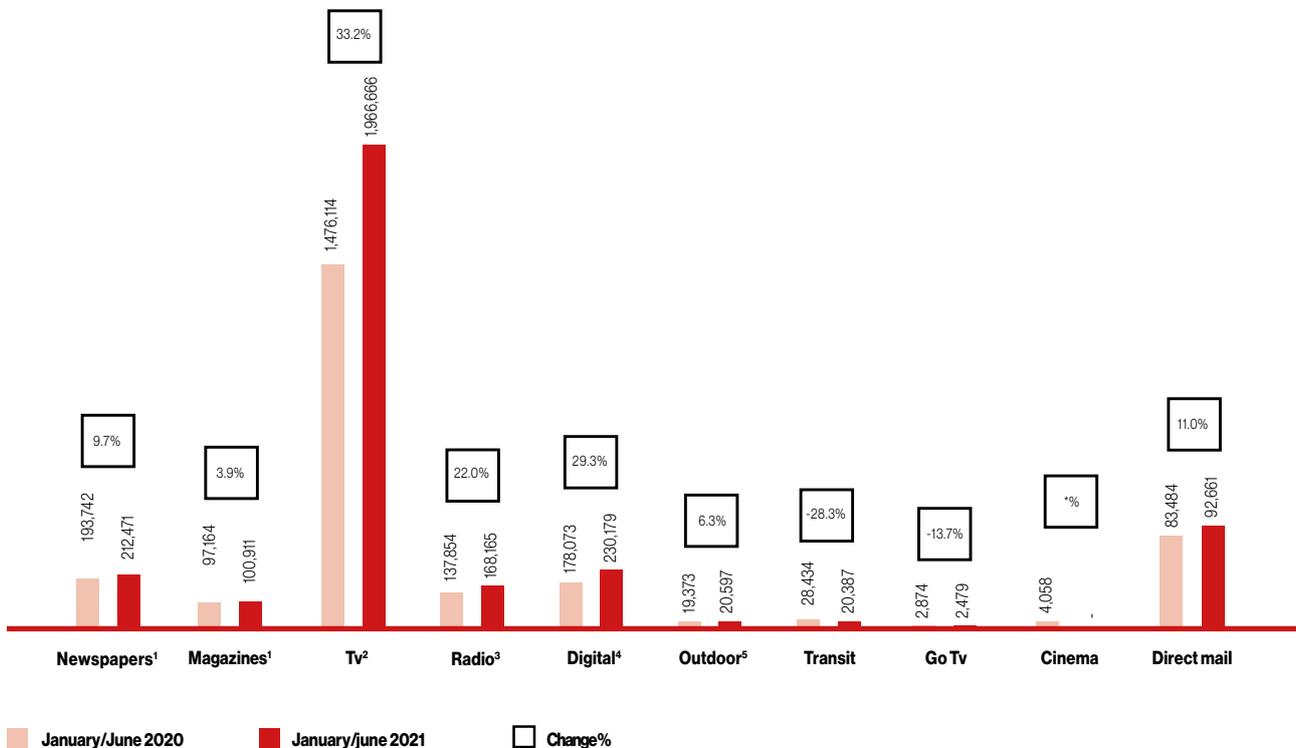
Estimate of the advertising market – TV

(net turnover, source Nielsen, €/000)



Changes in advertising revenue by medium

(values net of internet desk [search and social] source Nielsen, thousands of euros)



The reference universe is that of the means recognised by Nielsen with the exception of Newspapers where FCP – Assoquotidiani data is used only for the following types: Local, Itemised and Service, and Radio where the FCP – Assoquotidiani data are used only for Off-Schedule type (including a.c.).

1 The calculations were carried out with the contribution of FCP - Assoquotidiani and FCP - Assoperiodici. For the data on Local Commercial, Itemised and Service Newspapers the source is FCP-Assoquotidiani.

2 This figure includes generalist, digital and satellite broadcasters.

3 The calculations were carried out with the contribution of FCP - Assoradio.

4 The calculations were carried out with the contribution of FCP - Assointernet.

5 The calculations were carried out with the contribution of Audioutdoor.

* Data not available as of March 2020.

TV channels in Italy

(source: Confindustria Radio Televisioni)

411

TV channels receivable on the main platforms

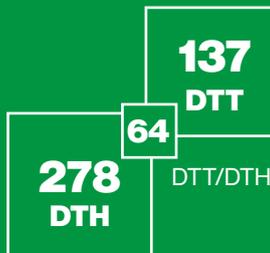
351

TV Channels products by company based in Italy

411 of which

351 of which

Technology platforms



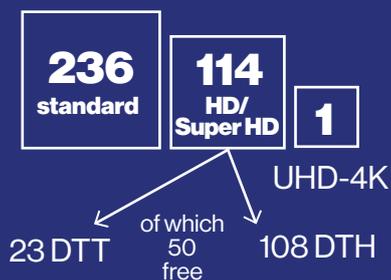
351 of which

TV publishing groups in Italy

70

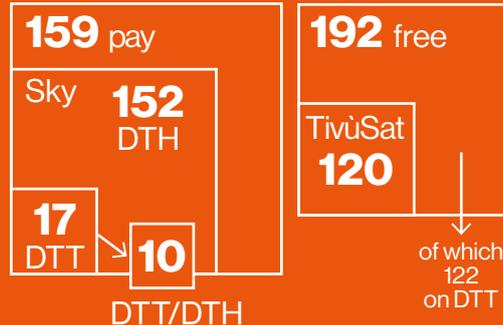
351 of which

Definition type



351 of which

Pay TV vs. Free-to-air TV



The Rai Group

The Rai Group ensures a vast and diversified Public Service offering, present on all platforms, able to address the public in all its forms, in line with the provisions of the *2018-2022 Service Agreement*.

With reference to audience measurement systems (TV, Radio, Digital), it is worth mentioning the recent measure of the competent Authority (AGCOM), which, with Resolution 194/21/CONS of 10/6/2021, provides "*guidelines for survey companies in order to lay the foundations for an efficient rationalization of the auditsystem*". In particular, AGCOM has addressed several aspects, the most relevant of which are:

- governance of entities that carry out surveys, in the hope that these entities adopt the model known as the *Joint Industry Committee* (JIC), i.e., the one in which all the components of the reference industry for the surveyed medium are represented in the shareholding structure (publishers, advertising investors, agencies and media centres also through the respective trade associations);
- full traceability and replicability of measurement processes, also so that they can be effectively audited;
- ownership of the intellectual property of the strategic assets underlying the surveys (software, databases, panels, technologies, algorithms) by the entities conducting the survey;
- progressive process of coordination and convergence of current measurement systems, in order to achieve unique metrics, the integration of measurement technologies and methodologies and the sharing of measurement assets, in a system logic and in a market perspective;
- principles of fairness, equal treatment and non-discrimination towards all those involved, which surveys and methodologies must observe;
- shared systems for the management of first-party data (of users), with a view to convergence, and in the light of the *cookieless* scenario;
- guarantee, at all stages of the survey, of the protection of users' privacy.

In line with both the most recent guidelines issued by AGCOM and previous similar measures of Regulators, the Rai Group has continued to promote transparent measurement systems, inspired by international best practices and shared, as much as possible, among all operators in the sector. With particular reference to the governance of entities that carry out surveys, the aforementioned model, known as the *Joint Industry Committee* (JIC), is the one currently adopted by Auditel, to measure television ratings, and by Audiweb, for digital audiences. On the other hand, for radio, the company in charge of monitoring listening (TER – Tavolo Editori Radio) is set up as a Media Owned Committee, which brings together only the editorial part (national publishers and associations representing local broadcasting). Rai plays a particularly active role with these bodies and their technology partners, also to ensure verification and compliance with all issues related to both the processing of personal data of users collected on the property of publishers and the assignment of processing roles for the purposes of GDPR legislation.

Below follows an overview of the main events that characterised the first half of 2021 for each of the three surveys (TV, Digital, and Radio).

With regard to the survey of TV audiences by Auditel, the evolutionary path is continuing. Once fully operational, it will allow for the calculation of the so-called "Total Audience". According to plans, it will be possible to add the audience of a programme, a specific content, and a commercial viewed on TV while watching the same programme, the same specific content, and the same specific commercial on each individual digital device.

Specifically, in the first half of 2021, activities continued to implement the fundamental component of the Total Audience processing process, namely the system of analytical models that allows the so-called individualisation and profiling of digital audiences. This solution will make it possible to process the audience data of digital content related to individuals (and not to devices, as is already the case today) so that they can be added to those of traditional TV.

The Covid-19 emergency and the related restrictions also caused in the first part of 2021, as in 2020, the reduced interaction with households at their home (interview for Basic Research, installations and maintenance of meters). In this context, the operational plan set out in 2020 by Auditel aimed at preserving the quality standards of the Auditel survey in conjunction with the reduced interaction caused by Covid-19 was particularly effective. The activities of the Auditel Basic Research (shared with Audiweb) continued using the precautions already in place and useful to increase the safety margin for personnel involved in the survey and households. These methodological precautions include: semi-home interviews, also carried out outside the home, telephone recalls, follow-up interviews, approach to estimating technological equipment based on interviews carried out entirely by telephone.

Maintaining the panel's already extremely high quality standards was ensured through a review of the processes (installation, maintenance, etc.) aimed at maximising remote interventions.

With respect to the survey of digital audiences carried out by Audiweb, the methodological evolutions defined during 2020 came into force in January 2021. In particular, as part of the census survey, new user tracking mechanisms have been introduced that will make it possible to avoid the use of "third-party cookies" (which in the future will no longer be usable in the browser environment). In the remaining part of 2021, the development of these new measurement methods will continue, in order to restore the information power possible with the methodology that characterised the previous edition of the survey.

The impact of the Covid-19 emergency on the Audiweb survey, in the first half of 2021, is to be considered negligible because:

- the panelist management process is already completely managed remotely (the meters they are equipped with is a software that does not require the intervention of technicians at the panelist's home);

- the Basic Research activities, carried out by Auditel together with Audiweb, have benefited from the above measures taken by Auditel.

A further element to be noted, of a systemic nature, concerns the planned merger plan of the two companies that deal with the collection of measurement data from the daily and periodic press (Audipress Srl) and internet audience data in Italy (Audiweb Srl), respectively. The project, launched in 2020, was interrupted in May 2021 by decision of the shareholders of the two survey companies (Fedoweb – Federation of web operators, Fieg – Italian Federation of Newspaper Publishers, UNA – United Communication Companies, and UPA – Associated advertising users). Rai, a Fedoweb associate, is in favour of the initiative as it is consistent with the guidelines / suggestions of AGCOM (194/21/CONS of 10/6/2021) and still hopes for the definition of a new survey system that can lead to a joint measurement result of publishing brands, in line with recent technological developments, ultimately also allowing synergies and optimizations in the performance of research activities.

Finally, with regard to the measurement of radio audiences, in the first half of 2021, the company TER (Tavolo Editori Radio) continued to promote discussion on the need to further develop the current survey methodology based on CATI telephone interviews, which has shown several critical aspects. The aim, strongly supported by RAI as well, continues to be that of developing a path - structured and shared by publishers - that can lead in a short time to a survey using automatic instruments (meters). Finally, this evolution could also favour the involvement in the governance of TER - in line with the guidelines set out by the AGCOM Authority in the recent resolution referred to above - of the associations representing the advertising market (investors, agencies and media centres). In this regard, it is worth pointing out the resumption of the dialogue between TER and UPA. During the first half, with a view to obtaining increasingly timely and accurate information on the use of radio, Rai worked on the evolution of its experimental project to measure the audiences of Rai Radio's offering based on a meter methodology, after the pilot phase conducted in 2020. This initiative will continue with its exclusively editorial purposes and in parallel with TER's survey.

In the first half of 2021, TER's research activity too was affected by the Covid-19 emergency, but to a much lesser extent than experienced by the other survey companies. Its survey, based on telephone interviews, was not interrupted in 2021 (unlike what happened during the first lockdown in 2020) as the revision of the approach for quality controls provided during the work of the interviewers has also allowed for their activity to be carried out on a remote working basis.

Digital terrestrial and satellite television

Rai has the largest DTT offering on the market, with fourteen nationally broadcast channels:

- 3 generalist networks: Rai1, Rai2, Rai3, available in both SD and HD;
- 11 semi-generalist or specialised networks: Rai4, Rai5, Rai Movie, Rai Premium, Rai News 24, Rai Storia, Rai Scuola, Rai Sport, Rai Sport+ HD, Rai Gulp and Rai Yoyo. Of these, Rai4 and Rai Premium are also available in HD in some Italian regions.

Digital satellite, complementary in relation to digital terrestrial, makes it possible to reach parts of the population not covered by DTT. Based on the model of experiences in other countries, Rai – along with Mediaset, Telecom Italia, Confindustria Radio TV and Aeranti-Corallo – contributed to creating the free TivùSat platform.

All 14 Rai channels are available on TivùSat, also on HD. In addition to and to support the linear television offer, Rai proposes interactive applications and on-demand video services via internet that can also be used on connected or connectable TVs (smart TVs or through certain types of interactive decoders).

As already mentioned, the pandemic has also affected the editorial profile, imposing constraints and restrictions on the entire production system. The case of the *Sanremo Music Festival*, broadcast from a theatre without an audience, is emblematic. Rai's creative and production effort continued in any case also during the first half of 2021. Specifically:

Information. The public's interest in current events and issues related to the economic recovery was largely satisfied by the rich information offering of the Public Service, which continued to record particularly high ratings, such as those recorded during 2020 and in some cases even improving them, for example the 1:30 pm edition of the Tg1 news grew by almost one percentage point in share (+0.8). It is also worth mentioning the excellent performance of Tg3 and TgR in terms of share.

Rai information was also very successful with the offering of current affairs and investigative reporting programmes. In particular, it is worth mentioning: *Tg1 News Special - Il giorno di Biden and Report*.

Drama and Films. The success of dramas produced by Rai was confirmed, with TV series such as *Il commissario Montalbano* – whose latest new episode touched 40% of share – and the series *Le indagini di Lolita Lobosco* (which on average exceeded 30% of share) ranking in leading positions of the top 10 most watched dramas. In particular, the latter follows in the wake of the long series of productions with women as their main protagonists to whom Rai has been devoting great attention for years. The offer of important international co-productions also continued, for example, with *Leonardo's*, programming in March, carried out with a joint venture between Rai, France Télévisions and ZDF. The diversification of the Rai drama offering also continued, for example, with the programming on Rai 2 of the fourth season

Map of the Rai offer

(As at 30 June 2021)

Television

(Digital terrestrial and satellite)

Generalist

Rai 1, Rai 2, Rai 3, Rai 1 HD*, Rai 2 HD*, Rai 3 HD*

Semi-generalist channels

Rai 4, Rai 5, Rai Movie, Rai Premium, Rai 4 HD**, Rai 5 HD**, Rai Movie HD**, Rai Premium HD*, Rai 4K**

Special-interest channels

Rai News 24, Rai News 24 HD**, Rai Storia, Rai Storia HD**, Rai Scuola, Rai Scuola HD**, Rai Sport, Rai Sport+ HD*, Rai Gulp, Rai Gulp HD**, Rai Yoyo, Rai Yoyo HD**

TV channels available on RaiPlay

Generalists

Rai 1, Rai 2, Rai 3

Semi-generalist channels

Rai 4, Rai 5, Rai Movie, Rai Premium

Special-interest channels

Rai News 24, Rai Storia, Rai Scuola, Rai Sport, Rai Sport+ HD, Rai Gulp, Rai Yoyo

Radio

Rai Radio1, Rai Radio2, Rai Radio3, Rai Isoradio, Rai Gr Parlamento, Rai Radio1 Sport, Rai Radio2 Indie, Rai Radio3 Classica, Rai Radio Kids, Rai Radio Live, Rai Radio Techetè, Rai Radio Tutta Italiana

Radio channels available on RaiPlay Radio

Rai Radio1, Rai Radio2, Rai Radio3, Rai Isoradio, Rai Gr Parlamento, Rai Radio1 Sport, Rai Radio2 Indie, Rai Radio3 Classica, Rai Radio Kids, Rai Radio Live, Rai Radio Techetè, Rai Radio Tutta Italiana

* Available on DTT and TivùSat.

** Visible only on TivùSat.

Information

Tg1, Tg2, Tg3, Tgr, Rai Sport, Rai Parlamento (Rai Gr Parlamento), Rai Mobilità, Rai News (Teletext), Rai Giornale Radio

International Offer

Rai Italia, Rai World Premium, Rai News 24

Web

Rai.it, RaiPlay.it, RaiNews.it, RaiPlayRadio.it, RaiSport.it, RaiCultura.it

App

RaiPlay, RaiPlay Radio, Rai News, RaiPlay Yoyo

Cinema

Rai Cinema, 01 Distribution

Home video

01 Distribution, Rai Com

Publishing

Rai Libri

of *Rocco Schiavone*, which continued to record good results especially among the elective young target audiences.

Also relevant was the offering of films, among which those with the highest audience ratings were the titles broadcast on Rai 1 such as *La Befana vien di notte*, dedicated to a family audience, *Il Traditore* by Marco Bellocchio and the Oscar award-winning *Green Book*.

Entertainment. The genre - strongly impacted by the absence of a live audience, a central driver that helps the audience from home identify with studio audience - has managed to maintain significant audience shares, above all the already mentioned 71st *Sanremo Music Festival* and the show *Canzone Segreta*.

Sport. The return of the great sports competitions catalysed the attention of spectators favouring the success of events such as the *European Football Championships* (originally scheduled for summer 2020 and postponed to June 2021) with peaks of 13 million viewers with the *Italy-Switzerland* match on 16 June. Competitions such as the *Coppa Italia* and the *Supercoppa d'Italia*, broadcast by Rai 1, and the *Giro d'Italia*, broadcast by Rai 2 and Rai Sport, met with a huge success. These events also drove the performance of the sports special features, among which *Sogno Azzurro*, linked to the *European Football Championships* and *Il processo alla tappa*, a commentary on the *Giro d'Italia*.

Culture. Rai ensured significant coverage of the world of culture, recording excellent results in terms of audience and, above all, image. With a view to promoting and enhancing the territory and the country's artistic heritage, titles such as *Linea Verde*, *Linea Blu*, *Il borgo dei borghi* and *Città segrete*, were at the top of the ranking of cultural genre ratings. As for music, suffice it to remember the prestigious concerts directed by Harding and Muti scheduled on Rai 1. Finally, with regard to cultural dissemination, it is worth mentioning the success of *Ulisse il piacere della scoperta*.

Religious events. Rai continues to be a point of reference for programming related to worship and prayer. During the pandemic crisis, in fact, religious broadcasts responded to the need for community, meeting with the public's favour. In particular, in terms of ratings, the *Rito della via Crucis* broadcast by Rai 1 was watched by almost 5 million people.

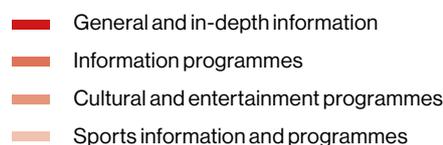
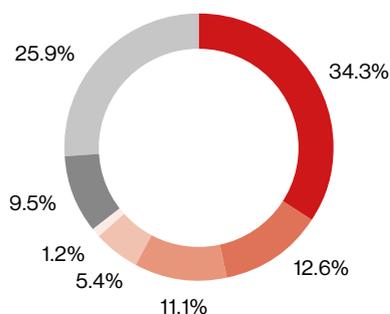
Generalist networks. After the renewal of the offering of the Rai 1 day time schedule in autumn 2020, the Rai flagship channel has begun to consolidate its ratings. In particular, the best results in the 12:00 – 3:00 p.m. time slot were recorded by the cooking show *È sempre mezzogiorno* by Antonella Clerici, by the news magazine *Oggi è un altro giorno* conducted by Serena Bortone, and above all by the exceptional performance of the series *Il Paradiso delle signore* (+1.7 pp of share vs. the 1st half of 2020).

In the period, the important twinning between Rai 2 and Rai Radio 2 also continued and after the successes of *Radio 2 Social Club*, it was enriched with the airing of the historic Radio 2 programme *I Lunatici*, during the overnight slot weekdays on Rai's second channel.

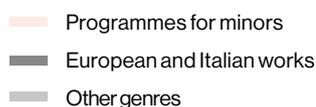
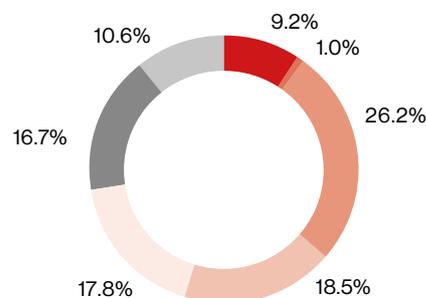
Finally, Rai 3, through a renewal of the starring hosts (*Agorà* - Costamagna, *Mi manda Raitre* - Galeazzo and Ruffo, and *Elisir* - Rinaldi), recorded significant growth throughout the day (+0.6 pp of share).

Semi-generalist or specialised networks. In the first part of the year, Rai Sport 1 stood out in terms of performance, driven by the *European Football Championships*. Rai Premium, Rai 4 and Rai Storia also grew. In particular, Rai Premium, among the specialised Rai channels, conquered the leadership throughout the day (with a share of 1.4% equal to 153 thousand viewers) as proof that the public has rewarded the choice to renew the channel's programming by including formats and genres that mark a break from the past: prime time dedicated to entertainment, films with a female vocation and weekend drama marathons.

Programming by genre on generalist networks (Source Rai)



Programming by genre on specialised networks (Source Rai)



Radio

Radio continues to be an authoritative and reliable medium that can provide entertainment and information despite the difficulties brought about by the health emergency, which, mainly due to mobility restrictions, led to a significant decline in the overall volumes of its audiences. Nonetheless, radio continues to resist fads and seasons by assimilating the various technological innovations and hybridising new ways and techniques of communication. The digital transition has improved sound quality and ease of tuning, without substantially changing the communication channels. Radio, in fact, integrates and includes the most modern systems of textual or vocal messaging in its storytelling, opening up in an increasingly structured way to all the different forms of *visual radio*; moreover, it also goes well with the new devices that are increasingly spreading in the homes of Italians, such as *smart speakers*. The latter are a different channel to find new ways of contact with the traditional medium and at the same time can meet the demands of listeners for customisation and construction of their schedules thanks to the growing spread of *podcasts*. The implementation of the RadioPlayer Italia app - which distributes over 250 national and local broadcasters, including the 12 Rai Radio channels - also continued with the signing of significant agreements with important automotive groups (Audi, Volkswagen, BMW and soon also with Stellantis) for *on-board* equipment.

Rai Radio operates in a complex and dynamic market landscape and is at the forefront of the technological evolution of production systems and multi-platform distribution (linear and non-linear); its primary objective is to comply with the commitments set out in the Public Service Licence and the Service Agreement. With this logic, the editorial profile of the generalist channels is structured in genre quotas identified by the aforementioned Agreement: News, Information, Culture, Society, Music, Service and Public Utility.

In particular, in the first half of 2021, Rai Radio continued the development of the new online platform RaiPlay Sound, which by the end of the year will support and then replace RaiPlay Radio, also integrated with a considerably richer offering of on-demand content (*podcasts*); it has implemented the production processes of the Rai Radio 2 video channel on RaiPlay (*visual radio*); it has improved the infrastructure and cross-media processes in the transmission studios in Via Asiago, Saxa Rubra and Corso Sempione in Milan.

In detail, the Rai Radio offering is organised into 12 stations, broadcast on 8 technological platforms, diversified based on editorial mission and reference target, all active online and on social media:

- 3 generalist radio stations: Rai Radio 1, Rai Radio 2 and Rai Radio 3;
- 2 special-interest stations: Isoradio (traffic and weather) and GR Parlamento (institutional);
- 7 specialised digital stations: Rai Radio Tutta Italiana, Rai Radio Live, Rai Radio Kids, Rai Radio Techetè, Rai Radio 1 Sport, Rai Radio 2 Indie and Rai Radio 3 Classica.

The specialised stations join the generalist and special-interest stations for the very purpose of making up a complete offer aimed at capturing vertical audiences.

In the first half of 2021, Rai Radio 1 reaffirmed its nature as an *all-news*, reliable and qualified broadcaster whose cornerstone is the radio news broadcasts every hour. As in 2020, the health emergency dominated the programming without neglecting stories from Italy and around the world: from current politics (*Radio anch'io*, *Zapping* and *Tra poco in edicola*) and economics (*Sportello Italia* and *Gr1 Economia*) to news, labour, human rights, fighting crime, and violence against women (*Moka*, *VivaVoce*, *Il Mix delle cinque*, *Italia sotto inchiesta*, *Numeri Primi*, and *Mangiafuoco*). Ample space was given to the territory and to local realities (*Che Giorno è*). Then, of course, there was intelligent satire (*Forrest* and *Un giorno da pecora*), the environment (*Green zone* and *L'aria che respiri*) and social issues (*Che giorno è* and *Formato famiglia*).

In addition, all programmes are committed to supporting the campaigns promoted by Rai's social secretariat. Rai Radio 1's programme schedule also includes sections dealing with a wide range of themes: from sport to health, from technology to innovation, from foreign affairs to cars, through education, the environment, culture, shows and society.

The music offering also contributed to harmonising programming, with entertainment and dedicated moments (*Radio 1 music club*, *Stereonotte*, *Il jazzista imperfetto*, *Disco sveglia*, and *Sette su Sette*).

Sports remains a mainstay of Rai Radio 1 and Gr, with a wide range of sports: Football (in particular the *European Football Championships*), Formula 1, MotoGp and Cycling. All sports are covered by very successful programmes, above all the historical *Tutto il calcio minuto per minuto*, and other broadcasts such as *Zona Cesarini*, *Extratime*, *Sabato* and *Domenica Sport*.

As regards social networks, Rai Radio 1 encourages interaction on all its various Facebook, Twitter and Instagram profiles, by promoting its programmes, re-broadcasting the news, the guests and the highlights of the day and encouraging interaction with its audience.

Rai Radio 2 has reaffirmed its public service role by consolidating contacts with listeners also through *dialogue* with the hosts on the air and the creation of original content conveyed through social media. Company, entertainment and timely updates on music and current affairs were also provided through *visual radio*, a cross-media project that allows you to follow the radio live video on RaiPlay and that has recorded a constant growth of audiences.

The escapism and smart entertainment mission was pursued through historical brands such as *Caterpillar*, *Il Ruggito del Coniglio*, *Radio 2 Social Club*, *Non è un Paese per Giovani*, *Black Out*, *Lillo e Greg 610*, *I Lunatici*, *Grazie dei Fiori*, and *Campioni del Mondo* to discuss the latest news in sports. The exclusive appointments continued live from the Studios in Via Asiago

The most viewed programmes (top 3)

(Source Auditel. For the programmes with various episodes, the audience of the most viewed episode is shown)

Film

| Title | Channel | Date | Audience | Rai 3 |
|-------------------------------|---------|------------|-----------|-------|
| La Befana vien di notte | Rai 1 | 05/01/2021 | 4,981,000 | 19.6% |
| Il traditore by M. Bellocchio | Rai 1 | 24/05/2021 | 4,674,000 | 22.1% |
| Green book | Rai 1 | 17/03/2021 | 4,347,000 | 18.0% |

Drama

| Title | Channel | Date | Audience | Rai 3 |
|-------------------------------|---------|------------|-----------|-------|
| Il commissario Montalbano | Rai 1 | 08/03/2021 | 9,521,000 | 39.5% |
| Le indagini di Lolita Lobosco | Rai 1 | 21/02/2021 | 7,897,000 | 32.7% |
| Leonardo | Rai 1 | 23/03/2021 | 7,561,000 | 27.3% |

Entertainment

| Title | Channel | Date | Audience | Rai 3 |
|-----------------------------|----------|------------|------------|-------|
| 71st Sanremo Music Festival | Rai 1 | 06/03/2021 | 10,012,000 | 54.3% |
| C'e' posta per te | Canale 5 | 13/03/2021 | 6,563,000 | 30.8% |
| Striscia la notizia | Canale 5 | 27/03/2021 | 5,533,000 | 20.4% |

Sports special features

| Title | Channel | Date | Audience | Rai 3 |
|------------------------------------|----------|------------|-----------|-------|
| Sogno azzurro | Rai 1 | 07/06/2021 | 2,929,000 | 12.5% |
| Rai Sport - Il processo alla tappa | Rai 2 | 22/05/2021 | 1,507,000 | 13.0% |
| Sport Mediaset | Italia 1 | 04/01/2021 | 1,424,000 | 7.5% |

Sport

| Title | Channel | Date | Audience | Rai 3 |
|---|---------|------------|------------|-------|
| European Championship (Italy-Switzerland) | Rai 1 | 16/06/2021 | 13,346,000 | 51.4% |
| Coppa Italia (Juventus-Inter) | Rai 1 | 09/02/2021 | 8,389,000 | 29.7% |
| Italian Supercoppa (Juventus-Napoli) | Rai 1 | 20/01/2021 | 7,861,000 | 28.9% |

Religious programmes

| Title | Channel | Date | Audience | Rai 3 |
|--------------------------|---------|------------|-----------|-------|
| Via Crucis | Rai 1 | 02/04/2021 | 4,964,000 | 18.6% |
| Benedizione Urbi et orbi | Rai 1 | 04/04/2021 | 3,563,000 | 28.5% |
| Angelus | Rai 1 | 01/01/2021 | 3,391,000 | 23.1% |

Information programmes

| Title | Channel | Date | Audience | Rai 3 |
|------------------------------------|---------|------------|-----------|-------|
| Chi l'ha visto? | Rai 3 | 31/03/2021 | 3,568,000 | 15.2% |
| Con il cuore nel nome di Francesco | Rai 1 | 08/06/2021 | 2,547,000 | 13.0% |
| Uno mattina in famiglia | Rai 1 | 07/03/2021 | 1,755,000 | 31.1% |

Animation and cartoons

| Title | Channel | Date | Audience | Rai 3 |
|-------------------|----------|------------|-----------|-------|
| The Croods | Italia 1 | 27/03/2021 | 1,759,000 | 6.7% |
| Minions | Italia 1 | 20/02/2021 | 1,558,000 | 6.1% |
| Cattivissimo me 3 | Italia 1 | 13/02/2021 | 1,531,000 | 5.8% |

Science and environment

| Title | Channel | Date | Audience | Rai 3 |
|------------------|----------|------------|-----------|-------|
| Linea Verde | Rai 1 | 21/03/2021 | 4,200,000 | 22.5% |
| Linea verde life | Rai 1 | 06/03/2021 | 2,867,000 | 18.4% |
| Melaverde | Canale 5 | 21/03/2021 | 2,543,000 | 15.8% |

Culture

| Title | Channel | Date | Audience | Rai 3 |
|----------------------------------|---------|------------|-----------|-------|
| Concerto di Capodanno | Rai 1 | 01/01/2021 | 4,365,000 | 24.1% |
| Concerto di Capodanno | Rai 2 | 01/01/2021 | 3,554,000 | 18.3% |
| Ulisse il piacere della scoperta | Rai 1 | 27/05/2021 | 3,480,000 | 16.0% |

Investigation

| Title | Channel | Date | Audience | Share |
|--------------|---------|------------|-----------|-------|
| Report | Rai 3 | 12/04/2021 | 3,108,000 | 12.1% |
| Otto e Mezzo | La7 | 12/02/2021 | 2,937,000 | 10.8% |
| Di martedì | La7 | 02/02/2021 | 2,053,000 | 8.7% |

Current events

| Title | Channel | Date | Audience | Rai 3 |
|--|----------|------------|-----------|-------|
| TG5 Special - il mondo che vorrei parla Papa Francesco | Canale 5 | 10/01/2021 | 5,409,000 | 19.0% |
| Tg1 - il governo Draghi | Rai 1 | 12/02/2021 | 4,185,000 | 18.7% |
| Tg1: the Senato Vote | Rai 1 | 19/01/2021 | 3,969,000 | 14.5% |

on air and streaming on RaiPlay, with *Radio 2 Day* and with *Back2Back Speciale Let's Play!*. The new features of the year included *Magazzini Musicali* broadcast on Saturdays on Rai 2, on Sundays on Rai Radio 2, and also in video on RaiPlay. The *on-the-road* events live from squares and theatres also returned, also thanks to media partnerships aimed at intercepting an audience of fans around the country through *Cater Tour*, a traveling festival, a big party in the open air with live broadcasts, live concerts, talk shows and games. Rai Radio 2 is always at the forefront of furthering sustainability and fulfilling one of the key tasks of the Public Service; in March, the 17th edition of *M'illumino di meno*, the day of energy saving, an awareness campaign on energy consumption and sustainable mobility, was held. In addition, numerous editorial synergies were activated in collaboration with television programming, cross-media operations aimed at expanding the catchment area as well as enriching the offer, both live and on demand: for example, *Il Volo - Tribute to Ennio Morricone* with Rai 1; the updated version of *Radio 2 Social Club* and the live broadcast of *I Lunatici* with Rai 2; the *May 1st Concert* with Rai 3 and the semi-finals of the *Eurovision Song Contest* with Rai 4.

Rai Radio 3 continued to devote much attention to the major issues of the cultural and civic debate, while consolidating the breadth and quality of its musical offering. Despite the cancellation of most live events, the broadcast of recordings and live performances of the *Orchestra Sinfonica Nazionale Rai* and of major Italian and international festivals continued, such as the *Euroradio* concerts, *I concerti del Quirinale* (20th edition) – the prestigious live festival every Sunday morning that for several months represented the only live event – as well as events that have alternated classical and baroque music with contemporary music, jazz and performances by singer-songwriters. In addition to concerts, Rai Radio 3 continued to offer a constant proposal of in-depth programmes not only about music, such as *Wikimusic* and *Lezioni di Musica*, but also of an institutional nature (*Il Giorno della Memoria* and 25 April, *International Museum Day*). Throughout the half-year period, Rai Radio 3 confirmed its support for the most important cultural events, both live and streaming. In addition, particular attention was devoted to new formats or to those modes that alongside traditional broadcast forms, allow the use of pre-recorded programmes, podcasts or streaming on demand.

The Isoradio channel, despite the major limitations to mobility, continued to provide its service 24 hours a day; Likewise, Gr Parlamento, the institutional channel of Rai Radio, continuously covered the parliamentary activities of the Senate of the Republic and the Chamber of Deputies, reporting about Italian society through institutional dynamics.

Digital

In the first half of 2021, Rai continued the process, already started in 2020, of consolidating the editorial and production lines of its digital offer, enriching the proposal of the RaiPlay platform both in terms of variety and of the number of content offered. Specifically, the offer of *scripted original* products

increased both through purchases, such as *Beforeigners* and *Into The Dark-In the dark*, and production with content such as *Nudes* or with the programming of previews of important titles produced for the linear offer, such as *Rocco Schiavone* and *Un Passo dal Cielo*. The cinema offer – a key asset of the RaiPlay platform – was also enriched by offering the public a catalogue of over 1,300 titles on demand, including the 100/150 titles available weekly in catch-up mode based on the broadcast on TV channels. RaiPlay's original offer was also characterised by a diversified proposal in terms of target and genre: from in-depth cultural programmes (e.g., *Ossi di Seppia - Il rumore della memoria*), through docu-reality shows (e.g., *Tu non sai chi sono io*), to entertainment (e.g., *Allevi in the jungle*, *I concerti di Radio2* and *Europei a casa The Jackal*). The sports offer was also significant, including the 2020/2021 *Coppa Italia*, the highlights of all the matches of the 2020/2021 *Serie A Football Championship* and all the biggest events of the first half of 2021: the *Giro*, *d'Italia*, the *Under21 European Championships* and *Euro2020*, with dedicated sections and additional content.

The sections dedicated to the strategic target of children and teenagers were also further developed; the offer strategy was consolidated also through the synergies developed with the Rai Departments specifically dedicated to these targets by providing for an important offer of exclusive titles covering different genres. The *Learning* section, created in collaboration with the Italian Ministry of Education, was added, continuing to support younger generations, parents and teachers and enriching the experience of distance learning.

Finally, an added value of the RaiPlay offering was the wide selection of programmes, variety shows, dramas and investigations produced in over 60 years of history of public TV and available on the Rai digital platform thanks to the synergy with the Teche.

In addition to RaiPlay, the Rai Digital offering is organised as follows.

- Rai.it - the portal, divided into five areas (News, Sport, TV, Radio and Corporate), aggregates and makes easily accessible the Group's vast digital offering and also provides services such as the programming guide of Rai channels and access to the Company's corporate information;
- RaiPlayRadio.it - the multimedia portal dedicated to the radio offering, also available in app version, which - together with the live broadcasts of the 10 radio channels, 5 on air and 5 digital - offers 2 exclusive digital channels: Rai Radio 1 Sport and Rai Radio 2 Indie with selections and specific programmes, as well as a rich proposal of live streaming, on demand and podcast content;
- Rainews.it/TGR web, the portal on which you can access all Rai information, also available in app version;
- RaiPlay YoYo - the app entirely dedicated to children and without commercials, provides a rich on-demand special-interest schedule structured for two different targets, defined by age group. It is updated weekly;
- Rai Cultura - the portal is for users to access and use the cultural offering of Rai online original content produced by the Rai Cultura web editorial team, TV, thematic and generalist

programmes, as well as the considerable resources of the Rai Teche archive.

At the same time, Rai's distribution strategy also confirmed its presence on the YouTube and MSN platforms: these channels, which recorded significant peaks in penetration among young people, were further leveraged during the half-year period and made it possible to expand the way audiences were engaged, facilitating contact with an increasingly large audience of users.

In addition, the Digital Rai activity continued, during the half year, also through technical fine-tuning and editorial rationalisation operations, among which the most important were: implementations on the RaiPlay portal (download feature for *offline* viewing of content on the mobile app, new player for live and on-demand use on smart TVs); the development and definition of *embedding* agreements; the preparation for the launch of RaiPlay Sound; the start of the design of the development of the Rai Corporate offering; the launch of Rai Tv+ (July 2021).

Finally, the rationalisation of web and social structures was concluded, which made it possible to better coordinate and organise *branding* and *traffic building* strategies in the digital world in general and on social platforms in particular. This effort led to the definition of a harmonised and customised business strategy based on editorial specifications, differentiated by target and platform.

International offer

Rai Com S.p.A. is tasked with the marketing of Rai's channels abroad. The subsidiary handles the European distribution of broadcasting rights for television and radio channels (Rai 1, Rai 2, Rai 3, Rai Storia, Rai Scuola, Rai News 24 and Rai Radio 1, Rai Radio 2, Rai Radio 3), as well as for the non-EU distribution of the channels: Rai Italia (a *best of* Rai productions plus original programmes for Italians abroad, including - until 30 June 2021 - three Serie A matches a week); Rai World Premium (the channel broadcasting original drama produced by Rai) and Rai News 24. Rai's offering in non-European areas includes Rai Radio 1.

The channels are currently broadcast through local television platforms—via cable, satellite or new media platforms—in various ways, both free and paid for and in progressive alignment with international developments in services and technologies, aimed at integrated the Italian range with non-linear content.

In the United States, Canada, Australia and Europe, the channels are offered to subscribers in *Packages* or *Premium à la carte bundles*. Users – to view Rai channels – pay a monthly fee, in addition to their subscription with their operator; in Asia, the Rai Italia is accessible in *free-to-air* mode; in Latin America, Africa and various European countries, the channels are offered in *Basic* or *Extended Basic* mode, which provide for a monthly subscription with no additional costs.

With regard to the international distribution of Rai channels, in

the first half of 2021, the impact of two factors should be taken into account: the contraction of the pay TV market for linear channels – which mainly affected the non-European area and in particular the United States – due to the progressive spread of the use of audiovisual content in non-linear mode; secondly, the pandemic crisis worldwide, which has produced negative effects on the number of subscribers where the distribution business model was based on a *fee per subscriber*, and therefore, in this case too, mainly in the non-European area.

In Europe the decline of pay TV is taking place more slowly, because of both the lower subscription prices, and of the lower penetration rate of pay TV than in the United States. In addition, in the European area, the offer of *bundled* channels with internet and telephone services has significantly limited the abandonment rate. On the other hand, in Europe too, the creation of Rai 1 in HD format has opened the way to the renewal of the collaboration with some major business partners (such as VOO in Belgium, ZIGGO and KPN in the Netherlands, and SFR in France).

TV offer performance

The television audience estimated by Auditel for the first half of 2021 amounted to 10.9 million average viewers throughout the day and 25.8 million in prime time. Compared to the first half of 2020, the decrease was -1.1 million and -1.3 million, respectively. The decline in audience can be attributed to a physiological reorganisation of TV consumption as a result of the overexposure of the medium following the lockdown of the corresponding period of the previous year.

The Rai Group confirmed its position as market leader both over the entire day, with a 36.3% share (+0.6 pp compared to the first half of 2020), and in prime time, with a 37.7% share (+1.1 pp compared to the first half of 2020). With a 31.8% share, Mediaset was stable over the entire day (-0.1 pp) and down in prime time with 31.9% (-1.7 pp).

The traditional generalist networks (Rai 1, Rai 2, Rai 3, Canale 5, Italia 1, Rete 4 and La7) held a total share of 56.8% over the entire day (+0.8 pp) and a 60.2% share in prime time (-0.7 pp).

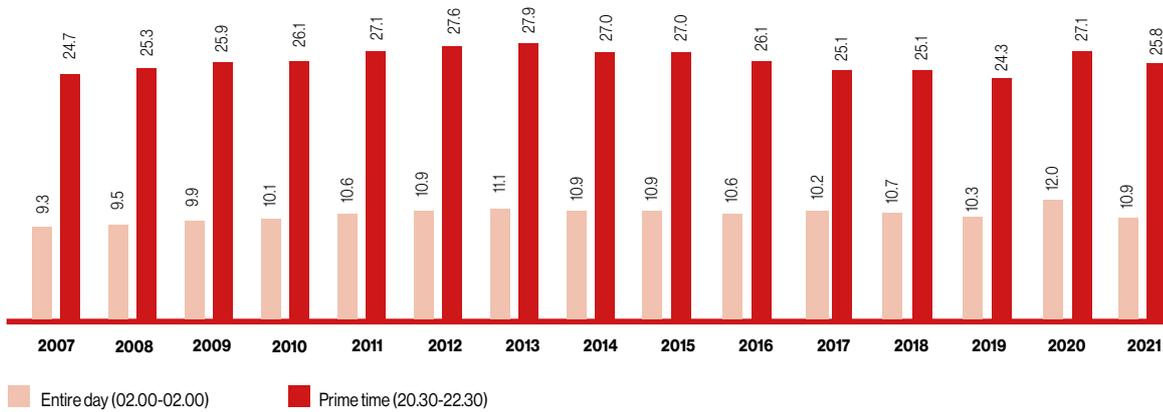
The semi-generalist networks (Tv 8, Nove, Rai4, Cielo, Real Time, Dmax, 20, Sky Uno and Sky Uno+1) were slightly down throughout the day with a 9.1% share (-0.5 pp) and stable in prime time with a 9.6% share (+0.1 pp).

The specialised network segment recorded a 24.2% share over the entire day (-1.4 pp) and 20.9% in prime time (-0.8 pp).

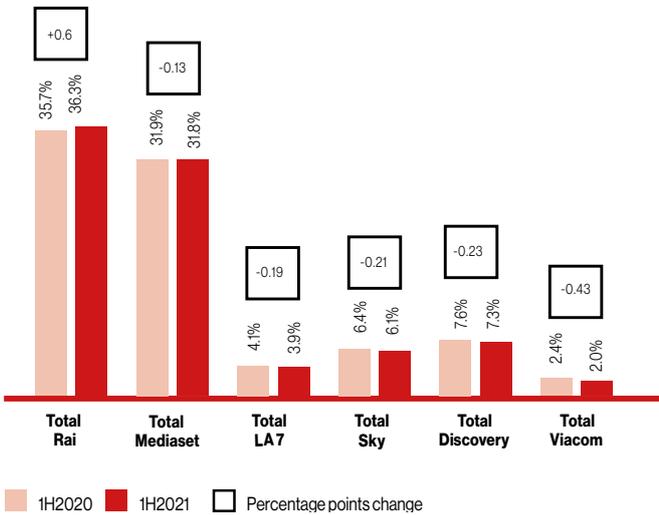
In detail:

- Rai 1 was once again the most watched network both over the entire day, with a 17.4% share (+0.5 pp), and in prime time, with 19.8% (+0.1 pp);
- Rai 2 recorded a share of 4.7% (-0.3 pp) over the entire day and 5.2% (-0.8 pp) in prime time;
- Rai 3 recorded a 7.4% share (+0.6 pp) over the entire day and a 6.6% share in prime time (+1.7 pp).

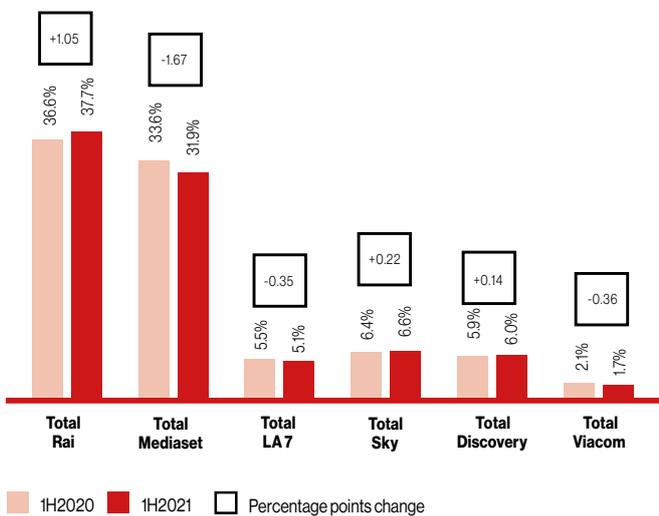
Evolution of the average television audience in the first half (source Auditel, figures in millions)



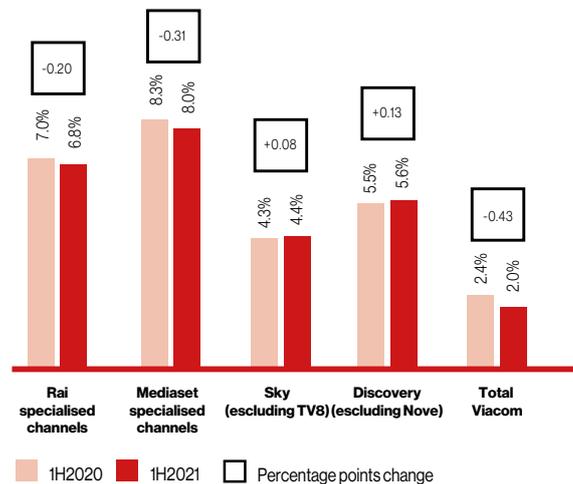
Share major publishers on average day generalist and specialised channels (time slot 02:00 - 02:00, source Auditel)



Share of main publishers in prime time generalist and specialised channels (time slot 8:30 - 10:30 pm, source Auditel)



Share of publishers on average day specialised channels (time slot 02:00 - 02:00, source Auditel)



Average half-yearly share of TV channels

| | Entire day (02:00-02:00) | | Prime time (20:30-22:30) | |
|-----------------------------|-----------------------------|----------------|-----------------------------|----------------|
| | 1S2021 | 1H2020 | 1S2021 | 1H2020 |
| Rai 1 | 17.40% | 16.88% | 19.81% | 19.73% |
| Rai 2 | 4.74% | 5.00% | 5.21% | 5.97% |
| Rai 3 | 7.41% | 6.86% | 6.58% | 4.87% |
| Rai Generalist | 29.55% | 28.75% | 31.60% | 30.57% |
| Rai 4 | 1.35% | 1.34% | 1.50% | 1.44% |
| Rai Premium | 1.40% | 1.31% | 1.31% | 1.14% |
| Rai Movie | 1.08% | 1.14% | 1.14% | 1.25% |
| Rai 5 | 0.36% | 0.38% | 0.41% | 0.38% |
| Rai Storia | 0.26% | 0.24% | 0.31% | 0.30% |
| Rai Scuola | 0.02% | 0.02% | 0.02% | 0.02% |
| Rai Yoyo | 0.87% | 0.98% | 0.60% | 0.60% |
| Rai Gulp | 0.19% | 0.34% | 0.26% | 0.40% |
| Rai Sport | 0.53% | 0.38% | 0.31% | 0.25% |
| Rai News 24 | 0.70% | 0.83% | 0.22% | 0.28% |
| Rai Specialised | 6.76% | 6.96% | 6.08% | 6.06% |
| Total Rai | 36.31% | 35.71% | 37.68% | 36.63% |
| Canale 5 | 15.54% | 15.02% | 14.33% | 15.11% |
| Italia 1 | 4.43% | 4.74% | 4.93% | 5.39% |
| Rete 4 | 3.82% | 3.86% | 4.56% | 4.76% |
| Mediaset Generalist | 23.80% | 23.62% | 23.83% | 25.26% |
| Mediaset Specialised | 8.01% | 8.32% | 8.06% | 8.30% |
| Total Mediaset | 31.81% | 31.94% | 31.89% | 33.56% |
| La7 | 3.48% | 3.65% | 4.80% | 5.10% |
| Total La7 | 3.94% | 4.13% | 5.11% | 5.46% |
| Total Sky | 6.14% | 6.35% | 6.62% | 6.40% |
| Total Fox | * | 0.71% | * | 0.81% |
| Total Discovery | 7.33% | 7.56% | 6.01% | 5.87% |
| Total Viacom CBS | 1.98% | 2.41% | 1.70% | 2.06% |
| Other channels | 12.49% | 11.19% | 10.99% | 9.21% |
| Total TV | 100.00% | 100.00% | 100.00% | 100.00% |

* In 2021 Fox does not broadcast on free linear television platform.

In terms of the performance of the competition's main channels during the period in question, the following results are reported:

- Canale 5 recorded a share of 15.5% (+0.5 pp) over the entire day and 14.3% (-0.8 pp) in prime time.
- Italia 1 had a 4.4% share (-0.3 pp) over the entire day and a 4.9% share in prime time (-0.5 pp);
- Rete 4 stood at 3.8% (stable) over the entire day and 4.6%, in prime time (-0.2 pp);
- La7 recorded a 3.5% share over the entire day (-0.2 pp) and a 4.8% share in prime time (-0.3 pp);
- TV8 stood at 1.8% over the entire day (-0.3 pp) and 2.0% in prime time (-0.2 pp);
- NOVE held a 1.7% share (+0.1 pp) over the entire day and 1.8% (+0.3 pp) in prime time.

The growth of the aggregate *Other TVs* continued with a 9.9% share over the entire day (+1.1 pp) and a 9.2% share in prime time (+1.4 pp). In addition to representing the entire segment of local broadcasters, broadcasters not registered with Auditel and other satellite broadcasters, this aggregate also includes the consumption of on-demand content (over 7 days from their broadcast on TV or digital exclusives) on the Smart TV apps of registered publishers (such as RaiPlay and Mediaset Play) and the use of OTT content (such as Netflix or Amazon Prime Video).

Radio offer performance

The results of the first half of 2021 (19 January-14 June) presented below will be compared with those of the first half of 2019 (15 January-10 June), since those relating to the first half of 2020 were not produced due to the Covid-19 emergency.

After a year 2020 in which due to mobility restrictions there was an increase in radio audiences in in-house mode and a decline in the *outdoor* mode, in the first half of 2021, there was a return to a situation similar to that of the reference period: *outdoor* listening recorded 52% (vs. 54% in the 1st half of 2019), and *in-house* listening 25% (vs. 20%), while the combined *in-house* and *outdoor* mode was stable (22% vs. 23%). In terms of consumption per device, in the public's preferences, again compared to the 1st half of 2019, listening *via car radio* continued to decline (66% vs. 71%), while the in-house ratings for *FM/AM Radio* (31% vs. 28%) or via TV (13% vs. 10%) continued to be above average. As for the volumes, radio continued to be sluggish, as confirmed both by the penetration data (62.7% vs. 65.7% in the first half of 2019), and by the number of average listeners that decreased from 34.8 million in the 1st half of 2019 to 33.2 million in the 1st half of 2021 (-4.6%). The decline in audience affected in particular the major national commercial networks, while the Rai Radio Group recorded excellent results.

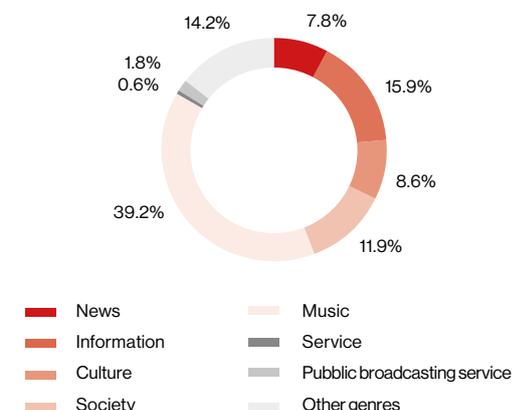
In the ranking by Group (6:00 a.m.-12:00 a.m. time slot), which takes into account only broadcasters operating at national level, RadioMediaset (Radio105, Virgin Radio, Radio 101 and Radio Montecarlo) confirmed its leadership with 908 thousand average listeners equal to a share of 15.3% (-0.06 pp vs. the first half of 2019); Rai Radio (Rai Radio 1, Rai Radio 2, Rai Radio 3, and Isoradio) was the only editorial group to grow, reaching second

place with 709 thousand average listeners and an 11.9% share (+1.34 pp); the Gedi Group (Radio DeeJay, Radio Capital and M2o) remained in third position with 678 thousand average listeners and an 11.4% share (-0.24 pp), while the RTL Group (RTL 102.5 and Radio Freccia), with a decrease of 1.56 pp, fell to fourth position with 605 thousand average listeners and a 10.2% share.

Despite the decline, RTL 102.5 managed to maintain its leadership in the ranking of broadcasters (6:00 a.m.-12:00 a.m. time slot) with 513 thousand average listeners (-18.3% vs. the first half of 2019) and a share of 8.6% (-1.4 pp), followed by Radio 105 with 457 thousand average listeners (-6.2%) and a share of 7.7% (-0.1 pp), in third place Radio DeeJay with 448 thousand average listeners (-2%) and a share of 7.5% (+0.2 pp), fourth place for RDS with 435 thousand average listeners (-4%) and a share of 7.3% (+0.1 pp), in fifth place Radio Italia with 347 thousand average listeners (-13.3%) and a share of 5.8% (-0.6 pp), sixth position for Rai Radio1 with 304 thousand average listeners (+6.3%) and a share of 5.1% (+0.5 pp), seventh Radio Kiss Kiss with 269 thousand average listeners (+17.5%) and a share of 4.5% (+0.9 pp), eighth Rai Radio2 with 242 thousand average listeners (+16.3%) and a share of 4.1% (+0.7 pp), ninth Radio 24 with 206 thousand average listeners (+3%) and a share of 3.5% (+0.3 pp) and tenth Virgin Radio with 203 thousand average listeners (-6.9%) and a share of 3.4% (-0.1 pp). The other two Rai broadcasters, Rai Radio3 and Isoradio, are in twelfth and seventeenth position with 126 thousand average listeners (+5.9%) and a share of 2.1% (+0.2 pp) and 37 thousand average listeners (-21.3%) and a share of 0.6% (-0.1 pp), respectively. (Source TER – 1st half 2021, 19 January - 14 June, individuals 14+).

Radio programming by genre

(broadcast time; source Rai)



Main players active in the radio market*

(Source Rai)



* Only the main national stations broadcast on FM were taken into consideration, excluding Radio Maria and Radio Radicale.

Digital and social offer performance

In the first half of 2021, the Total Digital Audience measured by Audiweb reached 37.5 million unique users on the average day, +7% compared to the first half of 2020. Each user spent 2 hours and 27 minutes a day in the digital world. There were 13.8 million Italians (2+) who access the internet on an average day via PC (+15% compared to the same period of 2020); 33.9 million (target 18+) via mobile (smartphone + tablet).

According to the Audiweb survey, on a monthly basis, in the half-year period, on average 44.5 million individuals, i.e., 74.5% of the Italian population, connected to the internet at least once a month (+2% compared to the first half of 2020). 25.7 million users browsed from a PC (stable compared to 2020), while 37.8 million connected to the internet via a mobile device (+4% vs. 2020).

Compared to the Rai world, in the same period, 11.6 million users connected on average at least once a month to one of the various Rai sites or apps (26% of the active population on the internet). The value was down compared to the first half of 2020 (-22%), especially since the corresponding period of the previous year coincided with the first expansive phase of the pandemic (March 2020), during which the digital traffic recorded by Rai had achieved a significant surge as many of the citizens/navigators had sought information and reassurances with great intensity and frequency mainly in the editorial offering of the Public Service operator. From a behavioural point of view, on the other hand, in the first half of 2021 there was a growth that rewarded above all the operators who mainly offer evasive entertainment content. All this resulted in Rai slipping from 23rd (in the first half of 2020) to 29th position in the ranking of the main online groups active in Italy. The big international players (Google, Facebook, Amazon and Microsoft) followed by RCS MediaGroup continued to be at the top of the ranking. Immediately after came Mediaset, which topped the GEDI Group for the first time. In this regard, it is worth mentioning the significant contribution that the properties *Meteo.it* and *Tgcom24.mediaset.it* made to the total traffic generated by the Mediaset Group, where Rai does not have its own digital touchpoints in the field and the overall contribution of Rainews.it is not comparable to that of TGC.COM.

In the first half of the year, all the main information portals (Corriere.it, TGC.COM24, Repubblica.it, Il Messaggero and Rai News 24), net of TGC.COM24, recorded, as already anticipated, a decrease linked to the significant values recorded in the first half of the previous year as a result of the pandemic. The Rai information portal, Rai News 24, stood at a monthly average of 2.3 million unique users, still highlighting ample space for growth compared to its competitors (Audiweb).

With regard to video portals, in terms of unique users, the main national players considered were basically stable compared to the same period of 2020. In the average month, in the first half of 2021, all operators grew; specifically, Mediaset Play confirmed to be at the top of the ranking with 12.2 million unique users, RaiPlay was securely in 2nd place with 9.7 million, in third position La7 with 4.7 million users, followed by Discovery+ at 1.4 million (Audiweb 2.0, individuals 2+). In terms of time spent

by users on the same national players, RaiPlay was the leader with 2 hours and 23' followed by Mediaset Play with 2 hours and 5'. The two market leaders were far ahead the other players: La7 and Discovery+ recorded a time spent of 24' and 34', respectively. However, these rankings are strongly influenced by the perimeters considered as well as by the various editorial choices of the Groups; for example, Mediaset Play includes not only the views made through the Mediaset Play player, but also all those – with important relative weight – through any embeds (inside or outside Mediaset properties) such as *Witty Tv*, *Striscia la notizia* and *Le Iene*. It should also be emphasized that the approval rating of RaiPlay, measured through the Qualitel survey, was largely positive and higher than the average of the Rai digital offering as a whole. Finally, the Corporate Reputation survey showed that the perceived image of RaiPlay was overall better than those of all the other directly comparable competing video platforms.

As regards the details of the multimedia offering of video content, RaiPlay improved its own performance over the same period of 2020 (Mapp census data): a total of 97.5 million unique browsers were registered. In terms of genres used on the Rai player, drama was the most used with 41% of the total views on demand and 53% in terms of time spent. The most viewed titles were: *Il Paradiso delle Signore*, *Che Dio ci aiuti*, *Un Passo dal Cielo*, *Mina Settembre* (source Auditel Online).

In the first half of 2021, the offer of Rai content on YouTube, through the two official channels–Rai channel and Il Collegio channel–generated 557 million views overall (source YouTube Analytics).

Rai's three main mobile applications (RaiPlay, RaiPlay Radio, RaiPlay Yoyo) totalled 3.3 million downloads during the half-year period: the RaiPlay app 3 million; RaiPlay Radio 205 thousand and RaiPlay Yoyo 133 thousand. The Rai News app, in the same period, recorded 67 thousand downloads. The contents on the RaiPlay Yoyo app generated about 26 million views in the reporting period (Mapp data).

With regard to the social world, the metrics for collecting information were changed in 2020. Compared to previous years, programme-related interactions are measured 24 hours a day, whereas previously the measurement covered a range from 3 hours before to 3 hours after the broadcast. The new system recorded a much higher total number of interactions than in the past; however, this computing system tends to underestimate Rai performance because: first, compared to the competition, Rai offers a smaller number of programmes that *generate buzz* both in the days before and after the broadcast, namely reality, talent, and gossip shows, i.e., products aimed causing a sensation/scandal; secondly, although (live) sport events are excluded from the survey, all comments before and after the event are included in the count. This latter aspect, in particular, helps to understand Mediaset's and Rai's contextual overtaking by Sky. In addition, also in the first half of 2021, Rai's presence was rationalised on the three main social networks (Facebook, Instagram and Twitter) which brought the total number of Rai pages and profiles from 604 registered at the end of January 2021 to 403 at the end of June. On the same date, Rai recorded a *fan base* of more than 42 million fans and followers, i.e.: 25.1 million on Facebook, 9.6 million on Twitter and 8 million

on Instagram (source Fanpagekarma, gross data). Overall, Rai - with 150.3 million total interactions - garnered a share of 17% of all social interactions generated by TV programming on a national scale (net of sport events); Mediaset and Sky each recorded a 35% share. In terms of genres, compared to the Rai offering, entertainment was in first place (61% of the total), followed by sports (21%) and then drama (7%) (source Talkwalker).

As of December 2019, Auditel also measures TV ratings on digital devices via both browser and app. The system for detecting TV ratings on digital devices measures the online ratings of five publishers (Discovery, La7, Mediaset, Rai and Sky), which account for over 85% of the total traditional TV audience. The ratings are registered on a census basis; the system uses several metrics: the *Total Time Spent* (TTS), calculated by adding up all the seconds when each device views editorial and advertising content of a single publisher, the *Legitimate Streams* (LS), which measures the volume of content *streams* delivered and viewed for at least 300 ms, (the technical threshold that guarantees the effective start of the stream) from each device and the *AMRD*, which is the average daily number of devices connected in the minute. The survey also measures consumption by embedding, i.e., by content offered on properties external to the reference brands. This approach is particularly relevant for Sky - which has agreements with over 260 sites - and Mediaset (around 150 sites).

Despite these considerations, the Public Service publisher has managed, even in these rankings, to carve out a significant space. In the first half of 2021, the total TTS amounted to approximately 530 million hours: Rai 34%, Mediaset 40% and Sky 21%. This figure is the sum of hours spent consuming content in linear mode (216 million hours) and on demand mode (313 million hours). In linear mode, Mediaset led the way (36%), followed by Sky (31%) and Rai (27%); in on-demand mode, Rai garnered a 40% share, with a small gap compared to Mediaset (43%) and a large lead on Sky (15%). In the ranking of the most viewed programmes in on-demand mode, the first Rai title was *Paradiso delle Signore*, which ranked fourth with 12 million hours.

In LS terms, the total for the first half of 2021 was 7.2 billion streams: Mediaset 49%, Sky 34%, and Rai 15%. This figure too is the sum of linear and on-demand use. In linear mode, Mediaset remained in the lead with 61% of total LS, followed by Rai (20%) and Sky (15%). Mediaset's result was buoyed by the offer of TGCom 24 (over 330 million views), Mediaset digital (151 million) and Canale 5 (113 million). With regard to on-demand mode, out of a total consumption of 5.8 billion, Mediaset garnered 46%, Sky reached 38% and Rai carved out a share of 14%. This distribution depends on the formats made available by the operators, which obviously rewards 'short' content over 'medium-long' content, even more so when distributed by *embedding* on a significant number of brands outside the original ones (e.g.: Sport Mediaset (236 million LS) and TGCOM 24 (108 million LS)). In the consumption of 'long' contents (>30') in on-demand mode, instead, Rai is the publisher with the largest market share, both in terms of Time Spent (51%) and in terms of legitimate streams (46%).

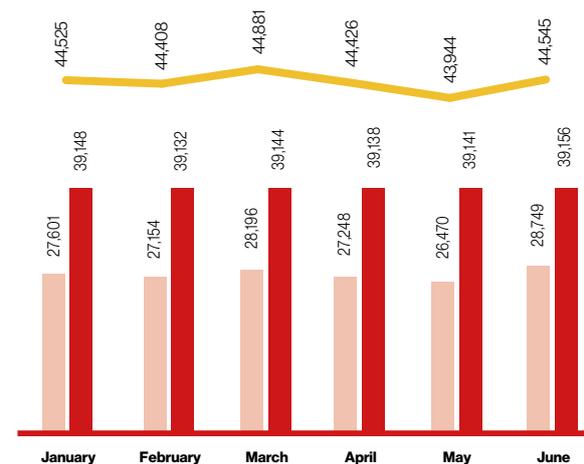
With regard to total consumption on a month-by-month basis, in terms of time spent, Rai tends to rank at the top in the periods characterised by major events: March with the *Sanremo Music*

Festival and June with the *European Football Championships*. In LS terms, the month-by-month ranking always saw Mediaset outperform Sky and Rai, but, as already mentioned, the LS are affected by the type of formats used, rewarding shorter ones (Source: Auditel online).

More generally, the data reported so far refer to the traffic of devices and not of individuals, as they are not yet produced by Auditel, where the Audiweb data, relating not to individual contents but to Rai properties as a whole, show that Rai attracts very valuable audiences, as it is logical to expect from a public service offering created to maximise users' knowledge and culture, also visual, rather than the traffic generated in itself. In addition to this, the Qualitel and Corporate Reputation data confirm the important work done by Rai to bring the quality of the public service to the web.

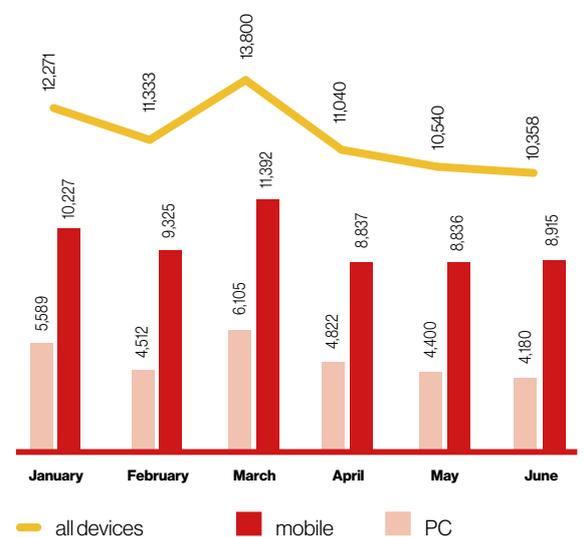
Total Digital Audience per month

1st half 2021 (unique contacts/000, source Audiweb)



Total Digital Audience per month referring to Rai

1st half 2021 (unique contacts/000, source Audiweb)



Television

Generalist channels

Rai 1

A prestigious and authoritative network, a quality offering both for content and languages. Rai 1 addresses with professionalism and sensitivity the needs of information, service, entertainment and culture for an increasingly large and demanding audience.

Public television, and in particular Rai 1, played a crucial role also in the first half of 2021. Not only did it guarantee continuous and widespread information through news mastheads, but also through all Network programmes, dedicated to communicating the progress of the pandemic day by day, with the stories of those affected by the virus and of everyone committed to caring and providing assistance. In this context, Rai 1 fulfilled its mission as a public service, by keeping the country united and also by offering all information indispensable for living with the emergency. Alongside this, Rai was also capable of accompanying the toughest phase, alternating the hardest news with necessary lighter entertainment and information, with just the right amount of sense and sensibility.

From the point of view of performance, Rai 1 strengthened its leadership.

A total of 23.2 million daily contacts who followed Rai 1 on average for 114' every day, 19.81% share in prime time (+0.08 p.p. on 2020), 17.40% share over the entire day (+0.52 p.p. on 2020), and a 2.0% increase in share on individuals aged 25 to 34 over the entire day, testify to the aggregating power of a Network that has been able to build an editorial proposal capable of growing and drawing new audiences in a increasingly competitive and fragmented environment.

The programming schedule continued to innovate with new formats, languages and hosts in a constant search for content that was increasingly in line with its public service remit.

The drama season, built on a balance between the returning series of proven products and the offering of new titles, recorded exceptional results. It is worth noting the debuts of *Mina Settembre* (6.3 million average viewers, 24.9% share), *Lolita Lobosco* (7.4 million average viewers, 30.5% share), *Makari* (6.7 million average viewers, 27.3% share), *Leonardo* (6 million average viewers, 24.2% share), and *Il commissario Ricciardi* (6 million average viewers, 24.2% share).

The returning series include *Che Dio ci aiuti 6* (5.8 million average viewers, 23.6% share), *Un passo dal cielo-I guardiani* (5.1 million viewers, 22.4% share) and the new episode of *Il Commissario Montalbano* which reached 9.5 million viewers with a 39.5% share.

On the entertainment side, the *2021 Sanremo Music Festival*, despite the absence of the public in the theatre due to the pandemic, was record-breaking on digital platforms (overall over 4 million views of the live streaming of the five evenings, +12% vs. the 2020 edition and 19.5 million views on demand during the week from 1 to 7 March, +33% vs. the 2020 edition) and the highest share since 1997 among girls aged 15 to 24 years (67.8% share of the target). The editorial policy of launching new faces started from the selection of the cast, which brought for the first time to the Ariston theatre rock groups such as Maneskin, who later went on to win in Rotterdam, bringing Eurovision back to Italy in 2022, after 31 years.



23.2 million

DAILY CONTACTS



114

MINUTES VIEWED PER DAY



17.4%

24-HOUR SHARE



19.8%

PRIME-TIME SHARE

1. *È sempre mezzogiorno*
2. *La vita in diretta*
3. *A ruota libera*



Serial entertainment consolidated formats now in their second edition, such as *Top 10* and *Il cantante mascherato*, and presented new formats and faces with *La canzone segreta* that reached in its first season 3.9 million viewers and an average share of 17.2%.

"Rai 1 confirms its image as a leading public service radio and TV broadcaster that can guarantee shared and universal fruition, informing and entertaining with respect and elegance."

Culture and dissemination with the five episodes of *Ulisse* quenched Italians' thirst to know and explore the beauties of their country.

Day time confirmed its relationship with the public thanks to a renewed offering in terms of hosts, formats and content. The daily work and the narrative care of the entire offering produced, in the time slot 7:00 a.m.-6:40 p.m., a share of 16.2% (+0.8 p.p. compared to the first half of 2020).

The new programmes achieved record ratings. In the respective time slots, *È sempre mezzogiorno* with Antonella Clerici marked the best result of the last 3 years; the new talk show with Serena Bortone *Oggi è un altro giorno*, the record of the last 8 years; the new edition of *La vita in diretta*, hosted by Alberto Matano, regained the leadership of the afternoon and recorded its best performance in the last 5 years.

Finally, information in its various forms, from news, to sport, to in-depth analysis with Monica Maggioni and her *Sette Storie* and Bruno Vespa with *Porta a Porta*, characterised the schedule, continuing to be an authoritative reference point for Rai's information offering.

- 4. *Tale e quale*
- 5. *Il Festival di Sanremo*
- 6. *Settestorie*





14.7 million

DAILY CONTACTS



49

MINUTES VIEWED PER DAY



4.7%

24-HOUR SHARE



5.2%

PRIME-TIME SHARE

Rai 2

In an increasingly competitive and constantly evolving TV landscape, Rai 2 renewed itself while remaining faithful to the mission of the Public Service and to viewers.

The Network's editorial line, which has always been attentive to informing, educating and entertaining, has contributed in an innovative and constant way also to exploring social issues. An excellent example of this was the programme *O anche no* which, now in its third edition, has shown that it is possible to deal with a delicate and complex issue such as that of diversity and disability without sacrificing a smile and irony.

The daytime entertainment offering confirmed its historical titles.

I Fatti Vostri, which celebrates thirty years since the first broadcast and which continues to be an event appreciated by Italian families: in a completely renovated square and with the curious, familiar and discursive eye that created the programme's unique style, topics ranging from current events to history, from society to music are addressed with in-depth analyses and features.

Detto Fatto, the afternoon entertainment show now in its ninth edition: interviews with guests in the studio, tutorials, features, entertainment and singing performances, advice on fashion, cuisine, wellness and the green world.

Quelli che il calcio, the Sunday programme now in its twenty-eighth edition: entertainment and comedy, the Serie A football championship as well as other sports, satire and storytelling from the world of social networks, for ideas, content and a strong interaction between TV broadcast and internet users.

On the afternoon information front, *Ore 14* stands out; alternating new guests every day, it covers news, politics, society, and current events without ever giving in to the sensationalism of facts. A new for the season was four special episodes, one of which exceptionally in the late night time slot, which focused the spotlight on the main cases in the news.

As for prime time, Tuesday was once again the evening of the sixth edition of the comedy show *Stasera tutto è possibile*, an appointment with high spirits and lightness, that, with sketches, guests and fun, always records a good result in terms of audience: 1.8 million viewers for an average share of 8%.

The Caserma, on the other hand, was a new feature of the Wednesday prime time, a compelling, fun and exciting mix of experiential reality and adventure game that simultaneously embodies the appeal of two successful formats such as *Il Collegio* and *Pechino Express*. A fascinating social experiment, *La Caserma* is a test for the Generation Z, a group often neglected by TV, with the educational and growth experience of parents or grandparents who served in the military. The good audience ratings (1.6 million viewers for an average share of 7%) is encouraging for the start of a second season.

Again, the prime time saw a new edition of the show *Un'ora sola vi vorrei*, 7 episodes with a pressing rhythm of and with Enrico Brignano, an undisputed theatre star, who once again puts himself to the test in the space of just one hour, something unusual for him. The programme, though having a short run, is of great impact, as it includes all the elements of a great show, and the good performance in terms of audience approval.

1. *La caserma*
2. *I fatti vostri*
3. *Quelli che aspettano*



Rai 2's late night featured a rich and varied offering: *Ti sento*, the new talk show by Pierluigi Diaco, a "sound" experience with unpredictable twists in which listening, feelings, and memory, become a story; *Restart*, a journalistic in-depth analysis on major economic issues to bridge the divide between ordinary citizens and the world of economics; *Fuori tema*, the late show featuring a bit of madness and surreality, one hour of entertainment that surprises the audience with monologues, sketches and guests, in a never-ending comedy experience; *Belve*, with its irreverent and biting interviews with strong and ambitious women in a narrative pathway always in crescendo that leaves the viewer glued to the screen; the overnight slot with *I Lunatici*, Rai Radio 2's radio programme, a lively, light-hearted, and politely irreverent show, a real confessional for an audience of night owls; *Detectives*, the programme that tells and retraces with rigour, through investigation documents, the most famous court cases as well as those less known, with interviews of the detectives who worked on them.

"Thanks to the dynamism of an always innovative schedule, Rai 2, always attentive to informing, educating and entertaining, reaches a precious audience whose affection for the network continues day after day."

Also in the late night, *Una pezza di Lundini* returned with 15 new appointments after the success of the first season, with its overwhelming irony, thanks to surreal interviews, filmed contributions and impromptu improvisations. The programme, which has renewed the language of comedy, is not only an innovative format, but also a successful programme among critics and audiences, recording, in particular, a peak of share in the 15-24 year age group.

The offering of TV series is also rich with fixed appointments in the Friday, Saturday and Sunday evening schedule.

4. *Belve*
5. *Step*
6. *Detto fatto*





17.4 million

DAILY
CONTACTS



65

MINUTES VIEWED
PER DAY



7.4%

24-HOUR
SHARE



6.6%

PRIME-TIME
SHARE

Rai 3

Rai 3, the channel of reality, has consolidated its identity, growing and consolidating its relationship with the public.

Also in this first half of 2021, Rai 3 was an attentive witness to events and did so with a schedule that from morning to evening saw endless programmes that spoke about the whole of Italy, the world and all the new challenges of the global world in always different ways.

New proposals alternated with staples of the network, strengthening the identity of the weekly offering and retaining viewers around a secure and distinctive proposal that has yielded positive results both in terms of image and audience.

Rai 3 entirely tapped into the needs of an audience that was increasingly looking for a strong narrative and accurate and comprehensive information that was reliably developed by public service programmes in their various forms, from health to citizens' rights, dissemination to infotainment.

In-depth analyses, investigations, real-life stories and interviews with the protagonists of the political, economic, social and cultural scenes were presented, with an offering that sought to interpret current affairs on a daily basis while keeping a careful eye on the world to ensure authoritative and reliable information that was capable of answering the many questions and requests that viewers had.

The desire to learn, reflect and explore was expressed across all genres and sub-genres of television, from morning to evening.

The focus in the daytime was on information, in-depth analysis and magazines, through both public service programmes and documentaries, from

Agorà to Mi Manda Rai 3, from Elisir to Geo, from cultural and media magazine Tv Talk to in-depth journalism with Frontiere, from language magazine Le parole per dirlo to the political in-depth analysis of Mezz'ora in più, with great emphasis on international issues with Mezz'ora in più il mondo che verrà, right through to popular, lighthearted and entertaining magazine Kilimangiaro.

The access and prime-time offerings were also rich and well structured.

In the access prime time segment, two products in particular offered different perspectives on civil society and day-to-day realities, these being *Via dei Matti n. 0*, the new programme for 2021 bringing us music, stories and happiness, set in a house open to friends, as well as notes, stories and smiles, and *Che succ3de?*, which experimented with new formats, languages and solutions that were always different and original, such as the Friday programme *Che succ3de* game and the themed programme during the week of the *Sanremo Festival*.

With regard to the prime-time offering, there are four titles with a strong journalistic impact that stand out, including major investigations with Riccardo Iacona and the *Presadiretta* team and Sigfrido Ranucci with *Report*, the in-depth political and social analysis of Bianca Berlinguer with *#Cartabianca*, and the great popular story brought to us by Federica Sciarelli with *Chi l'ha visto*.

But there was no shortage of entertainment or a desire to offer an unprecedented, unexpected and always new interpretation of reality, either. In February, brand-new chat show *Lui è peggio di me*, with odd couple Giorgio Panariello and Marco Giallini, took us on an intense and emotional narrative journey full of monologues, interviews, songs and gags.

Also in prime time, there was no shortage of reruns of established but completely rewritten and

1. *Che Tempo Che Fa*
2. *Lui è peggio di me*
3. *Via dei Matti n. 0*



2



3



regenerated titles, such as *Amore Criminale* and *Sopravvissute*; new experiments such as *Titolo V*, which addressed the decisive state-region relationship; cinema events; evenings dedicated to in-depth analysis, reflection and knowledge in all fields, as brought to us by *Le Parole della Settimana*; all aspects of dissemination with Corrado Augias's travelling tales in *Città Segrete* and the challenges of the Earth with Mario Tozzi in *Sapiens*. Established titles such as *Le Ragazze* and *Nuovi Eroi* and tried and tested spin-offs such as *Sapiens Files* and *Kilimangiaro Estate* were also broadcast.

On Sundays, long-standing programme *Che Tempo Che Fa*, with the best of the cultural, political and sporting scenes, both national and international, built up a unique story from week to week through various faces, protagonists, bearers of values and interesting testimonies.

Significant events and anniversaries were also marked during the first half of 2021, with *Che Tempo Che Fa*'s tributes to the great protagonists of our time, Dante Day, featuring a rerun of *Quinto dell'Inferno* with Roberto Benigni and an opening and closing programme with Augias, Zanchini and Cazzullo, the first night of *Fame d'Amore* and the documentary *Hangry Butterflies* marking Lilac Ribbon Day to raise awareness of eating disorders, *L'Odisea*, the first pathological theatre night to mark Autism Awareness Day, *La Dannazione della Sinistra*, a historical docu-film special marking the 100th anniversary of the first PCI congress, prime-time opera with Mario Martone's *La Traviata*, Sabrina Giannini's investigation with *Indovina Chi viene a cena*; and the merits of the territory with *Il Borgo dei Borghi*.

The late-night offering was extensive and varied, including titles such as *Dottori in corsia*, bringing to the small screen cases of high and medium medical complexity originating within the Bambino Gesù Children's Hospital, following young patients from

the moment they are admitted or begin treatment until they are discharged; *Che Ci faccio qui*, Domenico Iannaccone's exploratory journey into the lives of others; *Sopravvissute*, with survivors sharing their stories of emotional dependency; In *Barba a tutto*, the new talkshow with Luca Barbareschi looking at a different world from a politically incorrect perspective.

Rai 3's commitment was certainly rewarded by its audiences, with the network consolidating its third place on the national television landscape across the whole day and going from fifth to third place in prime time.

Rai 3 is a cross-media network whose digital production lines follow, pre-empt and continue the linear schedule on the main social networks and with continuous references to RaiPlay. Content designed to tell different audiences about the identity of the network and its programmes is produced and published every day, with a digital offering that is constantly being developed to generate engagement with the various digital communities and to direct people to the full version on the RaiPlay platform.

In addition to the activities related to the television schedule, there was a wide range of premium content on offer, including streaming with Q&A sessions, even on live TV, Facebook groups with communities, weekly social live broadcasts, 'interactive' experiments on Instagram stories and Facebook with polls, quizzes and backstage content, cross-media video content and original RaiPlay products. Those accounts that generated the highest numbers of interactions included *Che Tempo Che Fa*, *Chi l'ha visto* and *Report*.

"Rai 3, with innovative codes and languages, interprets current affairs while keeping a watchful eye on the world every day".

4. Report
5. Che succ3de?



Semi-generalist and special interest channels

Rai Gold

Rai 4

Contemporary films and television series using modern language and with an international scope, ranging from science fiction to crime, from epic to survival thriller. Rai 4 is an up-to-date showcase of narrative genres that are increasingly central to the contemporary cultural imagination.

As part of this broad mission, the channel has gradually refined and repositioned its editorial line, including in relation to the changing competitive scenario. Rai 4 has always offered free television audiences premium television series typically reserved for satellite pay TV or streaming; of particular note in this respect for this half of the year were the last season of *Vikings* and the second season of *Narcos: Mexico*. But the increase in platforms has above all encouraged a constant search for new products. Again among the prime-time series, there were two US titles of note that brought us a post-modern hybridisation of different genres, namely *For Life*, a legal thriller-prison drama fusion inspired by a news story, and, first and foremost, *Resident Alien*, combining the classic science fiction of aliens and flying saucers with surreal comedy accents.

Exploring new imagery also means pushing new geographical boundaries, as we did with the *Missione Oriente* cycle, dedicated to genre films from China, Hong Kong, South Korea, Japan, Thailand and Indonesia: in the first half of 2021, an initial cycle dedicated to martial arts, with classics featuring Bruce Lee and the recent *Ip Man* saga, was complemented by the premier of a final chapter, followed by a second monographic offering on zombies, with acclaimed South Korean trilogy *Train*

to *Busan* and a brand-new Japanese horror/comedy. Even the most recent European genre productions have always been well represented in the Rai 4 offering, with particular emphasis on the latest developments in the crime and fantasy macro-genres. Notable features of the former included films such as the British *Rocknrolla* and the French *Antigang*, while the latter notably included titles such as France's *Ghostland*, Norway's *Thelma* and Italy's *The Nest*, all premiered as part of the *Supernatural Thriller* cycle.

The new wave of European crime also includes two brand-new prime-time series, namely Spanish series *La Unidad*, a crime thriller about a local anti-terrorist unit filmed in Madrid, the south of France and northern Morocco, perfectly balanced between the narrative rules of the genre and the telling of reality, and *Hide and Seek*, a surprising Ukrainian investigative thriller that, with its cold, dark settings, follows in the footsteps of the successful Scandinavian detective genre.

As far as daytime programming is concerned, the brand-new female fantasy *Siren* was of particular note. There was also no shortage of mainstream series, mainly in the action/crime genre, such as *MacGyver* and *Scorpion*, both of which were premiered in the prime-time slot and later successfully deployed pre-watershed.

Numerous editorial initiatives were dedicated to the relationship between the imaginary and reality. The *Obiettivo Mondo* cycle linked the themes of the Agenda 2030 with dystopian and post-apocalyptic science fiction, juxtaposing films such as *Blade Runner 2049* and *Seven Sisters* with documentaries such as *2 gradi: Apocalisse sulla Terra*, looking at the issue of climate change. Similarly, the latest



4.7 million

DAILY CONTACTS



44

MINUTES VIEWED PER DAY



1.4%

24-HOUR SHARE



1.5%

PRIME-TIME SHARE

1. *Resident Alien*
2. *La Casa delle Bambole - Ghostland*
3. *Ip Man*



seasons of the most successful series dedicated to the 'legend' of the serial killer, the evergreen *Criminal Minds*, was accompanied by documentary series *Murder Maps*, focusing on the most notorious murderers in history.

"A schedule that has always been dedicated to fans of films and television series with an expertly selected offering that is constantly enriched with brand-new products."

True crime played an increasingly central theme in the platforms' new pay TV offering.

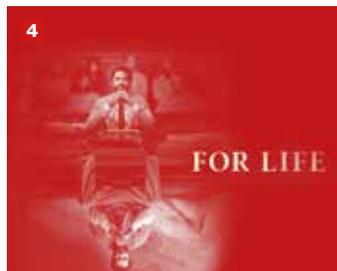
This season, weekly internally-produced magazine *Wonderland* tackled this theme by digging into the Teche Rai archives.

The *Il giallo e la nera* detective and crime feature looked back at the RAI detective series of the 1960s, 1970s and 1980s inspired by real cases of crime, combining historical accounts and TV narration. This feature was flanked by three special monographic episodes, on classic and contemporary literary detective stories and on the Mafia imagery in cinema and television.

Cinema and documentary were also combined in the horror/fantasy genre, with the second season première of docuseries *Eli Roth's History of Horror*, an essential encyclopaedia of the genre by one of its cult directors, which was accompanied by a cycle of classic and contemporary films reflecting the monographic theme of each episode.

In terms of ratings, the average share of total individuals was 1.35% across the whole day (+0.01%) and 1.5% for prime time (+0.06%).

4. *ForLife*
5. *Equalizer*
6. *La Unidad*





5.3 million

DAILY CONTACTS



32

MINUTES VIEWED PER DAY



1.1%

24-HOUR SHARE



1.1%

PRIME-TIME SHARE

Rai Movie

Rai Movie is the movies for you

Rai Movie, the only public service channel dedicated entirely to cinema, set itself apart on a national landscape marked by continuous launches of themed channels and streaming platforms, guaranteeing that ratings would be largely maintained, even in a complex period such as the pandemic.

If cinema is a mirror of reality, portrayed, reconstructed and photographed using a wide variety of narrative methods, then Rai Movie aims to provide a space in which this can be represented in all its forms.

Great attention was paid to the programme schedule, which was strategically developed to stabilise the offering and to ensure that all of the genres and expressions of cinema used were recognisable, able to maintain audience loyalty and representative of the story of contemporaneity. Furthermore, Rai Movie closely follows the current affairs and history of Italy, creating a well-curated schedule aimed at remembering and celebrating its most important protagonists and events.

Significant airtime was dedicated to contemporary Italian cinema, which the channel schedules and promotes, especially in the evenings, with equal emphasis placed on classic Italian cinema, with films that have made cinema history and that make today's films easier to interpret and enjoy, because television is also a master of cinema.

The prime-time offering was characterised by genre cinema, with westerns on Mondays and thrillers on Thursdays, and with a new cycle, *Il vizio del cinema*, launched this year and featuring those

films that Rai Movie believes have left their mark on the recent history of world cinema due to their good workmanship or current tastes.

Ever-attentive to social and cultural changes, Rai Movie dedicated its April programming to the *Obiettivo Mondo* project with four prime-time and late-evening appointments looking at the sustainability issues contained in the UN's Agenda 2030, namely overcoming poverty, promoting peace, justice and strong institutions, strengthening partnerships for achieving the goals and ensuring clean and affordable energy for all. Rai Movie created an in-depth programme to support the programming of such appointments that aimed to make television audiences aware of the social, environmental and civil challenges that we will have to face in the near future, with the participation of filmmakers and experts on the issues covered by the UN's Agenda.

From 6 to 12 June, marking the 75th Strega Prize and the *Narrazioni e visioni dal dopoguerra a oggi* conference, Rai Movie dedicated its programming to films based on the finalists and winning books of past editions, including Leonardo Sciascia's *A ciascuno il suo* and the corresponding film by Elio Petri, Jean-Jacques Annaud's *Il nome della Rosa*, based on Umberto Eco's masterpiece, and Luigi Comencini's *La ragazza di Bube*, based on the novel by Carlo Cassola.

The search for the best possible definition and quality of the material broadcast and the utmost respect it demonstrates for original formats is one of the things that set the channel apart. The following were notably broadcast during the first half of 2021: the unabridged version of Howard Hawks's western masterpiece starring John Wayne and Montgomery Clift, *Il fiume rosso* (Red River); for the first time on TV, the restored full director's cut of Michael Cimino's

1. *Obiettivo Mondo*
2. Nanni Moretti presents *Tre piani* al Festival di Cannes
3. *Il nome della Rosa* by Jean-Jacques Annaud



film *I cancelli del cielo* (Heaven's Gate), patiently reconstructed by the Rai Movie editorial team; *Il gigante* (Giant) by Oscar-winning director George Stevens, starring Elizabeth Taylor, Rock Hudson and James Dean; and the complete version of Giuseppe Tornatore's *Nuovo cinema Paradiso* (Cinema Paradiso).

Where permitted by contractual agreements, foreign films are broadcast in double audio mode, i.e., with the original language proposed on the second DDT audio channel. Italian films with audio descriptions for blind people are carefully selected and broadcasted.

At a time when there was still much uncertainty and when the film industry had to come to terms with the new production methods imposed by the pandemic, Rai Movie supported all of those initiatives in need of visibility.

Programmes were again produced with two goals in mind in the first half of 2021, namely reinforcing and integrating into the channel's programming and lending visibility and support to the national film industry, promoting awareness thereof among television audiences.

Movie Mag, the weekly film news and information magazine, continued to bring us the best of cinema, from both in front of and behind the camera, every Wednesday in the late-evening slot.

In perfect synergy with the Italian audiovisual industry, in the first half of 2021 the magazine's camera crews went to meet the many technicians and professionals who make the films we watch, whether in their workshops or on set. Costume designers, set designers, set photographers and make-up artists spoke of the various seasons of great Italian cinema and the desire to get things moving again and face the difficulties of the present time, calling, as ever, on their sense of creativity to come up with new production models.

Italian cinema, as showcased every week on Rai Movie, was also the subject of much in-depth analysis by critics, journalists and filmmakers who

talked about the merits of and interesting facts about the films on the schedule.

Current affairs were featured with the presentation of the few films released in cinemas and the more numerous ones released on platforms, along with interviews accompanying their distribution. Leading figures from the worlds of show business and culture reflected on their passion for cinema in a series of face-to-face interviews with Federico Pontiggia.

Movie Mag was enriched this year with a section produced in collaboration with the Strega Prize, whereby the leading writers on the national scene and all twelve authors selected by the Strega panel presented their *top picks*, highlighting the close relationship between literature in itself and that particular story told through a series of images lasting around two hours that we call a film.

Also in the first half of the year, the *Movie Mag* specials covered the major events of the summer relaunch, from the Nastri d'Argento awards ceremony to the 67th edition of the Taormina Film Festival.

The *Movie Mag* pages on RaiPaly featured new and exclusive clips from the *A scuola di cinema con Rai Movie* collection, this time dedicated to documentaries and animation, again produced in collaboration with 100 Autori, the trade union association of Italian screenwriters and directors.

The original content published on RaiPlay was boosted by the network's social channels, which have been a real extension of the television channel for some time now, each with its own specificity; Facebook, for example, is the place for interacting with users, while Twitter follows current events such as giveaways and dedicated programmes and Instagram supports the channel's schedule on a daily basis.

“Rai Movie is the movie-only channel, offering comedies, action films, romantic films, thrillers and Westerns spanning a wide variety of genres, ambiances and themes.”

4. *Transcendence*
by Wally Pfister
5. *Il sacrificio del cervo sacro* by Yorgos Lanthimos
6. *Il primore*
by Matteo Rovere





4.0 million

DAILY
CONTACTS



54

MINUTES VIEWED
PER DAY



1.4%

24-HOUR
SHARE



1.3%

PRIME-TIME
SHARE

Rai Premium

The channel looking at Italy and the ways of life of its people through a very varied offering, including the most successful titles in the Rai catalogue and the general public's most beloved characters, spanning various eras, languages, genres and sub-genres. To make viewers think, laugh and thrill.

Rai Premium was firmly positioned among the top three channels in the specialist sector in the first half of 2021, with an average share of 1.40 over the whole day and 1.31 in prime time. The channel therefore remains attentive to its audience, which has always been fond of the product that was originally at its core, namely Italian TV dramas. The proposal to show strategic short-term reruns of generalist TV shows continues to be greatly appreciated by the relevant audiences, as they had the chance to find what they had missed or see again what they loved, whether dramas or prime time entertainment.

Dramas produced by the Rai were once again a winning strategy both in prime time, with new products in immediate replay, and in day time, with some of the channel's long-standing titles. The former included dramas such as *Mina Settembre*, *Il commissario Ricciardi* and *Carosello Carosone*, which, over the course of the six-month period, achieved results above 1.5% in prime time, while the latter included evergreen titles such as *Don Matteo*, making its triumphant return to the channel's schedule, and *Una grande famiglia*, both of which proved their ability to ensure a performance consistently above 1%.

Il paradiso delle signore daily performed particularly well, as ever, obtaining highly satisfying ratings,

with around 1.8% of the average, both in immediate replay and with the marathon formula on Saturday afternoon and Sunday in the late evening.

As usual, a space in the schedule was dedicated to reruns of the best generalist entertainment, with repeats of popular shows such as *Canzone segreta*.

As far as purchased products are concerned, the first half of 2021 was characterised by the success of European TV movies and collections, such as the *Un estate a...* series and *Ottilie von Faber-Castell*, both quality series that also highlight the public's interest in European purchased products.

Rai Premium maintains a constant commitment to the production of original content such as *Mood*, an entertaining graphic journey into the archetypes of storytelling, a programme that documents attitudes and habits through the fashion, cinema and music that have changed and influenced lifestyles through their impact.

At the same time, the channel has not lost sight of the contemporary world and the challenges that the present and the future will present in terms of protecting the planet. This was demonstrated by the success of *Obiettivo mondo*, Rai Gold's cross-channel programme highlighting the 17 points for sustainable development outlined in the UN's Agenda2030 through quality Italian and international products such as the documentary *Wasted!*.

"The best dramas and the major entertainment successes of the past and present, long-running series, mini-series and TV movies, cleverly interspersed with in-depth analysis allowing viewers to experience and relive the emotions triggered by the quality of the Rai offering."

Rai Italia

Rai Italia is the channel for Italians abroad, which promotes the Italian language and culture around the world, including sport, news, in-depth analysis, drama, special events and entertainment.

Rai Italia's editorial offering is divided into four schedules designed to reflect the main time zones of the various non-European continents, namely North America, South America, Sub-Saharan Africa and Asia/Australia.

More specifically, the channel reaches over 20 million homes via satellite, cable, IPTV and OTT platforms, in encrypted and pay-per-view modes, in North America, South America, Sub-Saharan Africa, Australia and Israel, in addition to the homes reached via direct and free satellite broadcasting in the 49 countries on the Asian continent.

The structure of Rai Italia's schedules continued to be affected by the health emergency and its repercussions on the production and programming of the three generalist networks in the first half of 2021. The schedule followed the basic approach adopted in recent seasons with the *best of* the RAI networks, with the most popular and successful programmes of the RAI generalist networks, spanning all television genres, being rerun on the same day or the days immediately following.

News and in-depth analysis remain a key component of the offering, the former with the main editions of the news programmes, always broadcast live, including regional versions, which are of particular interest given the traditionally strong attachment of Italian communities abroad to their homeland.

The "*best of*" is complemented by original Rai Italia productions for its worldwide audience: almost six million Italians living abroad, between sixty and eighty million Italian descendants and about 250 million so-called "Italics," i.e. people of Italian origin and otherwise, who appreciate and follow the Italian way of life and share its basic values. All Rai Italia auto-productions, except soccer, are also available in Italy and Europe on RaiPlay and online, as of the day after the first broadcast on the foreign-dedicated channel.

L'Italia con Voi, a daily afternoon programme broadcast from Monday to Friday, is Rai Italia's main original production. Produced at the Saxa Rubra studios in Rome as a live/non-live broadcast (an important obligation for the purposes of adapting to time zones), it entertains audiences with music, guests, services and features as it looks at the Italian world through every form and aspect of entertainment, sport, culture, business and creativity. New for this year was the increase in web-based link-ups with the families of residents living abroad, which were more structured than in the past and therefore ensured greater sharing of experiences between the host country and the Italian homeland.

The format features in-studio guests and guests appearing via live video link-up and services from both Italy and abroad through a network of video-makers recounting the stories and events of Italian communities around the world and their leading figures. In addition to the daily programme, these stories are also featured, as in previous seasons, in the weekly Saturday programme *L'Italia con Voi - Speciale Le Storie*.

In 2021, on the occasion of the Festival della Canzone Italiana, a special edition of *L'Italia con Voi - Sanremo con voi* was produced and broadcast live from the Teatro delle Vittorie in Rome, both before the individual evening events and during the Festival's Italian ad

1. *La giostra dei gol*
2. *Cristianità*
3. *L'Italia con Voi*



breaks, with experts, singers and the stars of the festival's evening events making spur-of-the-moment comments and bringing Amadeus and the Ariston theatre to Italian viewers thousands of miles away.

In the first six months of 2021, synergies with the Ministry of Foreign Affairs, the Comites (Committees of Italians Abroad), the CGIE (General Council of Italians Abroad), elected parliamentarians abroad and representatives and experts from the public administration continued.

Collaboration continued with the Dante Alighieri Society, for features promoting the Italian language, and with the Svegliamoci Italicci association. The themed features, including those produced in collaboration with Radio Rai, dedicated to art, cinema, music, culture and the excellence of the Made in Italy label in general, also continued.

The Serie A TIM football championship occupied the year's schedule until the summer and was covered by *La giostra dei Gol*, the channel's long-standing programme produced in collaboration with Rai Sport that provides commentary for the matches. Returning to its original format with in-studio guests and guests appearing via live video link-up and providing commentary both on the day's events and on the championship, *La giostra dei Gol* offered its usual three live matches per week (almost always including a look forward to Saturday's game and a look back at Sunday's), plus *highlights* of up to 25' per match of all the other matches of the day.

Staying with sport, the live broadcast of the *Giro d'Italia 2021*, which followed all the stages of the cycling classic held in May, is also worth mentioning.

The broadcasting of *Cristianità*, the historic programme presented by Sister Myriam Castelli

and dedicated to religious news and the many manifestations of faith, festivals and religious events that characterise the lives of many compatriots abroad, continued. The programme includes the Pope's Angelus and live Sunday mass, as well as the midweek papal audiences, *I mercoledì di Francesco*, in a programme produced in collaboration with Rai Vaticano.

Also on Wednesdays, in prime time, the Rai Italia offering was dedicated to cinema, and in particular to new Italian cinema in all every form, from drama to comedy. A special place in the schedule was dedicated to the films, introduced by commentary from Alessandro Boschi, in *L'Italia con voi*, which hosted various actors, directors and stars of the films in the studio.

Also of note were a number of Rai-produced and purchased specials, including those on the work of RAI's correspondents from the USA (*Qui Nuova York. L'America raccontata agli italiani dalla televisione*, with an introduction and commentary by Aldo Grasso and the collaboration of the Italian Cultural Institute of New York) and on Italian writers who have written about America over the decades.

Original programmes and the best of Rai productions for Italians abroad: to be close even when you're far away."

Rai Cultura

Rai Cultura produces, distributes and fosters the circulation and multi-platform reuse of cultural content, cultural entertainment, history and quality education formats. A schedule which combines narrative force and rigorous scientific verification and speaks the language of today, with the capacity to override outdated scheduling concepts and which also travels through networks and social media on mobile devices and in on-demand mode.

Over the course of 2021 Rai Cultura further strengthened its channels' offerings to serve a community that showed, during these months like never before, that it saw Rai as an integral part of the national cultural and educational fabric.

This is a challenge that Rai Cultura took on in line with its *mission*, enhancing the programme schedule and the dedicated portal with its theatre, literature and so-called 'classical' music offering, as well as creating new *ad hoc* programmes that were able to facilitate online education. This sense of responsibility was matched by cooperation with the various institutions concerned, notably including the Ministry of Education, with which a new agreement is being drawn up to continue this experience.

The main lines of programming lines of the previous seasons were confirmed, with particular emphasis on the following:

- with Rai 5, on theatre and serious music with symphonic concerts, chamber concerts and opera, both recorded in empty halls and available to stream on RaiPlay and on the Raicultura.it portal;
- with Rai Storia, on in-depth analysis on historical themes and the offering dedicated to students with the *#maestri* programme (also broadcast on Rai 3) in collaboration with the Ministry of Education;
- with the Rai Scuola TV channel and the new Rai

Scuola website, on the enhanced and totally revamped offering through the creation of content to support distance learning, a point of reference for teachers and students in secondary schools. The channel continued to play a leading role in Rai's great commitment to schools, which really took hold in the dramatic months of the lockdown and continued in autumn 2020 and throughout the first half of 2021. This major productive commitment to supporting teachers, students and families with distance learning and using digital technologies to their full potential, and continues to make a positive contribution to public debate on the changes taking place in schools through integrated digital teaching.

One of the main themes that have transversally characterised the 2021 offering is undoubtedly the celebration of the 7th centenary of Dante Alighieri's death, which was the subject of various initiatives, including some in collaboration with prestigious partners such as the Dante Alighieri Society, the Accademia della Crusca, the Accademia Nazionale dei Lincei, the Società Dantesca Italiana and the Dante Group of the ADI-Associazione degli Italianisti.

In addition to delivering the multi-platform offering of the three TV channels Rai Storia, Rai 5 and Rai Scuola, the www.raicultura.it portal (art, literature, history, music, cinema, theatre and dance, philosophy and science) and the Rai National Symphony Orchestra, Rai Cultura occupies programming slots in the schedules of Rai's generalist channels through productions such as *Italiani (Storia history specials)*, *Italia viaggio nella bellezza*, *Storie della tv* and *Storie delle nostre città* on Rai 1; *Progetto Scienza* on Rai 2; and *Passato e Presente* (daily with repeats on Rai Storia), *Di là dal fiume e tra gli alberi*, *#maestri*, *L'Italia della Repubblica*, *Visioni*, *Terza pagina* and *Save the date* on Rai 3.

1. *Italia viaggio nella bellezza. Sulle tracce del patrimonio*
2. *Bronte*
3. *Animals with Cameras*



A number of prestigious productions were notably broadcast on Rai 1, including,

- on 5 June, live broadcast *Senato & Cultura - Omaggio a Dante*, a tribute to Dante Alighieri through the arts of music, cinema and theatre from the Aula del Senato della Repubblica,
- and *Il suono della bellezza*, produced in collaboration with Rome's Teatro dell'Opera and Galleria Borghese, which achieved a 9.9% share with 2 million listeners in the prime-time slot on 20 June. Taking their cue from some of the most significant works housed in the gallery, musical director Daniele Gatti and the Orchestra dell'Opera di Roma embarked upon a musical journey starting with the baroque music of Händel and Vivaldi, via Paisiello and Mozart, and ending with the neoclassicism of Stravinsky.

Opera-film *La traviata* was produced for Rai 3 in collaboration with the Teatro dell'Opera di Roma, under the theatrical and television direction of Mario Martone, with the Choir and Orchestra of the Teatro dell'Opera di Roma and conducted by Daniele Gatti. The opera was broadcast in prime time on 9 April, achieving an excellent audience share of 3.9% with some 980,000 listeners.

Rai Cultura is a centre of expertise when it comes to producing classical music, producing various exclusive events, operas and prestigious concerts to be broadcast by the generalist networks. Events in the first half of 2021 included the *Concerto di Capodanno da Vienna* and the concert from the *Teatro La Fenice di Venezia*, directed by Daniel Harding, the *Concerto dell'Epifania from Naples*, performed by the Orchestra Partenopea di S. Chiara, the *Concerto di Pasqua from the Cathedral of Orvieto* on 2 April with the orchestra of the Maggio Musicale Fiorentino, directed by Zubin Mehta, and the *Concerto per la Repubblica from the Sala dei Corazzieri at the Quirinale* with the orchestra of the Accademia Nazionale di Santa Cecilia, directed by Jakub Hrušada, which was broadcast on Rai 1 on 1 June.

In 2021 Rai Cultura strengthened its commitment to web and social activities, stepping up production

made specifically for the new portal www.raicultura.it and valuing new products on social networks.

The website www.raiscuola.rai.it, available on smartphones, tablets and PCs and dedicated to schools, teachers and students, has been revamped in terms of its graphics and content. It offers thousands of pieces of content, initiatives, events and links to watch all programmes again on demand. Over 5,000 lessons in over 30 disciplines and 80 sub-categories.

Content includes programmes and lessons produced in agreement with the Ministry of Education:

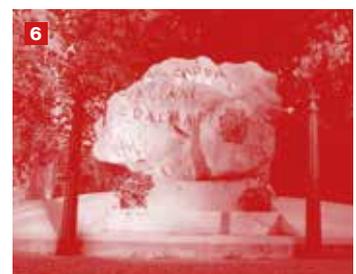
- *La Scuola in Tivù*: each lesson consisting of 3 units, merged together into the full version (broadcast on Rai Scuola and RaiPlay), is available individually online on the Rai Scuola portal;
- *#Maestri*: over 250 lessons making up an unprecedented jigsaw of educational content.

A number of educational events in Italy were also live-streamed, including meetings, debates, festivals, and meetings organised by the Ministry of Education and various institutions, bodies and foundations (e.g. the Open Doors project, conferences of the Accademia Nazionale dei Lincei, lectures from the Accademia della Crusca, the European Geography Night, the launch of the academic year at the Università Cattolica with the President of the Republic, the Stem in the City project, the Articolo 21 event, etc.). Furthermore, *Scuola News* is published online every week, offering information and in-depth analyses for teachers produced in collaboration with teachers and headteachers.

All of the content on the site is broken down into 6 different targets, namely primary school pupils, lower secondary school pupils, upper secondary school pupils, teachers, adults in education and university students.

Approfondimenti ('Insights') and Speciali ('Specials') features were produced in collaboration with various organisations, municipalities, universities, ministries and the leading Italian cultural institutions. Media partnerships involving activities for the whole of 2021 were in place with the following, among others:

- 4 Daniele Gatti
- 5 *La Traviata*
- 6 *Il tempo del ricordo. Le foibe e l'esodo istriano giuliano dalmata*



- the Accademia Nazionale dei Lincei, with which lectures were produced on *the universe in its becoming* and *Darwin and evolutionism*, among other initiatives;
- the Accademia della Crusca, with which five lessons on Dante dedicated to secondary school teachers and the *Parole di Dante* special were produced to mark the 700th anniversary of Dante's death.

Specials, services, insights and extra materials on art, literature, history, philosophy, music, cinema, theatre and dance, and science were created for the [RaiCultura.it](https://www.raicultura.it) portal.

Production in the first half of 2021 was also affected by the Covid-19 emergency. While the number of in-person events decreased, the number of streaming events and web-based activities increased.

The dozens of activities undertaken in collaboration with various organisations, foundations and institutions included over 50 live streams, many of which were exclusive, including concerts and operas from Teatro alla Scala, concerts from Santa Cecilia in Rome, the Institut Français in Florence: *Eredità napoleoniche* (Napoleonic Legacies), and Edoardo Bennato's concert for World Music Day, among others. Over 20 concerts by the Rai National Symphony Orchestra were also notably streamed live. In addition to a series of initiatives in collaboration with the Accademia della Crusca and the Accademia Nazionale dei Lincei, a *Speciale per il Dantedì* special was produced to mark 25 March, with a wealth of content from commentaries on the Divine Comedy by Dante scholars, philologists and literary critics to readings of his verses by great performers, from interviews with experts on his life to in-depth studies of his works and his era.

The history section highlighted not only the programming of the thematic channel on the air but also proposed thematic insights, web docs, interviews and specials, following the important anniversaries of our country. Others include Holocaust Memorial Day (27 January); National Memorial Day of the Exiles and Foibe (10 February); International Women's Day (8 March); Liberation Day

(25 April); Legality Day (23 May); Republic Day (2 June); World Music Day (21 June).

Finally, the latest Qualitel surveys available on the Rai offering show that, with regard to its online offering, the Rai Cultura, Rai Scuola (both at 7.9, the highest values of all) and RaiPlay (7.8) sites achieve excellent ratings.

All of the leading television programmes and initiatives are promoted on Rai Cultura's social media profiles. Certain events and projects are produced especially for social media and also in partnership with schools and universities, such as, for example, the *Corso sull'Intelligenza artificiale* artificial intelligence course organised in collaboration with the University of Urbino and delivered through a series of Facebook live lessons.

The following social media features are published every day: *Citazioni* (inspirational quotes); *Accade oggi* (short videos marking the anniversaries of important historical events, remembering a leading figure or an event); *Cult* (short clips from Rai Teche that recall and contextualise significant cultural moments aired on public television); *Segnalazioni* (reporting on the latest current events, exhibitions, conferences and cultural events taking place in the country); and *l'Opera d'arte del giorno* (showcasing one noteworthy painting, sculpture or other artistic production every morning).

Rai Cultura's social accounts continued to grow steadily. In particular, these include:

- the Rai Cultura Instagram account, which, with over 620,000 followers, is the first Rai account;
- the Rai Storia Facebook account, which has exceeded half a million users.
- the Rai Cultura - Literature Facebook group, which has over 170,000 members.

Rai Cultura therefore appears now to be one of the main influencers on the online cultural landscape - a demanding role that has been consolidated and reinforced in recent years through a cross-media conception of the entire production designed to encourage the increasing reuse, sharing and discussion which are typical of social networks.

7. *Italia Viaggio nella bellezza. Dante onorevole e antico cittadino di Firenze*
8. *Storie della TV Bramieri*
9. *Sei Personaggi in Cerca d'Autore*





3.0 million
DAILY
CONTACTS



19
MINUTES VIEWED
PER DAY



0.4%
24-HOUR
SHARE



0.4%
PRIME-TIME
SHARE

Rai 5

The cultural entertainment channel devoted to music, art, literature, theatre and nature with a special focus on large-scale productions, innovation and experimentation in the art field.

In the first half of 2021, Rai 5 continued to significantly strengthen its programming to meet the new requirements of distance learning and entertainment; in the afternoon, the programming of classical theatre, drama and literary titles continued to support teaching, totalling around 300 hours of programming from January to the end of May.

The same is true of the entire offering dedicated to classical music was significantly expanded, with new programming slots in the morning, afternoon and prime time, enabling fans and students to have free access to a selection of the best opera, ballet and concert performances by the most important Italian and international theatres, festivals and organisations.

The prime time offering confirmed themed evenings, consolidating a regular appointment with viewers, in particular expanding the slots dedicated to opera which since April 2020 has been permanently screened during the early evening of Wednesday, in support of institutions and theatres forced to close during the period of the health emergency.

With regard to Mondays devoted to literature, the first half of the year kicked off with new original programmes on Rai 5, including *Le interviste impossibili*, based on Umberto Eco's very famous radio programme, bringing us a number of imaginary (to some extent) encounters with masters such as

Conan Doyle, Bronte and Hemingway, and *L'atlante che non c'è*, a journey into the literary Italy conceived by writers such as Collodi, Camilleri, Piero Chiara and the Homer of the *Odyssey*. Later on, in March, we saw the launch of *Sciarada*, the new Rai 5 container programme for Mondays dedicated to literature, which naturally could only begin its programming with a cycle dedicated to the 700th anniversary of Dante Alighieri. This was followed by a major series produced by PBS (the American public service) on the life and works of Ernest Hemingway marking the 60th anniversary of his death.

The late-evening schedule featured the *Nuovo Cinema Italia* slot, showcasing the first and second works of a number of emerging figures in Italian cinema of the new millennium.

Tuesdays, meanwhile, continued to bring us great international art films, airing the most significant and original recent titles from around the world week after week.

Rai 5's journey to the temples of Italian opera continued in the Wednesday prime-time slot, taking viewers from one end of the peninsula to the other with a programme closely connected to the programming of the morning slot (Monday-Friday at 10am) introduced in March 2020 with the start of the pandemic. Exceptions to this were Wednesday 27 January, with the *Note per la Shoah* special for Holocaust Memorial Day, the episode of *In scena* dedicated to Corrado Pani on 3 March, special events such as the replay of *La traviata* from the Teatro dell'Opera in Rome, conducted by Daniele Gatti and directed by Mario Martone, which Rai Cultura produced for a first broadcast on Rai 3, and *Adriana Lecouvreur* from the Comunale di Bologna.

1. *Animals with Cameras*
2. *Art Rider*
3. *Ernest Hemingway*



On Thursdays, in the prime-time slot traditionally dedicated to classical music, Rai 5, as usual, brought us the best of the symphonic and operatic offerings from Italy and beyond. In addition to the concerts by the RAI National Symphony Orchestra and those of the Accademia di Santa Cecilia, on 4 February there was a tribute to Arturo Benedetti Michelangeli marking the centenary of his birth, followed by *Dantedì* on 25 March, which saw RAI 5 offer special programming across all time slots and a *Visioni* special dedicated to the Supreme Poet, echoed on 13 May by the live broadcast from Turin of the *Sinfonia Dante* performed by the RAI National Symphony Orchestra.

Another important anniversary that Rai 5 celebrated was that of Igor Stravinsky, both on 8 April with a concert by the Filarmonica della Scala and with a special from Venice broadcast in June. On 27 May, tribute was paid to Carla Fracci with the famous ballet inspired by Federico Fellini's *La strada*, while on 3 June *Il flauto magico* (The Magic Flute) was broadcast to mark what would have been Emanuele Luzzati's 100th birthday.

On Fridays, Rai 5 continued its journey into all forms of art, from painting to photography, sculpture to architecture, with *Art Night*. There were also many prestigious events, including those dedicated to Parma Capital of Culture (Parmigianino and Correggio), as well as the new series of *Art Rider*, with Andrea Angelucci's explorations of adventure and archaeology.

From 26 February to 19 March, Fridays hosted the *Vespri danteschi*, marking the 700th anniversary of Dante's death. *Art Night* was, as always, followed by in-depth cultural analysis by *Terza pagina* and the *Save the Date* programme.

Saturdays on Rai 5 featured great titles and great performers, as well as paying tribute to Dante with *La vita nova*, by Nicola Piovani and starring Elio Germano, and *Divini canti: Lectura Dantis e altri incantamenti*, in dance form. Of the many titles aired, *La caduta di Troia*, *L'acrobata* (on 27 March, marking World Theatre Day), the trilogy dedicated to Ottavia Piccolo, the original revival of *Sei personaggi in cerca d'autore*, on the same day (8 May) and in the same place (Teatro Valle in Rome) where it debuted exactly a century ago, followed by another diptych of famous Pirandellian titles - *Così è se vi pare* and *Il piacere dell'onestà*, were of particular note. On 5 June, following the *Speciale* dedicated to the Concerto dell'Arma dei Carabinieri, Rai 5 showcased the wit and talent of the Zelig comedians with *Italian Stand Up*.

Rai 5 also covered issues such as nature, the environment, travel and exploration in 2021, during both the daytime and the Sunday prime-time slot. The third season of the series produced by Rai Cultura *Di là dal fiume e tra gli alberi*, which from mid-March became the flagship title of the Sunday schedule, is also worth mentioning.

“Rai 5's productions cover all genres of performing arts from music to theatre and from ballet to opera and focus particularly on broadcasting events live at the same time providing cultural entertainment in an up-to-date and contemporary language.”

4. *La Traviata*
5. *Ottavia Piccolo*
6. *Proust*





1.5 million
DAILY
CONTACTS



27
MINUTES VIEWED
PER DAY



0.3%
24-HOUR
SHARE



0.3%
PRIME-TIME
SHARE

Rai Storia

The quality channel which presents history, talks about Italy and reflects on our past to help us understand our present and plan for the future.

Rai Storia is the channel that turns telling the story of the past into an opportunity for reflection and discussion, deploying tools and languages to encourage greater understanding and interpretation of the complexity of the present in which we are living.

Despite the pandemic, the offering for the first half of 2021 maintained its thematic appointments, as the cornerstone of the prime-time schedule and the mainstays in terms of recognition, audience and its public service role, including the daily appointments with *Passato e Presente* and with *#maestri*. During the pandemic itself, the two appointments, first broadcast on Rai3 and then on RaiStoria, brought us educational television that supported school teaching, with *#maestri*, produced in collaboration with the Ministry of Education, offering in-depth analysis rewarded by some very pleasing ratings on the generalist channel (average share of 3.8% with 440,000 listeners).

These cornerstones are flanked by well-defined programming slots that provide tools for understanding key figures in our country's history, such as *Italiani*, and for disseminating and promoting cultural heritage, such as *Italia, Viaggio nella Bellezza*.

Notable features of Monday evenings, which were dedicated to exploring different places and cultural heritage, included *Piranesi, un illuminista inquieto*, looking at the brilliant etcher and architect who codified the image in 18th-century culture, the third series of *Storia delle nostre città*, with 4 episodes

dedicated to Padua, Pisa, Ancona and Catania, and a new series of *Italia, Viaggio nella Bellezza*, running from 3 to 17 May and entitled *Sulle tracce del Patrimonio*.

The second series of *Inferno nei mari*, looking at the battles that took place both on and beneath the seas in the 20th century, was broadcast on Tuesdays from 2 February to 9 March, with an introduction by naval historian Maurizio Brescia and Admiral and military historian Ferdinando San Felice Di Monteforte. Keeping with the battle theme, there was also *La Bussola e la Clessidra* with Alessandro Barbero, a project born during the lockdown period and that has been transformed into a series of Q&As that have proven very popular both on the channel and online.

Alessandro Barbero also starred in *Ei fu, vita e morte di Napoleone Bonaparte*, produced for the bicentenary of the Corsican general's death at the locations on the island of Elba at which he stayed. *Edizione straordinaria*, a documentary by Walter Veltroni with material from Rai Teche, was shown again on 1 June and received a special award at the Nastri d'Argento 2021 for a work that represents "an added value to the best in investigative and TV journalism: pathways of memory that can help us to reinterpret the country's history".

Wednesday was the day for anniversaries in the first part of the year, with *Storia del PCI 1921-1944* on the centenary of the Livorno split, *Testimoni della Shoah*, on 27 January, with a themed day dedicated entirely to the story of the *lager* and a prime-time offering introduced by Prof. David Bidussa, *Il Tempo del Ricordo* on 10 January, marking the Day of Remembrance for the victims of the foibe and the Julian-Dalmatian exodus with dedicated programming, and *173.1861*, the story of the proclamation and subsequent anniversaries, marking the 160th anniversary of the Unification of Italy on 17 March.

1. *Domenica Con*
2. *Ei fu. Vita conquiste e disfatte di Napoleone Bonaparte*
3. *Iraq. Distruzione di una nazione*



Italiani, meanwhile, brought us many new figures from the worlds of Italian culture and science, from Giovanni Bollea to Tina Lagostena Bassi, from Umberto Veronesi to Fernando Aiuti, from Nino Manfredi to Carlo Urbani.

Thursday is ancient and modern history day, from the origins of human civilisation to the Congress of Vienna, with a.C.d.C., the programming slot presented by Alessandro Barbero, a must for the channel's audiences, taking them on an exciting journey through different centuries and latitudes starting with portraits of four iconic figures from world history in the form of *Johannes Gutenberg*, *Charles V*, *John Kepler* and *Maria Theresa of Austria*. This is followed by a series on the great capitals from the modern age to the 20th century, focusing on *Amsterdam*, *London* and *New York*, and the *I Figli del Sole* series about Aztecs, Mayas and Incas and again 3 episodes looking at *the true story of the Knights Templar*.

Dante Day on 25 March was marked with a day dedicated entirely to the supreme poet and, in prime time, *Alighieri Durante, detto Dante*, with Alessandro Barbero at Poppi castle looking at the personal experiences of the great poet, with the docufilm being honoured by the Moige as part of the "Un Anno di Zapping ... e di like 2020-2021" guide for the following reason: "With *Alighieri Durante detto Dante*, the Rai has produced a small masterpiece suitable for all types of viewers, and this is precisely what makes it so great. An arduous and successful undertaking thanks also to its forays into the world of drama. An excellent dissemination initiative."

On Fridays, the focus was on major international conflicts, with two episodes on the *Guerra di Corea* (Korean War) and *Storia dell'Iraq*, and four episodes with Prof. Marcella Emiliani looking at the four major upheavals that have hit the Middle East, namely the

Iran-Iraq war, the First and Second Gulf Wars and the confrontation with Isis. Then, of course, there was the 3rd series of *Storie della TV*, an historically accurate account produced in conjunction with Prof. Aldo Grasso, and Gino Bramieri on the public service, with stars Gino Bramieri and Ave Ninchi, big names Joe Marrazzo and Andrea Barbato, and big managers Ettore Bernabei and Biagio Agnes.

This was followed by *Einstein in Italia*, a detailed account of the journeys, talks, friendships and loves that Albert Einstein cultivated in Italy. Last but not least, *SeDici Storie* brought us the stories of various Italians and examples of legality, resistance, altruism and heroism as points from which to start again.

In the Saturday prime-time slot, *Cinema Italia* was dedicated to Italian fiction cinema, followed by *Doc d'autore* bringing us documentaries by Italian writers, the real cinema of the real. Italian film and documentary makers were featured on Rai Storia on Saturdays.

On Sundays, the usual prime-time appointment with *Binario Cinema*, the space dedicated to historical genre films, from homo sapiens to the present day, was replaced as of 14 February by 12 new *Domenica con* appointments with leading figures from the worlds of culture and entertainment who presented the programme schedules they had created themselves and the films they felt the greatest connection with in the prime-time slot. A community of *directors for a day*, from Tullio Solenghi to Maria Falcone, on Sunday 23 May, Legality Day, during which they also discussed issues relating to legality with Minister of Justice, Prof. Marta Cartabia.

"Great institutional activities, the most important anniversaries, events in the past that are to be remembered, all become televised and cross-media events in Rai Storia which are vital elements in the narration of our country's culture".

4. *SeDici Storie*
5. *Piranesi un illuminista inquieto*
6. *Italiani - Nino Manfredi*





0.2 million

DAILY
CONTACTS



15

MINUTES VIEWED
PER DAY

Rai Scuola

The channel devoted to formal and informal instruction, education and digital, scientific and technological literacy: culture and learning at the centre of the television's function as a Public Service.

Rai Scuola and its new website, which were developed during the dramatic months of the lockdown and continued in autumn 2020 with the start of the new school year, continued to play a major role in *Rai Cultura per la Scuola's* great commitment to schools in the first half of 2021. This major productive commitment supported teachers, students and families with distance learning and in using digital technology to its full potential, and made a positive contribution to public debate on the changes taking place in schools.

The resurgence of the pandemic has brought the country's attention back to the issues of the right to study and the duty of education, and the need to contribute to education with tools of mass communication mean that it is vital that the *Rai Cultura per la scuola* schools project, in collaboration with the Ministry of Education, be implemented. This project is no longer an emergency remedy for the lockdown period; nor is it an episodic means of support, but rather an organic plan between the Ministry of Education and the Rai aimed at providing students of all levels and their families with tools for understanding the reality that surrounds us.

And this concerns not only purely curricular topics, for which Rai Scuola supports school teaching (*La scuola in tv, La scuola in tivù - Maturità, Speciali Rai Scuola Educazione civica specials, etc.*), but

also secondary literacy projects (*La scuola in tivù - Istruzione degli adulti*), regaining that pedagogical value of the public service originally developed for the primary literacy of the post-war generations and that now, having since evolved, must be aimed at secondary school students through a popular format that is useful as a teaching tool for young people.

In order to play a leading role in this process of change, the Rai Scuola television and web offerings have played on a number of the strengths developed over the years, including the following: the training of digital skills and the development of computational thinking, knowledge of English, the dissemination of scientific culture by stimulating knowledge of the STEM (Science-Technology-Engineering-Mathematics) disciplines, interdisciplinary study to understand the major challenges of sustainability and climate change, the provision of new teaching aids for the study and teaching of civic education/citizenship and constitution, which became a compulsory subject this school year, lessons dedicated to the humanities such as Italian literature, history, art history, philosophy, Latin and Greek, and lessons and programmes dedicated to Dante Alighieri and the *Divine Comedy* marking the seventh centenary of Dante's death.

One of the strengths of the offering continued to be the collaboration with the Ministry of Education; in the first half of 2021 the lessons of *La scuola in tivù* were supplemented with a new series of 120 lessons to which 30 new *La scuola in tivù - istruzione degli adulti* lessons, 40 episodes of *La scuola in tivù - Percorsi di Maturità* and 8 Speciali Rai Scuola: Educazione civica - Cittadinanza e Costituzione specials would be added, making for a very rich offering in this first half of 2021. In addition to the abovementioned *La scuola in tivù*, with

1-3. Lezioni in Tivù



lessons based on macro-disciplinary subdivisions dedicated to the most important subjects, *La scuola in tivù - Percorsi di Maturità*, illustrating, with examples relating to the various school systems, how to tackle the 2021 State examination, and *La scuola in Tivù - Istruzione degli adulti*, a project designed to not leave anyone behind and dedicated to those enrolled at Centri Provinciali per l'Istruzione degli Adulti (CPIA) regional adult education systems,

Rai Scuola offered the following, among other things: *Scuola@maturità*, consisting of 24 lessons, each of 30 minutes, comprising some 70 teaching units delivered by university professors, academics from the Crusca and Lincei Academies and researchers from the National Research Council (CNR) to help students prepare for the *prova di maturità* test. *Scuola@maturità - Latino / Greco*, with texts by the authors most frequently available to students for written and oral translation tests; *Speciali Rai Scuola* specials, offering in-depth analysis of the activities undertaken by schools and the educational experiences organised by the Ministry of Education to mark major anniversaries and themes.

The offering of programmes in English at upper intermediate-advanced level, aimed at those learning and perfecting their knowledge of the language, which has characterised Rai Scuola's programming for almost twenty years now, continues to be integrated with programming in English dedicated to other subjects, in line with the CLIL-Content and Language Integrated Learning methodology, the approach that was also recently adopted in Italian schools.

The channel offers a large number of programmes, including, for intermediate-advanced level learning and improvement, *Perfect English*, *English Up*, *What Did They Say?*, and *3ways2*. For the integrated

learning of linguistic-communication and disciplinary skills in a foreign language, meanwhile, there is *The Language of Business* dedicated to economics and *The Great Myths: The Iliad and The Great Myths: The Odyssey* on epic literature. For a deeper understanding of Anglo-American literature there is *The Secret Life of Books*, analysing a masterpiece of Anglo-American literature, Shakespeare's *Tragic Heroes*, looking at the characters from the main Shakespearean tragedies, *Bram Stoker-Dracula* and *Edgar Allan Poe - The Last Four Days*.

There is no shortage of specific programmes on language teaching methods and guidance for students interested in university courses in foreign languages or in training experiences for which knowledge of a second language is required, either, with *Erasmus Plus Stories*, *The Italian Dream* and *Shakespeare Class*, *Non è mai troppo presto*.

Many initiatives were organised in collaboration with the Dante Alighieri Society to mark the 700th anniversary of the death of the Supreme Poet. These included the documentaries *In viaggio con Dante*, the 11 lessons from *Enciclopedia infinita - Dante e la Divina Commedia* and another 15 lessons from *Enciclopedia infinita - Storia della letteratura italiana*.

There is also a rich offering devoted to science, which featured over the course of the year in various time slots, including prime-time and late-evening. Among the productions aired in 2021, the various components of *Progetto Scienza* are worth mentioning, including *STEM!*, showing what science and technology can do to change all of our lives for the better, *Verso il futuro*, a series of brand-new appointments dedicated to study and workplace orientation, *Files*, looking at some of the main scientific issues currently being studied, *Newton*,

4. *Newton*
5.-6. *STEM!*



dedicated to major topical issues, the Newton Speciale Sostenibilità sustainability special, with films and interviews with leading experts in the field, and *Newton 'Edu'*, with useful teaching materials aimed at an audience of students and enthusiasts. There is also the *Memex - Galileo* programme, which reveals how every idea is the product of a long process of scientific and technological research and experimentation, and *Memex - Nautilus* covering aspects of chemistry, genomics, physics, astrophysics and geology.

Digital world- Competenze digital is dedicated to the worlds of technology & IT, while *I segreti del colore* focuses on the visual arts and the conservation and restoration of works of art.

The collaboration with the Fondazione Lincei continues with the programme *I Lincei per il clima*, offering lectures on climate and climate change.

“Rai Scuola is broadening its own horizons by strengthening the range of tools and content available on the network and accessible on mobile devices, developing operational links with schools, universities, the main cultural institutions and the most active players in the world of scientific and technological research.”

7-8. STEM!
9. Lezioni in Tvù



Rai National Symphony Orchestra

Despite the reduced number of people on stage and a 3-week suspension between March and April due to the health emergency, the activities of the Rai National Symphony Orchestra in the first half of 2021 confirmed the level of excellence of its contribution within the Italian music scene. Below is a summary of the initiatives undertaken in the six-month period in question.

Seasonal concerts. The first half of 2021 saw the opening of the "Winter Concerts" on 7 January with the prestigious presence of Maestro Daniel Harding on the NSO podium. Subsequently, between 14 January and 11 March, the season featured Maestro Kent Nagano and pianist Benedetto Lupo, violinist Sergei Khachatryan conducted by Maestro Kazuki Yamada, Maestro Juraj Valčuha on his return to the podium of the Rai NSO, Maestro Gergely Madaras accompanied by the superb voices of soprano Asmik Grigorian and baritone Matthias Goerne, Maestro Ryan McAdams, Maestro James Conlon, accompanied by pianist Jan Lisiecki, and Maestro Pietari Inkinen. 4 February, meanwhile, saw the return of Maestro Ion Marin and mezzo-soprano Magdalena Kožená starring in a concert dedicated to Luciano Berio for the contemporary music review Rai NuovaMusica, and on 16 February the Rai NSO audience enjoyed the now customary Carnival Concert, featuring Maestro Ryan McAdams and baritone Paolo Bordogna. 9 April saw the opening of the spring-summer concert season with Maestro Ottavio Dantone, mezzo-soprano Paola Gardina, tenor Alasdair Kent and baritone Paolo Bordogna. Subsequently, between 15 April and 3 June, performances again featured Maestro Dantone, who also conducted the second concert, Maestro Daniele Gatti, who conducted all of the Brahms

symphonies, young Russian pianist Alexander Malofeev conducted by Maestro Fabio Luisi, Maestro Aziz Shokhakimov and the female voices of the Coro Maghini choir, pianist Stefano Bollani and Maestro Kristjan, Maestro Maxime Pascal and mezzo-soprano Anna Caterina Antonacci, and Maestro Michele Mariotti accompanied by violinist Julian Rachlin. The Rai Orchestra POPS summer festival took place between 10 June and 1 July and featured conductors Ryan McAdams and John Axelrod, accompanied by pianist Alessandro Taverna and cellist Giovanni Sollima.

Chamber concerts in the Auditorium and at other venues In the first half of 2021 the chamber groups of the Orchestra were engaged in 5 chamber concerts, from 7 February to 6 June, as part of the *Le domeniche dell'Auditorium* cycle. "Professione Orchestra in Concerto", the chamber concert organised as the conclusion of the "Professione Orchestra" masterclass and involving the best scholarship winners and some of the professors of the Rai NSO, was held on 12 June. Also in the first half of 2021, 6 off-site concerts were held at the Quirinale.

Educational projects. NSO educational initiatives in 2021 saw the continuation of the *Professione Orchestra* educational project, consisting of a series of masterclasses for young musicians wishing to make music their profession, for the fifth consecutive year as part of a project undertaken in collaboration with the Pinerolo Academy and involving the Rai NSO's first parts as teachers.

All of the season's concerts were broadcast, some live, on Rai Radio 3 (also available in audio streaming mode), with some also broadcast in *Eurovision* for the *Euroradio* circuit. In the first half of 2021 Rai Cultura filmed 23 events, 22 of which were live

1. Maestro Fabio Luisi
2. The Rai National Symphony Orchestra
3. Maestro Fabio Luisi conducting the Rai National Symphony Orchestra



streamed on the RaiCultura portal www.raicultura.it and 1 of which was a live/non-live broadcast on Rai 5. All institutional information, the concert calendar, press releases and the season's librettos can be found on the Orchestra's institutional website www.osn.rai.it (now www.raicultura.it/orchestrairai). Rai NSO content is also published in the events section of the RaiCultura portal www.raicultura.it.

The Orchestra has official pages on social networks *Facebook, Twitter and Instagram*.

As far as editorial content on the NSO's social

networks is concerned, *Il Concerto in 2 battute* was confirmed and a section of monographic in-depth looks at the composers of the 4 concerts of the *Rai Orchestra POPS* summer festival created, with video extracts on social networks and recordings broadcast in full on RaiPlay following the live streaming of the concerts, which were published on the Rai Cultura portal with dedicated specials and boosted on the NSO's social networks.

All of the NSO's symphony concerts from the first half of 2021 are available on VOD on RaiPlay.

Activities in the first half of 2021

The Rai National Symphony Orchestra

- **17** concerts from the Symphonic Season (8 *Concerti d'inverno* winter concerts and 9 *Concerti di primavera-estate* spring-summer concerts)
- **1** concert from the *Rai Nuova Musica* series
- **1** extraordinary concert
- **6** chamber concerts in the Auditorium and 6 at other venues
- **4** concerts from the *Rai Orchestra POPS* summer festival
- **Educational projects** • *Professione Orchestra*
- **22** events streamed live on the RaiCultura portal www.raicultura.it

4. The Rai National
Symphony Orchestra



Rai Ragazzi

A rich and innovative editorial offering for children and young people is one of the defining features of Rai's public service mission. Rai Ragazzi is responsible for producing content for younger audiences (original programmes produced at the Rai studios, cartoons and live series that are either co-produced or purchased, and web and social content) and broadcasting it through the specialist Rai Yoyo and Rai Gulp channels.

The three main guidelines the Rai follows in this activity are as follows:

- an editorial responsibility towards an audience of children and teenagers and their families to provide high-quality original productions and a selection of the best international series that are educational and entertaining and encourage critical thinking, creativity and a taste for the finer things;
- the promotion of the Italian creative industry, involving the best talents and the best national audiovisual companies producing cartoons and kids' series as part of a process of growth and internationalisation;
- constant innovation, with the ability to offer new formats, styles, languages, technologies and modes of interaction in a highly progressive environment.

In the current climate, in fact, tastes and preferred ways of enjoying TV and audiovisual programmes are changing rapidly, especially among children aged 8 years and over, but also where younger children are concerned. What we are faced with is a different context from that of a few years ago and

the importance of our role and our responsibilities as a public service is greater now than ever. The offering spans multiple platforms and services that compete for children's time and attention, meaning that children are involved, from a very young age, in commercial dynamics that do not always respect the stages of development and the editorial quality of what is on offer.

The first half of 2021 was also a "special" period for everyone, but even more so for children and young people, which is why the Rai changed its offering for the youngest of audiences and broadened its objectives. The closure of schools and the need to quarantine have interrupted the normal routine and above all the network of social relations, starting with classmates and friends, which is essential for personal growth. Uncertainty, concern for the health of parents and grandparents, the stress of isolation, have led to profound psychological consequences.

Rai was called upon to do more: information on what was happening with language suitable for the little ones, education for children who no longer had school in the morning, entertainment for the long days stuck at home, even therapy, against stress, anxiety, childhood regressions, the lack of movement, to encourage sharing and communication at home.

It was an experience that changed the relationship between the Rai and its younger audiences, as demonstrated by the boom in social interaction. Words such as sociability, responsibility for one's actions, trust in the future and in science, commitment to study and imagination have taken on new meaning.

1. Moominvalley
2. Acqua Team



All of this was set against the backdrop of a vision of our unique planet and the issue of sustainable development. The United Nations has set 17 sustainable development goals to be achieved by 2030, a date that might seem a long way off, but that is when the children of today will sit their final secondary school exams. The Rai is starting to direct its attentions and indeed its programming in that direction.

At the outbreak of the pandemic in 2020, Rai quickly launched emergency programmes that continued, as the situation evolved, into the first half of 2021. These included

- *Diario di Casa*, in collaboration with the National Association of Italian Paediatricians and focused on education and the approach to Covid-19 by children, and
- *La Banda dei Fuoriclasse*, aimed at providing academic support for primary and secondary school pupils, in cooperation with the Ministry of Education.

Promoting self-confidence and social and family cohesion and fighting loneliness and isolation have become priorities for the Rai. The production of live programmes was an important key to forging a new and interactive relationship with the public, which went from just 2 live events in 2019 to over 200 hours throughout the whole of 2020 and 180 hours in the first half of 2021.



21 million
DAILY
CONTACTS



65
MINUTES VIEWED
PER DAY



0.9%
24-HOUR
SHARE



7.8%
4-7 YEARS SHARE
IN 24 HOURS

Rai Yoyo

Rai Yoyo is the ad-free first TV channel aimed at young children.

The Rai's pre-school offering, based on a solid and carefully structured narrative framework, is designed to support children as they explore both themselves and the world around them, helping them to understand that there is room for them, too, that difficulties can be overcome and that others can be friends.

The affection of family members is a keystone, but friendship is just as important and becomes narrative. Rai Yoyo proposes stories, worlds, colours and different techniques, broadening languages to stimulate a more complete sensitivity in children, breaking the laziness of wanting to watch and rewatch the same programme a thousand times.

With the increase in channels and platforms, the offering for little ones has tended to become more and more specialised (*infant TV, preschool, upper preschool or bridge*): during all of its schedule, Rai Yoyo hosts and organises a wide range of programmes, combining general fun storytelling with valuable learning, programmes, specific curricula, language learning, art, history, science and maths. Rai Yoyo's audience changes from watching colours on TV to playing with their parents' smartphones and becoming immersed in tablet touchscreens. This is why Rai Yoyo's programming was immediately created to be integrated with the non-linear offering of social networks, the RaiPlay Yoyo app and the RaiPlay platform, focused around favourite shows, but always varied and multiple.

Products offered by the channel:

- studio entertainment productions (such as *La Posta di YoYo*, which was live this year, *L'Albero Azzurro*, *Diario di Casa*, *Oreste and Che storia!*);

- purchased series (*Pablo*, *Bing*, *Le avventure di Paddington*, *Moominvalley*, *Leo e Tig*, *Peppa Pig*, *Le canzoni di Masha*, *Masha e Orso* (*Masha and the Bear*), *Masha Nursery Rhymes* and *PJ Masks*; *Mickey Mouse Strepitose avventure*, *Mira Royal Detective*, *Dottorina Peluche* (*Doc McStuffins*), *Puppy Dog Pals* and the feature films *Winnie the Pooh* and *T.O.T.S.*);
- co-productions (*44 Gatti 2*, *Lampadino e Caramella*, *Fumbleland - Mi è scappato un errore 2*, *Yoyo 2*, *Lupo 1 and 2*, *Ricky Zoom 1 and 2*, *Giù dal nido*, *Topo Gigio*, the new *Barbapapa* series, *Le storie di Lupin and Nefertina sul Nilo*).

Diario di Casa, the programme launched at the start of the pandemic to explain the coronavirus to children in the form of a 'why' game, continued into the first half of 2021, involving paediatricians, psychologists and educators who continued to respond to the doubts and questions expressed by children and their parents in language appropriate to the youngest of audiences. Due to its public service value and the editorial and production work involved, the programme was included in a daily strip broadcast on Rai 1 and Rai Yoyo and, of course, on RaiPlay.

As well as giving viewers the option of replaying the channel's series and programmes on RaiPlay and via the RaiPlay Yoyo app, web activities are a great source of creative and productive development. Managed internally with a dedicated team, they can be developed to create a content that is increasingly targeted and dedicated to the multi-platform and social pages (Facebook, Instagram and Twitter): a continual flow of contents representing an increasingly direct and daily connection with the public of children and their parents.

"Rai Yoyo represents excellence on the national and international scene. It is the outright favourite of and most watched by children and their families, it is the network that unites."

1. *La Posta di Yoyo*
2. *Lo Specchio di Lorenzo*
3. *Oreste che storia*





0.9 million
DAILY
CONTACTS



32
MINUTES VIEWED
PER DAY



0.2%
24-HOUR
SHARE



1.4%
8-14 YEARS SHARE
IN 24 HOURS

Rai Gulp

Rai Gulp is the television channel that supports children in the transition from childhood to adolescence.

Rai Gulp is a channel for school aged children, from elementary school to the early teen years. These are children who are discovering school, reading, autonomy and differences. They start to see television channels for children, in an increasingly expanded and personalised menu and to watch prime time television. They have smartphones and tablets, start interacting on social media and gradually find all sorts of content on web – directly or through classmates or older siblings.

The Public Broadcasting Service offer opens to all languages: cartoons, dramas, in studio programmes, documentaries and films. In an increasingly close connection between the television channel and the online and social media offer.

A special commitment is dedicated to helping children to grow as citizens, develop insight and a critical spirit, reject discrimination and promote confidence in themselves and in their own abilities.

It is important not only to reject stereotypes – which stem from the internet, advertising and the persistence of cultural archaicism – but to take positive steps towards debasing them in a brilliant and respectful way. Special focus is devoted to two mainstays which occasionally overlap: the rejection of bullying and stereotypes in general. The objective is to offer programming that fights them, discourages them with intelligence and demonstrates their inconsistency and uselessness.

The channel's programmes are divided into:

- studio entertainment productions (such as *Robo-Cod*, *#Explorers Community*, *Sport Stories*, *La Banda dei FuoriClasse*);
- purchased series (*Grani di pepe*, *Jamie Johnson*, *A casa di Raven (Raven's Home)*, *Coop e Cami: a voi la scelta!*, *Mako Mermaids*, *Rapunzel*, *Ducktales*, *Avengers*, *Marvel Spiderman*, *Le epiche avventure di Capitan Mutanda (The Epic Tales of Captain Underpants)*, *Kung Fu Panda*, *BabyBoss di nuovo in affari (The Boss Baby: Back in Business)*, numerous animated feature titles and fixture films that encouraged people to view content with others such as *Angry Birds*, *Asterix*, *Alvin Superstar*, *Hotel Transylvania*, *Fantastici 5 and Il club dei brutti*);
- co-productions of cartoons (*Le avventure di Tom Sawyer (The Adventures of Tom Sawyer)*, *Berry Bees*, *OPS Orrendi per sempre*, *Kid Lucky*, *Leo Da Vinci*, animated specials on religious and historical themes such as *Hanukkah il miracolo dell'olio*, *Francesco*, *I colori del Natale* and *La Stella di Andra e Tati*) and of live series (*Jams 2 and 3*, *Jams #unitipiuchemai*, *Club 57*, *Cercami a Parigi 1 and 2* and *Penny on Mars 2 and 3*).

Rai Gulp's offering is extensive and diversified to help young people discover different styles and languages and independently develop their own tastes, overcoming the algorithmic logic of so much non-linear content that results in audiences continuing to watch similar programmes time and again.

Along with classic series produced with fun and relaxation in mind, which never fail to cover issues such as the sense of community, the acceptance of new things and the rejection of gender stereotypes, Rai Gulp is known for its productions that address important issues such as the fight against sexual harassment, the rejection of racism

1. *La Banda dei Fuoriclasse*
2. *Berry Bees*
3. *Marta & Eva*



and violence, the memory of the Shoah, legality and the rights of children in an innovative way and using appropriate language.

Original drama productions such as the *Jams* series and animated specials such as *La Stella di Andrea e Tati*, meanwhile, have been recognised and won awards on numerous occasions at prestigious international festivals and events.

The Rai co-produced animated series *Berry Bees* picked up an award at the Diversity Media Awards for its handling of the issues of diversity and inclusion, along with the Moige-Polizia Postale award for education in the use of social media. Other awards have recently gone to series featuring children with autism (*Pablo* and *Lo specchio di Lorenzo*) and to the new animated series *Topo Gigio* for the value of shared family viewing.

The appreciation on the part of the audience of children and families is also reflected in the positive ratings of the latest available Qualitel survey, in which Rai Gulp achieved a record score of 8/10.

Throughout the 2020-2021 school year, programming for the daily live programme *La Banda dei Fuoriclasse* in collaboration with the Ministry of Education, which was in fact fast-tracked during the spring 2020 lockdown, also continued. In a special episode aired on 2 June 2021, the programme's special guest was the President of the Republic, Sergio Mattarella, who answered the children's questions on the 75 years of the Republic and the future.

The theme of freedom and civic education was also addressed in the programme *Il futuro passa di qui* on the Italian Constitution.

Rai Gulp maintains and develops a strong link with the territory with touring productions highlighting the perspectives of young people in all regions of Italy as part of an offering aimed at young people and produced largely by major multinational companies. Despite restrictions owing to the pandemic, for example, weekly magazine *#Explorers*, traditionally recorded in various Italian cities, became the *Explorers Community*, produced entirely remotely to maintain a network of communication between young people, even from a distance, and combat isolation and loneliness.

“Rai Gulp is the channel that supports boys and girls from childhood through to adolescence, with an offering incorporating a wide variety of styles, from cartoons to drama, from live programmes to documentaries and web content, that puts the emphasis on insightful and educational entertainment and provides a source of fun and relaxation, as well as instilling a sense of team spirit and offering an insight into the complexity of contemporary society”.

- 4. Francesco
- 5. #Explorers Community





3.4 million

DAILY
CONTACTS



31

MINUTES VIEWED
PER DAY



0.7%

24-HOUR
SHARE



0.2%

PRIME-TIME
SHARE

Rai News 24

The first public television all-news channel. Rai News 24 explores, as well as informing.

News, politics and the economy in Italy and abroad, in synergy with the other newsrooms, regional news and correspondents of offices abroad. Rai News 24 is Rai's always live all-news channel, broadcasting 24 hours a day, with 5,000 hours a year of news and reports and hundreds of hours of regular features, insights and investigations.

With the main focus being very much on the Covid-19 emergency, and more importantly given the significance of media content and the role played by the world of information, Rai News 24 was able to fully meet the need for constant and essential updating on events, information and news in every field, confirming the values for which it is, in fact, known, namely speed, flexibility, consistency and a commitment to building a daily 'all-news' offering that also offers so much more.

In fact, Rai News 24, as well as being at the forefront in updating news across all areas of interest, is very much aware of the need for in-depth coverage of the news through various features, in-depth analysis, interviews, services and reviews, with a flexible schedule that can be adapted to reflect current events.

The founding principle of the channel's editorial policy is to be an all-news in the broadest sense - not just a series of news programmes, but rather a flow of news, insights and spaces dedicated to understanding, discussing and exploring with the aim of becoming ever faster but also ever more reliable, more timely and more in-depth.

Audience figures confirmed the significant results achieved by Rai News 24, which secured a 0.70% share over the whole day in the first half of 2021, putting it in first place among the digital terrestrial all-news channels in all time slots. All-news channels also achieved excellent results in the prime-time slot (between 7am and 9am), with a 2.75% share, and 1.50% in the later slot from 9am to midnight.

The Rai News 24 news offering is based on a two-pronged model consisting of, on the one hand, a continuous supply of information with live updates, and on the other, in-depth coverage of current affairs and news of national and international importance. The importance of the channel's presence across all platforms should also be borne in mind, from the website to social media, reinforcing Rai News 24's presence across all news channels, and even teletext.

Of course, the channel's main structure is composed of the news bulletins: every hour, on the hour, a live 24-minute newscast, even at night. In the second half hour, a small update, and then space for features and insights, all in continuous synergy with the regional offices and foreign correspondents with the aim of developing the reporting of news and current political and economic events in Italy and around the world.

The flow of the news was enriched with features and insights, strictly live programmes and interstitials with a strong identity, linked to fixed presenters and agile and specific formats. Lots of news programmes, then, but with some television thrown in, too.

A sort of television agency that is always open to the public, including for other programmes on the network and for Rai's publications, with Rai News 24 correspondents playing an increasingly important role, and not just in terms of providing support in information emergencies.

1-3. I volti di Rai News 24



The channel's fast, flexible and versatile structure made it possible to constantly follow the development of the pandemic, with live broadcasts from the most affected areas, investigations, analysis and insights into the evolution of the virus and its economic and social consequences.

Particular emphasis was placed on institutional communications, from the communications of the President of the Council of Ministers to updates from the Commissioner for the Covid-19 emergency, without neglecting events of international importance.

Rai News 24 features and insights included *Studio 24*, the political news programme highlighting the issues of the day with guests and links; *Cronache dall'Italia*, which reported on what was and indeed would be happening with contributions from TgR colleagues; *Economia24*, providing information and an opportunity to reflect on the major strategic issues of the global economy; *Newsroom Italia*, reporting on and exploring daily events as they unfolded, with particular emphasis on news and society; *Checkpoint*, taking stock of the day's events on the international stage and analysing the opening news headlines from around the world; *È già domani*, reflecting upon the day ahead with the traditional Italian press review with live commentary; *Sabato 24*, looking back at the past week, both inside and outside the Palace, and analysing the issues of the coming week; and *Amarcord*, in collaboration with RAI Teche, looking at notable events that have taken place on this date in years gone by. There was gastronomy, too, with *Sorsi e morsi*, as well as health, with *Basta la salute*, entertainment and cinema, with *Tutti frutti*, science and technology, with *Futuro24*, and cultural news, with *Il Giornale dell'Anima*; *Eureka Street*, a small daily feature dedicated to books;

Login, a technology feature looking at the digital world; *Effetto farfalla*, looking at environmental issues; *Quel che resta del giorno*, summarising current affairs at a time when the news was about to make the headlines on the evening news; and *Lo stato dell'Unione*, on European politics.

The *Non solo 8 Marzo* also continued, on the eighth of each month, telling of the extraordinary lives of normal women throughout the day.

The Rainews.it portal, with news, updates, photos and products specifically designed for the web, once again confirmed its role as a vital tool guaranteeing a constant flow of news. In the first half of 2021, Rainews.it recorded a 5.7% increase in page views compared to the same period the previous year, with an average of 1.8 million page views per day. The relationship of trust with users was also consolidated, averaging 5.8 million per month, with an increase in repeat visitors of 13% compared to the previous year. Social accounts also achieved excellent levels of performance, with the Facebook page exceeding half a million users (532,206 likes), the Twitter account over 1.1 million followers and the Instagram account over 144,000.

Teletext continued to prove a simple and timely tool that Italians recognised as authoritative, fast and reliable, and was also a valid alternative for users who chose not to use the web to stay up to date.

"Rai News 24 continues to renew itself with commitment, creativity and care with a broad, responsive and comprehensive information offering that has been rewarded with leading audience ratings in the segment in question."

4. *Newsroom Italia*
5. *È già domani*
6. *Rai News 24 live links*





2.4 million
DAILY
CONTACTS



32
MINUTES VIEWED
PER DAY



0.5%
24-HOUR
SHARE

Rai Sport

Rai Sport brings all of the sports action into the homes of all Italians.

2021 was an exceptional year for sport and will forever remain inscribed in the memories of all Italians. A Rossini crescendo of emotions, successes and medals that the Rai, and Rai Sport in particular, had the privilege of reporting.

The year began with the regattas in New Zealand for the America's Cup, the oldest sporting trophy in the world. All race sessions were followed live on Rai 2 until the final face-off between the crew of the Luna Rossa and the host team New Zealand. The New Zealanders blocked the way for the Azzurri, who were, 3-2 up, by winning the last five races, but never before has Italy shown such competitiveness and performance. Significant images of the crowds descending on Auckland Bay without masks provided a snapshot of a country that emerged from the Covid-19 emergency earlier than others.

Another event that captured the public's interest was the Superbowl, broadcast on the night of 7 February, with the unique story of quarterback Tom Brady who won the seventh Superbowl of his career when he led the Tampa Bay Buccaneers to a 31-9 victory over the Kansas City Chiefs.

February was also the month of the World Ski Championships in Cortina d'Ampezzo, with the RAI returning as host broadcaster 16 years after the Bormio world event. This productive effort was unanimously recognised by insiders and fans alike.

The role of television has become increasingly important both strategically and socially due to the limitations imposed by the pandemic. This was one of the reasons why Rai Sport, with the support of RCS Sport, decided to show the most popular cycle races on the calendar, such as Milano-Sanremo and the Giro d'Italia, in full, from the first kilometre to the last. Cycling, the travelling sport par excellence, has made it possible, through the medium of television, to enjoy the cyclists' exploits and the beauty of our country without inviting the public to pour onto the roads with the risk of dangerous crowds.

The safety issue also applies to indoor sports, which are subject to even more restrictions on the number of people in the stands, with volleyball and basketball tournaments played regularly until the awarding of their respective championships and European club competitions with almost comprehensive television coverage by Rai Sport.

In the Olympic year, the RAI's sports channel sought to promote and raise awareness of lesser-known sports and athletes, who are often far from the spotlight and would, just a few months later, be the stars of both the Olympic and Paralympic Games in Tokyo. This showcase, in the form of *Sport Totale*, aired every Tuesday in the late-evening slot on the thematic channel. As has been the case for the past twenty years, there was no interruption to the *Sportabilia* feature dedicated to the Paralympic world.

The television offering dedicated to swimming, a discipline that has always been a source of great satisfaction to our country, was also very rich. All of the main national meetings right up to the European Championships in Budapest were broadcast by Rai Sport and Rai 2, with a shower of Italian medals from Hungary thanks to amazing performances by

1. EURO2020
2. Il circolo degli anelli



Simona Quadarella and Benedetta Pilato, the young world record holder in the 50m breaststroke.

The RAI's track and field coverage also included a great deal of focus on the Savona meet, where Marcell Jacobs broke the Italian record in the 100 metres with a time of 9'95", along with the Golden Gala in Florence, the Assoluti in Rovereto and the European Youth Championships in Poland, all of which boosted interest in this noble art ahead of the climax of the summer in Japan.

Rai Sport and the blue football shirt were an inseparable pair across all categories, from the youth, to the U21s, to the women's team. National team fixtures also pulled in large audience figures, with the magnificent run that manager Roberto Mancini's team managed to pull off gradually attracting the interest of the entire nation both in friendly matches and in the final round of the European Championship, where peaks of a 78% share were achieved.

The Rai 1 audience was also very interested in the Coppa Italia and Supercoppa Italiana matches, with peaks of almost 10 million viewers.

“Rai Sport is a constant presence representing a broad range of disciplines and combining traditional platforms with modern communication styles and tools to bring the public high-quality sporting entertainment”.

Tg1 - 1.30 pm



4.0 million
VIEWERS



24.2%
24-HOUR

Tg1 - 8 pm



5.6 million
VIEWERS



24.3%
24-HOUR

Tg1

Tg1, the Rai's long-standing newscast, is the programme that keeps viewers up to date with the latest developments in the worlds of institution, politics, society, religion, economics and culture.

Created in 1952 with experimental broadcasts of Italian television and with the name *Telegiornale*, the Tg1 news programme produces top ratings, confirming its position as an authoritative source of information in the Italian news panorama.

The first half of 2021 was also strongly characterised and shaped by issues relating to the health emergency, including all aspects of the news, including politics, foreign affairs, society, economics and culture.

Tg1 editorial content followed the entire vaccination campaign, which began at Christmas 2020 and is still ongoing, and widely covered the health aspect of the epidemic curve, social issues such as resilience, the demand for reopening society and the gradual and progressive return, under safe conditions, to normality on a daily basis. Specific emphasis was placed on families who had to reorganise themselves again to incorporate smart working with schooling that was part-remote and part-in-person, as well as those professional categories forced to invent new ways of working and those who had not yet resumed their previous activity, stories of solidarity and voluntary work, along with new forms of poverty and inclusion, the resumption of sporting activities, and the worlds of education, tourism, entertainment and culture.

In collaboration with the special company task force, virologists, epidemiologists, doctors and nurses were featured on several occasions to support a

strong vaccination campaign to get society moving again under safe conditions and to enhance and support a more widespread culture of awareness, solidarity and sharing.

Political matters were followed through institutional communications and a number of debates between majority and opposition parties. Numerous slots were dedicated to the messages and activities of the President of the Republic, Sergio Mattarella, and Pope Francis.

Young people were treated to in-depth discussions on new technologies, job and training prospects and the hardships they face.

As always, great attention was placed on remembering our history, with a noteworthy special on the Shoah aired on 27 January and including an exclusive interview with former deportee Sami Modiano. Another special aired on 23 April, marking the 75th anniversary of the Liberation, with Gad Lerner and featuring many stories and accounts from partisans.

The issues of freedom of information, pluralism, combating hatred on social networks, and solidarity with threatened journalists were discussed and explored in ongoing collaboration with the National Federation of the Italian Press.

Among the special initiatives, the three confederal union leaders decided to talk to workers through 20 minutes of live interviews for the second year in a row on 1 May.

There was an increasing emphasis on green issues and their many different aspects, too, including the environment, climate change, new crops, livestock, the emergence of wild animals and the frontiers of science. We heard stories of environmental and social sustainability, and of positive adaptation in a world that is more aware of the consequences of its own behaviour and consequently committed

Tg1 services

1. The vaccination campaign
2. Biden inauguration
3. Biden inauguration



to consuming less and wasting fewer resources - issues that were given plenty of airtime on Tg1 as part of *UnoMattina*. A great deal of emphasis was placed on social information in *UnoMattina* and *UnoMattina Estate*, ranging from employment and welfare issues to young people and the environment, with the aim of supporting a narrative capable of highlighting opportunities for post-pandemic recovery while maintaining a high level of discipline in the fight against Covid-19. Furthermore, a particular commitment was made to the plague of femicide and violence against women, and family and social tragedy, on which *UnoMattina* is carrying out a valuable awareness campaign.

A great deal of airtime was also dedicated to the beauty of Italy, with many in-depth articles on art, books, the landscape, villages to be rediscovered, tourism and cultural heritage.

In the *Tg1 Dialogue* feature, meanwhile, the focus was on dialogue between religions and the issues raised by the pontificate of Pope Francis, with stories and testimonies. In this context, *Cammino di Abramo*, offering up proposals for meetings between religions and non-believers for the purposes of peace, was of particular note.

Central to Tg1's mission is its informative coverage of the main events in international foreign policy. These included specific reports and in-depth analyses devoted to the inauguration of new US President Joe Biden, Brexit, the G7 in Cornwall, the US President's first European and NATO meetings and the G20 Foreign Affairs. Also worth mentioning is the exclusive interview that US Secretary of State Anthony J. Blinken gave to the programme.

Weekly show *Tv7* widely covered the pandemic, with reports from the regions experiencing the most

critical issues, from the geopolitics of vaccines to the reopening of care homes, from the economic and social consequences of Covid-19 to the discomfort of teenagers forced into remote learning, the impact of smart working, increased poverty, criminal infiltration, fast-rising numbers of precarious workers and the gig economy. There was also foreign reportage (including on refugees in the Balkans and migrants in the Rio Grande valley in the USA, Christians in Iraq waiting for the Pope and women fighting for their rights in Poland), investigations (on the Morandi bridge, on the pandemic in Bergamo, on the exploitation of foreign minors in sport, on harassment at university and on deaths in the workplace) and memories of great figures who have left us, from Battiato to Fracchi.

Speciale Tg1 also brought us reportage on the pandemic, as well as marking some major anniversaries (the Holocaust, the Foibe massacres, Mafia victims, 25 April and the Falcone and Borsellino attacks) and undertaking investigations into climate change, disability, economic and environmental sustainability, and population decline.

Speciali Tg1 and *Tv7* also commemorated the anniversaries of events that have marked our history (the first man in space, the assassination attempt on Pope Wojtyla, the Friuli earthquake, the Moby Prince tragedy, etc.) and dedicated live coverage to the inauguration of President Biden and the clashes in the Middle East.

“Accuracy of information, respect for pluralism, credibility and the precision of its content are what make Tg1 such a safe bet when it comes to news, combining tradition with innovation to offer all Italians an insight into the world around them”.

Tg1 services

4. The vaccination campaign

5.-6. The G7 in Cornwall



Tg2 - 1 pm



2.0 million
VIEWERS



13.0%
SHARE

Tg2 - 8.30 pm



1.7 million
VIEWERS



6.8%
SHARE

Tg2

Rediscovered identity and public recognition, a mission consistent with constitutional and public service values, a positive trend in audience figures and the consolidation of new editorial products. Tg2 focuses on the news, without any sensationalism or rhetoric.

In the first half of 2021, which were still marked by the pandemic both globally and in Italy, Tg2 continued to document the events linked to the virus with great emphasis on accuracy of information and scientific precision. The vaccination campaign, which had become the main focus of information relating to the pandemic, was also in the spotlight.

There were numerous services, live broadcasts and reports on the subject of Covid-19 in all editions of the daily news programmes, in the science features and in the in-depth analysis features, including the health emergency, intensive therapies, safety measures, distancing, contagions, healing, travel restrictions, the employment emergency, distance learning, experimentation, vaccines and green passes, recovery and rebirth. Viewers were supplied with all kinds of knowledge, from scientific and health perspectives, to news, political, economic and cultural information, as well as reflections, in a story based on the interweaving of emotion and content, through testimonies and images.

Tg2 reporters both at home and abroad brought us tragic stories of isolation and the difficulties experienced by individuals and entire communities, as well as stories of hope, rebirth, altruism and solidarity.

Alongside the global pandemic, Tg2 paid particular attention to economic and institutional information, to the various steps that led, within both the Italian parliament and European bodies, to the launch of the recovery, which was then transfused into the PNRR (National Recovery and Resilience Plan). The government crisis and the birth of a new executive were reported by Tg2 not only through the traditional editions of the news but also through in-depth analysis and seven specials.

It was *Tg2 Post* that brought us live coverage, on behalf of the RAI, of the Quirinale's announcement regarding the appointment of Prof. Mario Draghi to form the government. It was again *Tg2 Post* that brought us a long live broadcast documenting the attack on Washington's Capitol Hill on 6 January, from 9pm to 11pm.

The editorial model adopted by Tg2 continued to ensure a capillary presence of correspondents on the ground over this six-month period, guaranteeing daily information that was both timely and accurate through live broadcasts, closed services, reportage and investigations. Nearly 600 hours of broadcasting were produced, including newscasts, features, specials and commentary on institutional events.

In the five daily editions of the news programmes, in the fourteen features, broadcast daily throughout the week, and during the 20 editions, including specials, extraordinary editions and commentaries, the programme reported on the situation in Italy and abroad, increasingly playing a recognisable role through its in-depth coverage. Excellent levels of performance were also guaranteed through the web and the dissemination of audiovisual content across all distribution platforms.

1. Tg2 services
2. Tg2 live links
3. Speciale Tg2



In the first six months of 2021, Tg2's teamwork recorded a stable trend in audience ratings compared to the same period the previous year for news programmes and features, with peak share growth with the morning edition of the Tg news and the morning feature *Tg2 Italia*.

“Tg2 provides viewers with objective and pluralist information based on content, images and emotions, always with plenty of insight and food for thought”.

In recent months, this work has also ensured coverage of institutional events with dedicated commentary, such as the Inauguration of the Court of Auditors' Judicial Year, the Extraordinary Meeting of the Constitutional Court, the report of the Governor of the Bank of Italy, Consob's annual meeting with the financial market, and the opinion on the Statement of Accounts of the Court of Auditors. There was also the commentary on the centenary of the San Remo Conference and on the awarding of the De Sanctis Prize to Senator Liliana Segre.

As already mentioned, the *Tg2 Post* feature played a fundamental role. In addition to reporting on political debate and current affairs every evening, with studio guests from the worlds of politics, science, economics, culture and journalism, it provided coverage of extraordinary events such as the clashes in Washington and the killing of Ambassador Attanasio and Carabinieri Jacovacci in Congo.

The *Dossier* feature, a long-standing appointment involving in-depth analysis, reported on the health emergency both in Italy and abroad, the tragedy of the Shoah, and cultural venues, with visits to museums and archaeological sites. It also devoted an episode to the 700th anniversary of Dante's death and offered an in-depth look at intellectuals such as Montanelli and entrepreneurs such as Gianni Agnelli.

4. *Tg2 Dossier*
5. *Tg2 Italia*
6. *Tg2 Post*



Tg3 - 2:20 PM



2.0 million
VIEWERS



12.8%
SHARE

Tg3 - 7:00 PM



2.3 million
VIEWERS



12.6%
SHARE

Tg3

The news programme bringing us real life, people with hopes and problems, testifying to the changes taking place in society. Tg3 not only presents the facts using direct language but also tries to give the viewer the tools to understand what is happening.

The daily Tg3 information offering is broad and well structured, starting at 12:00 noon with Rai's only national news programme broadcast from Milan, watched by over 1.1 million viewers and with a 10.4% share, full of live links with correspondents and envoys in the field to report on the day's events as they develop.

The 2.20pm edition, with 12.8% share, was particularly sensitive to the daily problems facing families, as well as environmental issues; the evening edition, with a share of 12.6% and almost 2.3 million viewers, offers in-depth coverage of the day's key events to give everyone the tools to form their own opinions using understandable language.

The key strengths of the programme are the in-depth analysis and language used in narrating events, the choice of topics covered, a vocation to air the views of weaker people and attention paid to social problems. These choices are reflected in the composition of the programme's audience, which is predominantly female (55.4% for the 12:00 edition, 53.8% for the 14:20 edition and 52.8% for the 19:00 edition), over 65 years old (69.5% for the 12:00 edition, 50.2% for the 14:20 edition and 56.6% for the 19:00 edition) and highly educated.

With regard to the geographical areas of greatest diffusion, 26.6% of viewers of the 12:00 edition are in the north-east and 23% in Lombardy, with 25.1% of viewers of the 14:20 edition in the central-southern region and 26.5% for the evening edition in the north-east.

In addition to news programmes, the offering also includes a wide range of features, in-depth analysis and specials.

There is ample room for in-depth live daily analysis with *Linea Notte*, a news magazine offering analysis and debate with leading figures from the worlds of Italian politics, economics and culture, and *Fuori Tg3*, the Tg3 programme with guests, filmed services and live links, which has reached a million viewers.

The focus on international politics is reflected in the excellent results of *Tg3 Mondo*, a weekly feature dedicated to current affairs with in-depth analysis of the global situation and the most interesting foreign news of recent days.

The television audience has confirmed its loyalty to and fondness of numerous weekly features, including *Pixel*, dedicated to sustainable technology, *Persone*, bringing us portraits of women and men who, despite not being in the spotlight, have the ability to make their mark, *Agenda nel mondo*, the foreign news magazine, *Chi è di scena*, the weekly theatre information show, and *Fuori Linea*, bringing us music, cinema, art, books, styles, trends, ideas and everything else that 'makes culture'.

Of special significance is the Tg3 edition that uses the sign language for deaf viewers.

1.-4. I volti dei conduttori del Tg3



The Tg3 offering also includes plenty of special live broadcasts dedicated to both domestic and international news events, of which 12 were produced in the first six months of 2021.

Overall, the first half of 2021 saw Tg3 committed, as always, on the front line of providing accurate information with over 444 hours of broadcasting between news and features. This commitment was also demonstrated and indeed supported by a new graphic design and a new studio that became operational as of the 19:00 news on Monday 11 January 2021.

Tg3 is also present on the internet and on social media Facebook, Twitter and Instagram, with a constant increase in users.

“With its attention to social issues and the clear and direct language it consistently uses, Tg3 is a recognisable brand offering that aims to provide its audience with the keys to interpreting change and the challenges it presents”.



TgR - 2 PM



3.0 million
VIEWERS



18.5%
SHARE

TgR - 7.30 PM



3.0 million
VIEWERS



14.7%
SHARE

TgR

TgR: the local matters that matter to you.

With twenty-four editorial teams spread across all of the Italian regions, TgR (the regional news programme) guarantees full coverage of national matters and is the backbone of the public service information offering.

A point of reference for citizens in the region, TgR, thanks also to its constant and dedicated contact with local institutions and its widespread coverage of the regions, maintains a direct link with its audience, providing particularly effective and timely information tailored to specific regional situations.

In the first six months of 2021, the regional editorial offices continued to provide a wide-reaching, comprehensive and news-rich service, even in the difficult context of a health emergency. Major emphasis was placed on what was going on around the country, with one eye always on the issues of environmental and economic sustainability.

In addition to following the developments of the health emergency step by step, TgR continued to provide quality content on the news, society and culture, including online and via on social media, giving users the opportunity to get comprehensive information on the web supported by the reliability of the programme. Cultural and historical contributions linked to individual regional territories were also particularly popular, with dedicated services much appreciated by the communities themselves.

As an institution that has had strong local roots for over 40 years, the TgR has the task of providing

information that is capable of meeting the needs of the community in the best possible way thanks to its ability to decipher and calibrate the specific needs of the different Italian regions. In the first half of 2021, thanks also to the commitment and dedication of the hundreds of professionals involved in its production, the offering has played a crucial role in informing citizens and gathering reports, complaints and requests for in-depth analysis. In a context where quality information is perceived as an essential tool for protecting both personal and public health, listeners have rewarded the TgR offering's reliability and attachment to the territory with listening figures of 14.81% for the morning edition of *Buongiorno Regione*, 18.5% for the 14:00 edition and 14.7% for the evening edition at 19:35.

It is important to mention *Buongiorno Italia*, a programme capable of adding a national dimension to a regional perspective, which registered a 14.29% share with an increase of 1.12 p.p. compared to the previous year.

Among the many products resulting from the commitment and professionalism of the editorial platform, it is very important to remember the national relevance of the daily in-depth scientific, medical and technological analysis of *Tg Leonardo*, with a strategic focus on the health challenge that our country is facing.

Another issue that the magazine holds very dear is the green economy, which is widely covered by many features such as *Regione Europa*, *Officina Italia* and *Est Ovest*, which, with their attention to new technologies and initiatives that can raise awareness of protecting the planet, have had a wide-reaching effect, focusing the information they provide on achieving a greener future.

1. TgR at the Prix Italia
2. TgR live links
3. Buongiorno Italia



The web project has expanded the online services and proved to be a valuable reality - especially in the critical period of the pandemic - with the ability to integrate and complement the traditional information offering with excellent results in terms of approval.

The platform's editorial offering, which has now become of central importance for its ability to provide certified and verified information 24 hours a day, is enriched with contributions and insights that clearly depict the cultural richness of an Italy that is always keen to reflect upon its past in order to understand its present.

“TgR continues to place great importance on providing viewers with reliable and local news and information in keeping with its mission to provide extensive regional coverage and its focus on the many distinctive features of our country”.

Rai Parlamento

Rai Parlamento, a point of reference for following the happenings at various institutions live, informs television viewers about the activities of the Italian and European Parliaments, parliamentary committees and indeed national politics in general. Live links, features and news, keeping citizens up to date with the work of both Italian and European institutions as new developments emerge and using increasingly clear, concise and understandable language.

Rai Parlamento is the news offering responsible for monitoring parliamentary proceedings, a role that it performs on a daily basis through live links, features and news. Alongside the activities of the Chamber of Deputies and the Senate of the Republic, Rai Parlamento also provides information on the work carried out by the President of the Republic, the Government and the European Parliament.

Since the start of the pandemic, the offering has adopted a new organisational model that has favoured studio-based presentation and links, particularly in the three daily editions of *Tg Parlamento*, which report live on the political and parliamentary developments of the day, including exclusive services and infographics.

Rai Parlamento broadcasts provide information on government communications, ministers' briefings and question times, and it has also implemented translation into Italian Sign Language (LIS) in its live broadcasts from the Chamber of Deputies and the Senate, as well as in its special broadcasts from Parliament.

The decisions made and the projects and initiatives implemented by institutional bodies to tackle Covid-19 were monitored with weekly features *Punto Europa* and *Settegiorni*, bringing us in-depth reports on the work of the European Parliament and the national Parliament respectively. A similar effort based on a coherent editorial line was made by the broadcasts produced like *Rai Parlamento Magazine* (*Filo Diretto*, *Il Ritratto*, *Le parole della politica*, *Territori*, *Orizzonti d'Europa* and *Lavori in corso*).

Rai Parlamento also produces *Spaziolibero*, the long-standing programme dedicated to the varied world of associations. With a radically new formula, it has now established itself as a point of reference for the social and non-profit sector in particular and hold a well-recognised place among the productions of the company's Technical Working Group on Social Issues.

There was a significant increase in the number of episodes/editions produced in the first half of 2021 compared to the same period in the previous year, which notably included 64 episodes of the news, 70 of the *Magazine* and 42 of *Spaziolibero*.

All of Rai Parlamento's production is published on the website www.raiparlamento.rai.it and various content can also be found on the [raiparlamento_](#) official Instagram account.

1. *Settegiorni*
2. *Filo Diretto con i Territori*
3. *Punto Europa*



Production and share data (%)

(first half of 2021)



Drama

Rai Fiction is responsible for producing drama to broadcast on general-interest networks, special-interest channels and the RaiPlay digital platform. The Rai's commitment to promoting Italian and European audiovisual production is one of the linchpins of its public service mission to paint a picture of both contemporary and historical Italy, promote talent and the national audiovisual industry, support innovation and project Italian productions onto the international scene.

Over the course of a six-month period that was still heavily affected by the pandemic emergency, *Fabbrica delle Storie della Rai* strengthened its already strong relationship with viewers by mediating the difficulties, conflicts, hopes and aspirations of everyday life through the art of storytelling. In terms of ratings, and in line with previous years, this produced some great results that once again confirmed the success of the public service's drama offering and the macro-genre's ability to interpret the problems that Italian communities were experiencing.

The three generalist channels broadcast a total of 81 evenings of drama between January and June 2021, including premières (61 evenings) and repeats (20 evenings).

Rai 1, in particular, broadcast 14 brand-new dramas across a total of 59 evenings, pulling in an average audience of 5.7 million viewers and a share of 23.4%.

It is worth noting that the first fourteen spots in the top 15 drama series of 2021 were held by Rai productions, including the new episode of major series *Il commissario Montalbano (Il metodo Catalanotti)*, maintaining its status as the most watched title with an overall average audience of over 9.5 million viewers and a share of 39.5%.

Next on the podium are two serial debuts that pulled in large audiences and reinforced the long-standing and virtuous link between Rai drama and contemporary literature, namely in second place, *Le indagini di Lolita Lobosco*, based on the novels by Gabriella Genisi, with an average audience of 7.4 million and a 30.5% share, and in third place, *Màkari*, based on the works of Gaetano Savatteri, which achieved an average audience of 6.7 million viewers and a 27.3% share.

Even with regard to the target audience of satellite pay-TV subscribers, the first fourteen of the top 15 drama titles were Rai titles. On the podium we find *Il commissario Montalbano* (38.2% share), followed by *Le indagini di Lolita Lobosco* (27.6% share) and *Màkari* (25.1% share). The figures demonstrate that even with a rich and sophisticated offer such as that of satellite Pay TV, Rai's drama offering continues to satisfy the tastes and expectations of the most demanding audience.

In addition to the prime-time figures, there are also those for the afternoon slot, whose dominance was strengthened thanks to the daily series *Il Paradiso delle Signore*, which reached 500 episodes in May 2021 with an average of over 2.1 million viewers and a 17.6% share, gradually winning over even the most prized of target audiences (university graduates: 17.7% share). Moreover, this success was complemented by the positive response on Rai Premium (2.6% share) and RaiPlay (23.8 million consumption hours), where the series accounts for 9% of all video consumption on the platform, making it the top title overall. These results were achieved thanks to the commitment of a production setup capable of supporting the broadcasting of five episodes a week, with a coordinated effort on the parts of actors, crew, directors, writers and technical professionals.

1. *Il Commissario Montalbano*
2. *Il Paradiso delle Signore*
3. *Le Indagini di Lolita Lobosco*



The ratings of reruns on the flagship channel, which covered 20 evenings in the first half of 2021, were also positive. The rerun shows totalled an average audience of over 3.6 million and a 16.2% share, confirming the value of rerunning the macro-genre.

Rai 2 aired 1 brand-new drama, the fourth season of *Rocco Schiavone*, across a total of 2 evenings, with an average audience of 3 million viewers and a share of 11.4%.

Rai 3 maintains its access prime-time appointment with daily drama *Un posto al sole* (1.8 million viewers and a 6.8% share).

In the period from 1 January to 30 June 2021, drama proved to be the most widely viewed content on RaiPlay with over 272,000 legitimate streams (equivalent to 41% of the total) and over 107,000 TTS-Total Time Spent. Ultimately, over a third of the public service platform's VoD consumption related to drama content.

Of the Top 20 most viewed programmes on RaiPlay in the period in question, 13 were Rai drama titles. In first place was the daily series *Il Paradiso delle Signore* (over 33.4 million legitimate streams and 11.6 million TTS-Total Time Spent). In third place was *Che Dio ci aiuti* (21.2 million legitimate streams and over 8.2 million TTS-Total Time Spent).

It is worth noting, once again, the presence in the ranking of some major titles from among the less recent Rai series (*Un medico in famiglia* in 9th position and *Braccialetti rossi* in 12th position), proving that the drama genre is one of the main assets produced by the public service.

In addition to these results, the Rai's drama offering received a number of major awards from the public and critics in the first half of 2021, awards that

sanctioned the quality and value of the storylines, their authors and all of the talented individuals involved. These included:

- Nastro d'Argento awards for Best Casting Director and Best Soundtrack for the TV movie *Carosello Carosone*,
- Flaiano Awards for Best Television Screenplay for *Carosello Carosone*, Best Drama for *Chiamami ancora amore* and Best Actress (Cristiana Capotondi) for the TV movie *Chiara Lubich - L'amore vince tutto*,
- MOIGE awards for *Carosello Carosone, Io, una giudice popolare al maxiprocesso, Chiara Lubich - L'amore vince tutto, Questo è un uomo* and *La mia jungla*,
- a special mention for TV Drama and the Special Student Jury Award at the 73th Prix Italia, and the award for Best Social Drama at the Tulipani di Seta Nera Festival for the web series *Mental*.

In the first half of 2021, despite the complexities caused by the pandemic, the Rai's *Fabbrica delle Storie* continued regardless, confirming its role as a point of reference and driving force for the entire industry, working to safeguard productions and continue its efforts to adapt to difficult times, and work on numerous sets did, in fact, begin over the course of this period.

New serial titles included *La Sposa*, a poignant story of love and female redemption set in the late-1960s and inspired by the "proxy marriage" phenomenon, *Vincenzo Malinconico, avvocato*, based on the novels of Diego De Silva, and *Lea e i bambini degli altri*, a story of female rebirth featuring a paediatric nurse.

Then there were two major adaptations in the form of family drama *Noi*, based on the award-winning US series *This Is Us* by 20th Television, telling the story of the lives of three children and their parents,

4. *Rocco Schiavone*
5. *Un Posto al Sole*
6. *L'Amore vince tutto*



the present linking to the problems of the past and raising their hopes in the diversity of destinies, and *Vostro onore*, based on Israeli format *Kvodo*, the story of an upstanding magistrate struggling with a spiral of lies to save his son.

With regard to sequels, filming has begun on the 13th season of *Don Matteo*, which sees Terence Hill reunite with the long-standing company, as well as welcoming some major newcomers on board. *Doc. Nelle tue mani* is another work in progress, with eight new evenings in the company of Doctor Fanti on the horizon, this time dealing with the consequences of the worst pandemic in the last hundred years, of which Milan was the epicentre. New episodes of *Imma Tataranni - Sostituto Procuratore*, eight detective stories set in Matera and based on the novels of Mariolina Venezia, are also in the pipeline, as well as the third season of *Nero a metà*, with the return of the Amendola/Miguel Gobbo-Díaz duo as they get to grips with cases in Rome.

Upcoming TV movies, meanwhile, include two new titles in the *Purché finisca bene: Digitare il codice segreto* collection and *Tutta colpa della Fata Morgana*, bringing us light comedy, skirmishes of love and excellent casting, and dramedy *Crazy for football*, the story of a psychiatrist who uses football as a form of therapy. On the drama front there is *Sorelle per sempre*, based on a true story of warm feelings and the paradox of being swapped at birth. Following the great success of *Natale in casa Cupiello*, *Non ti pago* brings us a new chapter in the events collection dedicated to Eduardo De Filippo.

Post-production work on the following series scheduled for the autumn began or was completed in the first half of 2021: *Cuori*, produced in collaboration with the Centro di Produzione Tv Rai in Turin, telling the story of a pioneer of Italian

cardiology at Le Molinette hospital in Turin and a specialist who returns from America and has to struggle with stereotypes against the backdrop of the fabulous 1960s; *Fino all'ultimo battito*, featuring a heart surgeon who is forced to do anything he can to save his sick son, directed by Cinzia TH Torrini; *Un professore*, based on TV3 Catalunya's *Merli* format, starring Alessandro Gassmann as a passionate philosophy teacher with a shadowy past and a difficult relationship with his son; *Non mi lasciare*, the story of a policewoman with deep wounds grappling with cyber crime, crimes against children and missing children against the backdrop of a dreamlike Venice; and the third season of *I bastardi di Pizzofalcone*, based on the novels by Maurizio de Giovanni.

Filming for the second season of Rai 2's *Mare fuori*, a coming-of-age story of redemption in a juvenile prison, began, while work on the new episodes of *L'ispettore Coliandro - Il ritorno*, the second season of *Volevo fare la rockstar* and the third season of *Il cacciatore* drew to a close.

Work also got underway on new projects for RaiPlay, continuing the editorial line based on a multi-platform offering aimed at all audiences in response to new patterns of consumption. These included two original biting comedy titles in the form of *#lepiùbellefrasi dioscio*, impromptu comedy about a neighbourhood guru, and *Bangla - La serie*, a continuation of the award-winning feature film of the same name starring a 20-something second-generation Italian and practising Muslim.

Internationalisation continues to be a strategic approach when it comes to promoting and disseminating the richness of our country's cultural, literary, artistic and historical heritage. The great co-productions produced over the last few years, from the *Medici* saga to *Il nome della rosa* and *L'amica*

- 7. *Il Commissario Ricciardi*
- 8. *Makari*
- 9. *Mina Settembre*



geniale, have really put the Rai on the map when it comes to international drama and have proven to be highly competitive, not to mention in great demand from the OTT, which is why the Italian public service is now recognised as a reliable and sought-after partner. The result of this commitment has been an increasing focus on co-productions.

In the first half of 2021, the fruitful relationship with American network HBO was once again reinforced with the highly anticipated new chapter of *L'amica geniale - Storia di chi fugge e di chi resta*, based on Elena Ferrante's best-selling novels sold worldwide. Following the extraordinary performance of the second season, which was even distributed on the three main Chinese platforms - the first time this has happened for a non-English-language European series -, the exciting tale of the friendship between the two adult protagonists continued against the backdrop of 1970s Italy.

Following the production of the *Non uccidere* series, collaboration with Arte France on the production of *Esterno notte*, a new major series by the master Marco Bellocchio, continued during the period in question. Three evenings looked at the kidnapping of Aldo Moro by the Red Brigades with well-structured narration offering multiple perspectives on this particular tragedy of our recent history. A great filmmaker returns to confront a tragic and in some ways still unresolved issue on our country's conscience, directing a cast comprising Fabrizio Gifuni, Margherita Buy and Toni Servillo.

The now-customary collaboration with France Télévisions and ZDF as part of the European Alliance was also consolidated. In April, major series *Leonardo*, the first title by the Italian-led alliance on the great Renaissance genius, debuted to very positive acclaim.

New projects are currently being finalised. *Sopravvissuti*, a mystery drama created by a team of young writers trained on the Rai Scriptwriting Master's course in Perugia, directed by Carmine Elia and starring Lino Guanciale alongside an international cast.

Other titles being produced with France Télévisions and ZDF, in keeping with the production history of the Italian public service, which has always nurtured the relationship between television storytelling and great international literature, include adaptations of major European novels.

Il giro del mondo in 80 giorni, a loose adaptation of the Jules Verne classic *Around the World in 80 Days* written by Ashley Pharoah (*Life on Mars*) and Caleb Ranson, starring David Tennant and directed by Steve Barron, Charles Beeson and Brian Kelly, is an exciting romantic journey, but also an adventure that looks at cultural and social differences.

Germinal, an adaptation of Émile Zola's novel of the same name, is a great love story in the context of the workers' arduous journey to have their rights recognised during the industrial revolution of the late-19th century, a period drama based on major themes that reverberate strongly in our contemporary world, directed by David Hourrègue and starring an international cast.

The Reunion, based on Guillaume Musso's best-seller *La Jeune Fille et la Nuit*, which has been translated into over thirty-five languages, is a high-suspense thriller that oscillates between the past and the present as it tells the story of a female secondary school pupil who disappears on the French Riviera and three friends who are bound by a tragic secret.

- 10. *Leonardo*
- 11. *Carosello Carosone*
- 12. *Mental*



Last but not least there is *Il quinto giorno*, based on science fiction best-seller *The Swarm*, written by Frank Schätzing. The series, one of the leading European co-productions ever made, shot mainly in Italy with an international cast, tells the story of mankind's struggle against a dangerous unknown phenomenon stemming from the depths of the sea that has come about as a result of mankind's indiscriminate behaviour towards the oceans.

Sviluppo Nuovi Formati

Sviluppo Nuovi Formati, established in January 2021, is responsible for contributing to the innovation of the company's audiovisual language through the direct conception and scouting of new formats and original projects to enhance Rai's intellectual property and corporate talent.

It defines and develops innovative product concepts by producing demo versions and trials, possibly intended for broadcasting and publication, and provides support and artistic advice on the full production of the products designed in order to ensure overall consistency from conception right through to execution.

Among the productions completed in the first half of the year, *Sogno Azzurro*, the four-part docu-series broadcast in June on Rai 1 and looking at the journey that led the Italian national football team to Euro 2020, is of particular note. This was an unprecedented story in which, for the first time, the public had the opportunity to enter Coverciano, where the cameras followed the players of the national team and all the staff on the training pitch, in the changing room, in technical meetings and in moments of relaxation over a 10-month period.

Enriching the docu-series, alongside actor Stefano Accorsi providing exceptional narration, are the voices of Rai journalists who have been following the Azzurri for years, and of footballers and coaches who have shaped the history of Italian football, such as Gigi Buffon, Arrigo Sacchi, Marcello Lippi and Antonio Conte.

Just a few days before the Euro 2020 final, the film *Sogno azzurro - La strada per Wembley* aired in the Rai 1 prime-time slot, using never-seen-before images to retrace the national football team's journey to victory from its debut match to the final against England, including training, matches, travel and celebrations, following its adventure through the voices of the protagonists, who let the cameras in on their hopes and dreams, sorrows and joy.

The film achieved truly unexpected ratings, with a 21.75% share and almost 4.2 million viewers, though these were dwarfed by the incredible response on social media; *Sogno Azzurro* was the most viewed documentary on RaiPlay in the first half of 2021, with a total of 1.6 million views and almost 600,000 hours of viewing in just two weeks from its release.

Recognition also came from the press, both specialised and non-specialised, which highlighted the value of the product ("*Poetic cinema, tears and thrills: Sogno azzurro has sparked a social frenzy*" - *Gazzetta.it*).

Documentaries

Rai Documentari produces, co-produces, purchases and pre-purchases documentaries to incorporate into the schedules of generalist and themed

television networks and the offering of the RaiPlay platform. The offering covers a wide variety of fields, including history, the territory, heritage, discoveries, nature, the environment, science, technology, society, current affairs and human stories, with the aim of enhancing Italian professionalism and production, contributing to a more in-depth and non-stereotypical knowledge of real life in the country and participating firsthand in narrating world affairs. Cooperation with sector-specific associations and public institutions set up to support the audiovisual sector at national and local level has been vital.

Starting with the 2020 autumn schedule, a rich programme of original documentaries was incorporated to enrich the Rai offering, enhancing the stories and indeed the very image of our country abroad and diversifying interests and languages.

Rai Documentari selects proposals for potential co-productions via the dedicated portal, offering independent production companies, young newcomers and new talents the chance to present their projects in order to give everyone the opportunity to submit their ideas for consideration. Over 300 projects have been received, analysed and processed to date, 59 productions are on-going and 10 projects are under development.

Among the many proposals to be aired in the first half of 2021 were the following: the 3-minute *La Prima Donna* che clips, part of Rai 1's daytime offering, bringing us a series of "homeopathic remedies" for female stereotypes with thirty fascinating portraits of pioneering women and recording a 13.67% share; *D. Time - Il tempo di Lady D*, also on Rai 1, with extraordinary, never-before-seen archive footage and iconic scenes of the cultural, social and economic changes that Diana experienced in the 80s and 90s;

The Putin Interviews, a mini-series by Oscar winner Oliver Stone to coincide with the September elections in Russia; *Pompei l'ultima rivelazione: Il Carro*, the instant doc on one of the most important discoveries in the history of Pompeii made by the Rai Documentari team that followed the entire process of discovery and excavation for over two months; *Il Metodo Biden*, a fascinating biography of the man who challenged - and defeated - outgoing President Donald Trump aired just days after the dramatic assault on Capitol Hill; *Vola, Luna Rossa*, which retraced the epic story of the legendary Italian boat from its launch in 1997 to winning the Prada Cup in February 2021.

Others included *Uno, nessuno, cento Nino*, marking the centenary of Nino Manfredi's birth; *Amica di salvataggio*, in collaboration with Rai per il Sociale, painting a portrait of writer, journalist, activist and poster child for the voluntary sector Alessandra Appiano, who died as a result of severe depression, a disease that is all too often overlooked and repressed; *Saluti da Cortina*, in collaboration with Rai Sport, Fondazione Cortina 2021 and Coni, taking a behind-the-scenes look at the first major world sports event in the Covid era; *Mio papà, un Carabiniere*, marking the 207th anniversary of the founding of the Carabinieri; and *Antropocene - L'epoca umana*, marking World Earth Day and looking at the transformations that the planet has undergone over the last 10,000 years as a result of human activity.

There were also many projects underway that would enrich the programming of the Rai networks in the second half of the year, not only with initiatives of great cultural value, but also a series dedicated to crime, unpublished portraits of key figures from the recent past and coverage of the world of Italian and international sport.

Cinema

The Rai Group's cinematographic and audiovisual content is purchased, produced and distributed by wholly-owned subsidiary Rai Cinema.

The first half of 2021 was marked by the on-going emergency situation, with Rai Cinema's activity continuing to be affected by slowdowns on production sets and by the closure of cinemas, which continued for most of the first six months of the year. In this context, the company continued to purchase films and dramas with the aim of adequately replenishing stocks for the programming of the various networks and the RaiPlay platform, while on the film production front, it continued to support independent producers to ensure that production fully resumed.

Acquisition

With regard to procurement for the networks, where major companies were concerned, the packages negotiated with NBC Universal and MGM were worthy of note, with new seasons of 11 continuing series stemming from past agreements and renewals of *Hawaii Five-O*, *Blue Bloods*, *MacGyver*, *Scorpion* and *Medium* purchased from the former, and the premiere of brand-new series *Clarice*, the sequel to the multi-award-winning film *Il silenzio degli innocenti* (*The Silence of the Lambs*), purchased from the latter.

To complement the film offering on all the networks, procurement goes on for quality cinema from the independent Italian distributors: Lucky Red (14 premiering films and one library title), Movies Inspired (19 films, a combination of premières and library films), Koch Media (11 *first-run* films and one *first-run*

series for Rai 4 and Rai Movie fantasy-thriller cinema programming), Academy Two, Adler and Tucker.

With regard to more TV-oriented products in particular, a wide selection was sourced from German company ZDFE which, thanks to a strong partnership, provides a substantial amount of content to fill the scheduling slots of the network's TV movie, TV collection, mini-series and ongoing series offerings.

Packages agreed with other partners should also be noted, like the BBC (*first-run* series *Majorca cCrime II*, *Shakespeare and Hathaways III*, *Jamie Johnson 6*, the new seasons of *Delitti in Paradiso* (Death in Paradise) and the renewals of seasons 3 to 6), Dall'Angelo Pictures (6 *first-run* TV movies and new seasons of *Island Doctor* and *High Society Murder*), and A&E (10 *first-run* TV movies for the summer prime-time programming, for the daytime offering and for Christmas 2021).

With regard to foreign products for distribution, the international film market also suffered a serious slowdown. As a result of the strict restrictions in force, the two leading international markets, the EFM in Berlin and the Marché du Film in Cannes, went exclusively digital, while the London screenings were cancelled. Rai Cinema continued to monitor the market, but the products available were limited and many productions postponed.

Film production

In the first half of 2021, the effects of the Covid-19 emergency continued to have an impact on film production and distribution, and some films were made available directly on platforms.

1. *La Befana vien di notte*
2. *Il Traditore*
3. *Modalità aereo*



Among the films granted to RaiPlay were *Un cielo stellato sopra il ghetto di Roma* by Giulio Base, *La tristezza ha il sonno leggero*, representing Marco Mario De' Notaris's directing debut, and *Cruel Peter* by Christian Bisceglia and Ascanio Malgarini, a genre film about an English archaeologist struggling with the forces of evil.

Films broadcast on other platforms included

Il mio corpo vi seppellirà by Giovanni La Pàrola, a female western set in the Kingdom of the Two Sicilies in 1860 *Ballo Ballo* by Nacho Álvarez, a love story set in 1970s Francoist Spain; *Appunti di un venditore di donne*, a hard-going noir set in Milan, directed by Fabio Resinaro and based on a novel by Giorgio Faletti; *Glassboy*, Samuele Rossi's debut feature, an adventure film for children based on the novel by Fabrizio Silei; all-female comedy *Addio al nubilato* by Francesco Apolloni; and Alessandro Grande's debut *Regina*, about the evolution of the relationship between a father and a daughter following a tragic accident.

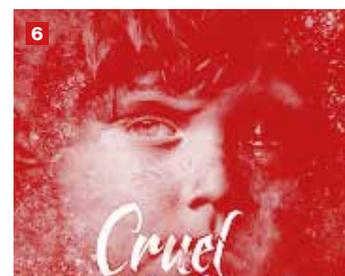
Those films ready and waiting to be presented to the public include

the co-productions *Onoda -10,000 Nights in the Jungle* by Arthur Harar, about the last Japanese soldier barricaded on a Pacific island (selected at Cannes, *Un certain regard*) and *Tigers* by Ronnie Sandhal, a coming-of-age story about a young Swedish footballer in the difficult and competitive environment of a big Italian club; Nanni Moretti's *Tre piani*, a competitive entry at the Cannes Film Festival; *Il paradiso del pavone* by Laura Bispuri, a family tale starring Dominique Sanda, Alba Rohrwacher, Maya Sansa and Fabrizio Ferracane; Michelangelo Frammartino's *Il buco*, about the legendary 1961 speleological expedition in Calabria; the dystopian crime *Mondocane*, Alessandro Celli's debut; *Welcome Venice* by Andrea Segre, the story

of three brothers from Giudecca, starring Paolo Pierobion and Andrea Pennacchi; *The Boys* by Davide Ferrario, telling the story of a music group reuniting; *Con le mie mani*, by Fabio Resinaro, based on the book *Ero in guerra ma non lo sapeva* by Alberto Torreggiani; *Una famiglia monruosa* by Volfango De Biasi, the story of a young man who introduces his fiancée to his family of vampires, witches and ghosts; *Ariaferma* by Leonardo Di Costanzo, starring Toni Servillo and Silvio Orlando and set in the prison world; *Piccolo corpo*, Laura Samani's first feature film about the solemn journey of a mother and her daughter's body in 20th-century Veneto (selected at Cannes, *Semaine de la Critique*); *Sulla giostra* by Giorgia Cecere, about some old acquaintances reuniting in a house full of memories; *L'uomo dal fiore in bocca* by Gabriele Lavia; *A Chiara* by Jonas Carpignano, about a young girl who gradually becomes aware of her family of origin; and *Koza Nostra*, a comedy by Giovanni Dota.

Films in post-production include the sentimental comedy *Settembre*, Giulia Steigerwalt's directorial debut; *Leonora Addio* by Paolo Taviani; *I nostri fantasmi* by Alessandro Capitani, a comedy about a father and son living in an attic and pretending to be ghosts so as not to be evicted; Giuseppe Piccioni's *L'ombra del giorno*, about a restaurateur who, in the midst of Fascism, falls in love with a Jew; *Io e Spotty* by Cosimo Gomez, a surreal comedy about a young man and his dog-sitter; *Finché c'è crimine c'è speranza*, the third chapter from Massimiliano Bruno's gang of criminals; *Margins*, Niccolò Falsetti's first feature; *La notte più lunga dell'anno*, the debut feature by Simone Aleandri, with Ambra Angiolini and Massimo Popolizio; *La donna per me*, a surreal romantic comedy and the second feature film by director Marco Martani; *La svolta* by Riccardo Antonaroli, about a friendship born of a robbery and

4. *La Tristezza ha il sonno leggero*
5. *Il Cielo stellato sopra il ghetto di Roma*
6. *Cruel Peter*



a kidnapping; and *Princess* by Roberto De Paolis, following the story of a Nigerian prostitute in Italy.

Among the films that began filming during this first half of the year were *Il colibrì* by Francesca Archibugi, based on the Premio Strega-winning novel by Sandro Veronesi; *Il signore delle formiche* by Gianni Amelio, about writer Aldo Braibanti; *Greta e le favole vere* by Berardo Carboni, about an environmentalist family; *Il sesso degli angeli*, the new film by Leonardo Pieraccioni; *Il pataffio* by Francesco Lagi, a loose adaptation of the novel by Luigi Malerba; Giuseppe Battiston's debut film *Due*, a comedy starring two roommates who aren't as young as they once were; and *Dante* by Pupi Avati, a reconstruction of the poet's life through Boccaccio's story, starring Sergio Castellitto.

Developments observed in the first half of the year included Gianfranco Cabiddu's *La cava*, a tragic family tale set in Sardinia; *Nostos* by Marco Bechis, about the trials in Argentina for the killings of the *desaparecidos*; *Diabolik 2 and 3* by Manetti Bros., completing the King of Terror trilogy; *Chiara* by Susanna Nicchiarelli, an original reconstruction of the life of Saint Clare of Assisi; *Truly Madly, Deeply*, the second feature from Carlo Sironi; *My Soul Summer* with Casadilego, a comedy about an encounter between a famous singer and an introverted pianist; *Alberi erranti e naufraghi* by Salvatore Mereu, based on the novel by Alberto Capitta; *Una famiglia* by Vinicio Marchioni, the story of a family thrown into crisis by quarantine; and *2Win* by Stefano Mordini, about the epic challenge between Audi and Lancia in the 1983 World Rally Championship.

Documentary production

As far as reality and documentary cinema was

concerned, Rai Cinema launched 7 projects that reflected both its editorial lines and its mission to support independent producers and authors.

Other authors included Nene Grignaffini and Francesco Conversano, Casey Kauffman and Alessandro Cassigoli, Matteo Botrugno and Daniele Coluccini, Chiara Bondi and Isabel Achaval, and Virginia Eleuteri Serpieri.

Then, of course, there was Pasquale Scimeca, who, together with Luca Capponi in *Il pranzo di Francesco*, tells the story of when Pope Francis visited Palermo on 15 September 2018 to commemorate Blessed Father Puglisi and, during his visit, asked to have lunch and rest at the Mission of Hope and Charity founded 25 years ago by the lay friar.

There was also increasing coverage of events of international importance, including *Per Lucio* by Pietro Marcello, which was selected for the Berlinale Special; *Mi chiamo Francesco Totti* by Alex Infascelli at the Rotterdam Film Festival, where it won the Audience Award; *Divinazioni* by Leandro Picarella and *Ultimina* by Jacopo Quadri, which won the Corso Salani Prize at the Trieste Film Festival; *Molecole* by Andrea Segre and *Guerra e Pace* by Massimo D'Anolfi and Martina Parenti; *The Rossellinis* by Alessandro Rossellini and *Cuban Dancer* by Roberto Salinas at the Visions du Reel Festival in Nyon; *Cuban Dancer* by Roberto Salinas was also a competitive entry in the Miami International Film Festival, where it won the Knight Made In MIA Award, and in the San Francisco Film Festival, where it won the Audience Award; last but not least, *Man kind man* by Jacopo Patierno, was previewed at the Biografilm Festival in Bologna, where it won the Audience Award.

The year's award-winners included *Mi chiamo*

7. *Mia e il Leone Bianco*
8. *Il Tuttofare*
9. *Green Book*



Francesco Totti by Alex Infascelli, which won the David di Donatello for Best Documentary and the Nastro d'Argento for 'Cinema of the Real', *The Rossellinis* by Alessandro Rossellini, which was awarded the Nastro d'Argento in the *Cinema Spettacolo Cultura* (Cinema as Cultural Performance) category, and *Notturmo* by Gianfranco Rosi, winning the Nastro 75.

Festivals

Rai Cinema took part in the Berlinale which, due to the Covid-19 pandemic, took place online from 1 to 5 March rather than in person. Two films were selected, namely Pietro Marcello's *Per Lucio* in the Berlinale Special, painting an intimate and familiar portrait of Lucio Dalla, one of the most beloved authors of our musical scene, along with Fabrizio Ferraro's *La veduta luminosa*, a journey in search of the places frequented by poet Friedrich Holderlin.

The David di Donatello awards ceremony, held once again in person, saw Rai Cinema pick up a total of 18 statuettes - 7 for *Volevo nascondermi* by Giorgio Diritti, including Best Film, Best Director and Best Actor for Elio Germano's portrayal of artist Antonio Ligabue, and 3 for *Miss Marx* by Susanna Nicchiarelli, including Best Producer, with Rai Cinema winning the award together with Marta Donzelli and Gregorio Paonessa of Vivo Film and Joseph Rouschop and Valérie Bournonville of Tarantula Belgique.

Countless Nastri d'Argento were awarded this year by the National Society of Italian Film Journalists, among them *Le sorelle Macaluso* by Emma Dante, winner of the Best Film, Best Director, Best Editing, Best Sound and Best Production (Rosamont, Minimum Fax and Rai Cinema) categories; Pietro Castellitto's *predatori*, which won Best Debut

Director and Best Supporting Actor; and *Miss Marx*, winner of the Film of the Year.

Distribution

The second closure of Italian cinemas, from 25 October 2020 to 25 April 2021, due to the health emergency caused an overall decrease in sales of over 90% in the first half of 2021 compared to 2020. The reopening allowed Rai Cinema to present the film *Il cattivo poeta* in May, followed in June by *Comedians*, *Spiral - L'eredità di Saw* and *School of Mafia*. In the six-month period in question, 01 Distribution occupied third place in the distributors' ranking with a market share for receipts of 9%.

With regard to home video, the first half of 2021 showed that the market was still suffering as a result of the absence of new titles with strong commercial appeal. One significant event was the signing of the agreement between Eagle Pictures, Rai Cinema's commercial partner, and Sony Pictures Entertainment Italia for physical home entertainment distribution in our country as of April 2021. Rai Cinema's market share remains stable at around 4.5%.

Commercial agreements

Rai Cinema's commercial activities were affected by the evolving emergency situation that meant that cinemas only reopened on 26 April. This had an impact on the chain of rights managed both directly and in collaboration with Rai Com, because the windows of exploitation and the valuation of the 'First Pay' depend on the date of cinema release.

Rai Cinema and the Rai find themselves having to deal with the exponential growth in the offering (*scripted, unscripted/factual, user generated, etc.*), especially where non-linear direct-to-consumer

1. *Il cattivo poeta*
2. *Spiral - L'Eredità di Saw*
3. *School of mafia*



programmes from major international multimedia groups are concerned.

The strategic partnership with Sky was reinforced, with the finalisation of the renewal of the agreement for the sale of PPV/VOD and PAY/SVOD rights for titles released in cinemas as of 1 July 2021. Also with Sky, two transactions were finalised relating to the sale of 130 titles from Rai Cinema's film library (with rights between 2021 and 2023) and the DTP (direct-to-platform) sale of a number of titles.

Rai Cinema's commercial partners now include Disney (27 library titles sold for Disney+), while FTV (Library Cinema) agreements have been drawn up with RSI and TeleVomero. Last but not least, the relationship between Rai Cinema and RaiPlay was reinforced with exclusive Rai Cinema-branded premium content.

Digital activities

In the first half of the year, the commitment on the web with the usual support of Rai Cinema Channel to the promotion of all films produced and co-produced by Rai Cinema continued, as well as on the main social networks (Facebook, Instagram, Twitter and LinkedIn).

With regard to experimenting with new languages and technologies, in keeping with the experiences of past years, Rai Cinema worked on launching the first virtual reality Italian cinema, presented at the National Cinema Museum in Turin on 18 May. A permanent cinema dedicated entirely to VR, with a continuous 8-hour daily programme of films designed and created using this technology. Rai Cinema donated its first 3 VR productions, short films *Happy Birthday* and *Revenge Room* and documentary *Lockdown*, to the museum. The VR cinema experience will also be recreated in other prestigious Italian cultural locations. Finally, the new editorial project *Storytelling Digitale - La produzione audiovisiva 4.0* by Simone Arcagni, developed

with the support of Anica, is also worth mentioning. The initiative, which follows *Immersi nel futuro*, a white paper on virtual reality, aims to offer a map depicting the world of new digital formats (virtual reality, augmented reality, web series, interactive documentaries, videomapping, etc.). This project was also presented at the Venice International Film Festival.

Teche

Again in the first half of 2021 initiatives continued aimed at reinforcing the brand as a point of reference of Public Service for the country's audiovisual history.

The production difficulties linked to the on-going health emergency meant a large amount of material from the repertoire had to be used for programming both on air and online, as well as to provide a cultural offering involving long-distance education.

This was achieved in part thanks to our participation, as suppliers of material from the repertoire, in many cultural initiatives that took place online in Italy and abroad.

Among our most significant collaborations were those with various schools and universities in Italy and abroad, including the University of Florence, the University Tor Vergata/Bicocca/IULM, London University, New York University, the University of Bologna, the University Bocconi, the University Ca' Foscari, the University La Sapienza and the National Research Council (CNR).

Italian Cultural Institutes and Italian embassies, including the Italian Cultural Institutes in Athens, Sydney, Shanghai, Berlin, Paris, Moscow and New Delhi and the Italian Embassies in Panama, Algiers and Tunis.

Other bodies we worked with included the Prime Minister's Office, the Senate of the Republic, the

1. *Clarice*
2. *The Resident 2*
3. *911 stagione 3*



Municipality of Rome, the DIA, the Piedmont Region, the Sicily Region, the Ministry of the Interior, the State Police, the Cineteca di Bologna, the Ministry of Justice, the Carabinieri Corps, the Ministry of Culture, the Ministry of Foreign Affairs, UNESCO, the MIUR and the Holy See/Vatican.

Again with a view to enabling cultural initiatives to continue, albeit remotely, materials from the company's archives that were useful for interactive exhibitions and various festivals and public activities organised by various municipalities, associations and foundations were also made available. These included the FAI, the ANSA national associated press agency, Italia Nostra, the Palazzo dei Diamanti in Ferrara, the MANN Museum in Naples, the Roma Europa Festival, the Municipality of Rimini for the Museo Fellini, the Futura Network for ASVIS, various initiatives on the part of the Istituto Luce Cinecittà (e.g. Fellini masterclass), the Salone del Libro in collaboration with the MAECI, the GNAM Rome, the MAXXI in Rome, the MUSAC, the UCEI and the CGIL.

During the first half of 2021, Rai Teche continued its major efforts to promote and get value out of the archive's historical titles, selecting and supplying programmes for the RaiPlay platform. The *Teche Rai* section continued to be one of the most powerful draws for digital users.

The Teche Archives make a vital contribution to networks and media outlets with its multimedia catalogue, which brought available product hours up to over 2.3 million for TV and over 2.1 million for radio. There are over 100 million radio and TV documents in the catalogue, 90,000 books kept in the three Rai libraries in Rome and Turin, and 45,000 photographs. The users who have registered to get hold of archive material for reuse in programmes make more than 2 million searches a month on average.

The Teche Archives verify the availability of the product rights both before broadcasting and for publication on the web, as well as for the transfer of products to third parties for commercial or institutional purposes. This activity is fundamental to developing the digital usage of the Rai archive from a multi-platform perspective for the purposes of harmonising the process of digitising the archive assets; they also handle legal obligations with regard to the utilisation of copyright works.

Negotiations were concluded and licensing agreements formalised with collecting societies including the SCF (Radiovisione Radio 2 music video licence and AIE Addendum to the 2020-2022 radio licence) and the LEA (2020-2021 TV, radio and web licences); negotiations continued with Siae, Nuovo Imaie, Artisti 7607, Itsright and SCF for the renewal of the relevant agreements. Contracts for the use of musical scores in NSO concerts and in radio, television and online programming were also finalised with music publishers Sonzogno and Sugarmusic, in both cases until 31 December, and negotiations for the renewal of a similar agreement with Casa Ricordi began.

In 2021 the Teche Archives went on with their essential cultural work promoting Rai's records as a historical source and object of study all round the country. They spread their use by public and private entities, museums, schools, universities and foundations, all of which avail themselves of the public service as a repository of first-class historical material to celebrate all kinds of anniversaries of events in the modern age.

You can now see Rai Teche' in many Italian and foreign museums, Italian Cultural Institutes abroad, universities and libraries.

1. *The Good Doctor* 4
2. *FBI stagione 3*
3. *The Rookie* 3



Radio

Rai Radio

Rai Radio's mission encompasses a number of aims, including driving the technological development of production systems, implementing linear and non-linear multi-platform distribution, constituting a cutting-edge cross-media production hub, supporting the company's strategic guidelines with regard to transmission platforms and infrastructures; liaising with national and international institutions and the market; gathering audience data and market research; and coordinating the editorial and commercial schedules of 12 channels broadcast on FM, Dab+, Sat, web, app and social media.

The production processes of Rai Radio 2's video channel on RaiPlay (*visual radio*) were implemented in the first half of 2021, along with plans for the new online platform RaiPlay Sound, which would support and later replace RaiPlay Radio by the end of the year while significantly enriching the on-demand content available (podcasts).

The investments in the Dab+ network outlined in the Business Plan were delayed, due in part to the obligation to reserve a proportion of the Rai Mux transmission capacity for third-party operators.

As for broadband, the implementation of the Radioplayer Italia app, supporting the 12 Rai Radio channels and another 240 national and local broadcasters, continues thanks to significant agreements with the Audi, Volkswagen and BMW groups where on-board equipment is concerned.

The cross-media improvement plan for the broadcasting studios is going ahead at the Via Asiago, Saxa Rubra and Corso Sempione sites in Milan.

Rai Radio's results in terms of TER data for the first half of 2021 were also significant. Indeed, the radio ratings survey recognised the Rai Group as having an overall share of 11.9%, an increase in relation to the pre-Covid period (+12.62%), while audience figures in general were still in decline (-4.56%). Also important with regard to commercial competition was the rise in the average daily audience per group, which saw the Rai move from fourth to second place. The progress made by Rai Radio 1 was of particular note in this positive picture, and by Rai Radio 2 even more so, the latter achieving its best results since 2017 (4.1% share). Rai Radio 3 remained stable. Rai Isoradio is bucking the trend, suffering from restrictions on road traffic and mobility in general.

The editorial profile of the generalist channels - Rai Radio 1, Rai Radio 2 and Rai Radio 3 - was based around the genre quotas outlined in the Service Agreement for News, Information, Culture, Society, Music, Service and Public Utility.

For the first half of the year, the quotas were as follows:

| | |
|--|--------|
| • News | 7.83% |
| • Information | 15.88% |
| • Culture | 8.58% |
| • Society | 11.91% |
| • Music | 39.21% |
| • Service | 0.57% |
| • Public broadcasting service function | 1.75% |
| • Other genres (variety) | 14.27% |

A significant proportion of local broadcast programming on Rai Radio 1 reinforced the position of radio in terms of local and community news, with information (three daily editions of the TGR Giornale Radio Regionale regional news programme) and affiliated programmes broadcast in special-statute

regions and autonomous provinces to safeguard linguistic minorities in the Valle d'Aosta and Trentino-Alto Adige, the Provinces of Trento and Bolzano in Friuli-Venezia Giulia, Sardinia and Sicily.

Rai Radio coordinates company communications across all of the channels, in conjunction with Rai per il Sociale, with the aim of improving the multi-faceted implementation of awareness and fundraising campaigns, the promotion of initiatives, and public engagement with regard to social issues and third-sector activities.

In the first six months of the year, 14 fundraising campaigns, 15 awareness campaigns, 3 social communication campaigns (Rai per il Sociale and Pubblicità Progresso), 1 Agenzie Sovranazionali campaign and 40 institutional campaigns of the Italian Prime Minister's Office were planned.

The TV audiodescription service for blind people is broadcast on Rai Radio 1 in medium wave. The most important TV drama and comedy shows and series have become accessible to those with sensory disabilities. A total of 328 hours was broadcast over the course of the 6-month period.

Generalist stations

Rai Radio 1

In the first half of 2021 Rai Radio 1 reaffirmed its identity as a broadcaster of all news. Reliable and qualified, its information centres around the press review every hour (in addition to the 5:30 am and 6:30 am editions) with five main editions (7:00 am, 8:00 am, 1:00 pm, 7:00 pm and midnight).

As was the case in 2020, the Covid-19 health emergency dominated the schedule. Rai Radio 1 told it in a timely manner (often with insights, direct and special lines) on the Gr stations and all its broadcasts. It did the same with what was happening in Italy and in the wider world, from current politics (*Radio anch'io* in the morning and *Zapping* in the evening and *Tra poco in edicola* at night) and economics (*Sportello Italia* and *Gr1 Economia*) to news, employment and labour, human rights, fighting crime, and violence against women (*Moka*, *VivaVoce*, *Il Mix delle 5*, *Italia sotto inchiesta*, *Numeri Primi* and *Mangiafuoco*). Ample space was given to matters of local interest with daily programme *Che Giorno è*. Then, of course, there was intelligent satire (*Forrest* and *Un giorno da pecora*), the environment (*Green zone*, *L'aria che respiri*, *Gr1 Economia* and *VivaVoce*) and social issues (*Che giorno è* and *Formato famiglia*).

The focus in the first part of the year was on the health emergency and major events occurring in Italy and around the world, such as the storming of the Capitol and the inauguration of President Joe Biden in the US, and the birth of the Draghi government in Italy. Then, of course, there were the blocking of the Suez Canal by a container ship, NASA's mission to Mars and the killing of Ambassador Attanasio in Congo, to name but a few examples. In addition, all

programmes are committed to always supporting and listening to the campaigns promoted by the Rai social secretariat.

Weekend features included *Tutto il calcio minuto per minuto vintage*, *Extratime*, *Numeri primi* and long-standing radio commentaries.

Rai Radio 1's programme schedule also includes sections dealing with a wide range of themes: health (*Formato Famiglia Life*), technology and innovation (*Eta Beta*), the sea (*Radio di bordo*), insights into foreign countries (*Voci dal mondo* and *Caffè Europa*), motoring (*Top Car*), school (*Tutti in classe*), agriculture and the environment (*Green zone* and *L'aria che respiri*), culture, entertainment and society (*Primafila*, *Te la do io l'arte*, *Plot machine*, *Incontri d'autore*, *Mary pop Live*, *Linguacce* and *Nonsololike*), stories (*Inviato speciale*, *Jack Folla*, *Il pescatore di perle*, *Numeri primi* and *Vittoria*) and religion (*Ascolta si fa sera*, *Babele*, *Culto evangelico*, *In viaggio con Francesco* and *La finestra su San Pietro*).

As is the case every year, room was made in the schedule to mark all of the institutional anniversaries, including Holocaust Memorial Day (27 January), National Memorial Day of the Exiles and Foibe (10 February), the day of remembrance for mafia victims (21 March), Liberation Day (25 April), Labour Day (1 May), the day of remembrance for victims of terrorism (9 May), the Capaci attack (23 May), Republic Day (2 June) and the Ustica massacre (27 June).

Music plays a fundamental role in supporting the information and is incorporated in various programmes throughout the day, in addition to those dedicated entirely to music (*Radio1 music club*, *Stereonotte*, *Il jazzista imperfetto*, *Disco sveglia*, *Sette su Sette*, etc.).

1. Rai Italia sotto inchiesta
2. Radio anch'io
3. Zapping



Sports remains a mainstay of Rai Radio1 and Gr, with a wide range of sports including football, Formula 1, MotoGP and cycling (with the Giro d'Italia), which culminated this summer in the UEFA Euro 2020 tournament.

All sports are covered by very successful programmes, such as long-standing fixture *Tutto il calcio minuto per minuto*, and other broadcasts such as *Zona Cesarini*, *Extratime*, *Sabato* and *Domenica Sport*.

As regards social networks, Rai Radio 1 encourages interaction on all its Facebook, Twitter and Instagram profiles, by promoting its programmes, re-broadcasting the news, the guests and the highlights of the day, encouraging interaction with the audience.

Rai Radio 2

As the health emergency continued, Rai Radio 2 persisted in strengthening its relationship with its audience, bringing them 24 hours a day, 7 days a week of uninterrupted dialogue with all of the presenters on the air and creating original content that it shared on social networks, which constitute an increasingly important channel of contact and exchange that is appreciated by those who follow the network for what it offers in terms of company, entertainment and timely updates on current affairs and music. This was mainly due to visual radio, whereby cameras in all of the studios follow the radio broadcast in video format on RaiPlay, a winning cross-media project as demonstrated by the constant growth in audience figures.

In the first half of the year Rai Radio 2 confirmed its leading position among all of the national radio stations registered with TER in terms of interactions

on Facebook (3.12 million) and video views (41 million). Rai Radio 2 also saw an increase in interactions with the public on Instagram (+20% compared to the first half of 2020), taking it into the top 5 Instagram profiles with the most interactions among all national radio stations.

Press review *Caterpillar AM*, *Il Ruggito del Coniglio* and *Radio2 Social Club* returned at dawn (also on Rai 2 in the morning) before later moving on to *Non è un Paese per Giovani*, via *La Versione delle Due* and the humour of *Numeri Uni*, followed by the afternoon version of *Caterpillar*, *Decanter*, and eventually musical insights from *Back2Back* and *Rock and Roll Circus*.

Weekends in the first half of the year featured a number of well-established figures such as Pino Insegno, Diletta Parlangei, Francesco De Carlo and DJ Osso, Pino Strabioli with *Grazie dei Fiori*, Ciccio Graziani with *Campioni del Mondo*, reporting on sporting events on Rai Radio 2, and Francesca Fialdini and Max Novaresi with *Radio2 in Ruota Libera*.

Last but not least there were cult programmes such as *Blackout* and *Lillo e Greg 610*, providing entertainment and good humour.

Night-time schedules were also quite dynamic with *I Lunatici*, which was there for night-time audiences more than ever before during the emergency and since April, including with a live window on Rai 2.

Exclusive appointments with *Back2Back Speciale Let's Play!* continued from Sala B on Via Asiago (Michele Bravi, La Rappresentante di Lista, Noemi, Francesca Michielin, Alessandra Amoroso, Colapesce and Dimartino, and Franco 126), with episodes telling the story of Italian music was told through performances by leading national artists on Rai Radio 2.

4. *Il ruggito del coniglio*
5. *Non è un paese per giovani*
6. *Numeri uni*



New for this year were *Magazzini Musicali*, with Melissa Greta Marchetto and Gino Castaldo, broadcast on Saturdays on Rai 2 and on air on Sundays on Rai Radio 2, including in video format on RaiPlay, among others.

A great deal of productive effort went into coverage from Sanremo during the 71st edition of the *Italian Song Festival*, of which Rai Radio 2 was the official radio station, with over 100 hours of dedicated live broadcasts and 150 interviews, 80 of which were exclusive from the Ariston, developing a very positive trend on both visual radio and social media.

The on the road events live from squares and theatres also returned, often thanks to media partnerships aimed at intercepting an audience of fans around the country through *CaterTour*, a traveling festival, a big part in the open air with live broadcasts, live concerts, talk shows and games.

Rai Radio 2 was, as always, at the forefront of furthering sustainability and fulfilling one of the key tasks of the public service.

In March 2021, the 17th edition of *M'illumino di meno*, the day for energy saving launched and supported by Caterpillar, which for years has been the largest radio awareness campaign on energy consumption and sustainable mobility, was held. The project – organised on air, on the web and on social media – was again sponsored in 2021 by the highest government offices and involved the main Italian and European cultural attractions, as a symbolic gesture of energy saving.

Special initiatives included *Radio 2 Day* (days dedicated to great Italian musicians) and *Live*, on-air from the studios on Via Asiago and streamed on RaiPlay with Fiorella Mannoia, Frassica and Carlo Verdone and on Rai Radio 2 Indie, the digital channel

dedicated entirely to the contemporary indie rock and 'alternative' music scene but also to Italian pop.

Plenty of editorial synergies were exploited in collaboration with TV programming,

- with Rai 1 – *Il Volo, Tributo a Ennio Morricone*,
- Rai 2 with the updated version of *Radio2 Social Club* on air in the mornings and *ILunatici* live at night,
- Rai 3 with the *May 1st Concert* and
- Rai 4 with the semi-finals of the *Eurovision Song Contest*.

The cross-media offering broadens the catchment area and consequently enriches the on-demand offering, with excellent results in terms of both audience figures (*Radio2 Social Club*, the first cross-media television format, has conquered the morning audience on Rai 2 with an excellent share), and approval, with over 65% of those interviewed giving ratings of between 8 and 10 to Rai Radio 2 programmes.

Rai Radio 3

Rai Radio 3 continued to devote much attention to the major issues of the cultural and civic debate in the first half of 2021, while also consolidating the breadth and quality of its own musical offering. Although the ongoing health emergency disrupted live performances, radio continued to be an ever-present tool, thanks as usual, in the case of Rai Radio 3, to daily in-depth broadcasts and prestigious musical choices.

Despite the cancellation of the majority of live events, the Rai National Symphony Orchestra and major Italian and international festivals like the Euroradio concerts continued to be recorded and broadcast live. *Rai Radio 3's concerti del Quirinale*,

7. *Cento giorni con Dante*
8. *Ragazze al voto - 2 giugno 1946*
9. *Todo cambia. La Festa di Rai Radio 3 - Enrico Rava*



the prestigious event broadcast live every Sunday morning from the Quirinale, now in its 20th year, was the only live musical event for months.

Sunday 4 April marked the 20th anniversary of the first concert held at the Cappella Paolina, an event that would be followed by over 500 concerts to date. From the outset, the Rai Radio 3 festival at the Quirinale has launched promising young talents, hosted already renowned artists, alternated classical and baroque music with contemporary music, jazz and performances by singer-songwriters, offered an institutional stage for popular music and, of course, presented the chamber music groups of the Rai National Symphony Orchestra, which had been on the bill since the very first season.

In addition to concerts, Rai Radio 3 continued to offer continuous in-depth analysis through *Wikimusic* and the extremely popular *Lezioni di Musica*. Rai Radio 3's traditional attention to themes and forms of expression was also the reason for the Special Days, including Remembrance Day on Thursday 27 January, for which Rai Radio 3, as usual, planned two major initiatives - the programme *Un giorno nella storia*, looking back at that day in nine different parts with historian Umberto Gentiloni, while in the evening *La Memoria ha 20 anni*, an evening of theatre broadcast live from Rome's Teatro Argentina, in collaboration with the Accademia Nazionale d'Arte Drammatica Silvio d'Amico, with dramaturgy and direction by Arturo Cirillo, was broadcast.

To commemorate the 76th anniversary of 25 April 1945, *Lettere della Resistenza*, the reading of the last letters of those condemned to death and deported from the Resistance, a mine of humanity and heroism, was broadcast. This year, twelve students from various regions of Italy were entrusted with the task of delivering the letters to audiences.

On 2 June, Republic Day and the anniversary of the vote for women in Italy were celebrated with podcasts entitled *Ragazze al voto - 2 giugno 1946*, featuring the voices of women who were girls at the time, now almost 100 years old, who told of the emotion they felt at being the first to have the right to vote in Italy.

On the occasion of International Museum Day, on Tuesday 18 May, Rai Radio 3 focused its attention on Italy's small museums. The initiative, entitled *Ti racconto un museo*, asked listeners to tell the story of a small Italian museum in a short audio file, with their voices going on to pepper the network's programming.

At the end of the six months in question, on Monday 21 June, marking the *Festa della musica*, the historic Sala A on Via Asiago reopened with a live radio broadcast entitled *Todo cambia - La festa di Rai Radio 3*, full of guests from the worlds of music, theatre and cinema, took place. The worlds of music, theatre, cinema and poetry returned with live performances throughout the evening, which was broadcast live on Rai Radio 3 and RaiPlay and featured artists such as Ginevra Di Marco, Enrico Rava, Umberto Orsini and many others.

Throughout the six months in question, Rai Radio 3 confirmed its support for the leading cultural events, both live and streamed. There is increased focus on new formats and the needs of an audience that, along with traditional broadcasting forms, is more and more likely to select deferred listening to programmes, along with podcasts. Special care is taken in packaging contents that can be listened to again in streaming or as on-demand audio, a popular choice with users, as demonstrated by the results obtained by many broadcasts, starting with *Ad Alta Voce* and *Wikiradio*.

Special-interest channels

Rai Isoradio

Rai Isoradio is the channel dedicated entirely to traffic and weather that is always broadcast live through flow programming, every day and every night.

In the first six months of 2021, which were still marked by the pandemic emergency and the consequent repercussions on mobility, Rai Isoradio innovated with its programming by exploiting the channel's strengths, namely its proximity to its listeners, who use voice messages to describe their favourite places in *Cartoline dall'Italia*, and the humanity of its storytelling. This set in motion a process that saw Rai Isoradio transformed from 'disposable' *radio on-the-go* into *travel radio* in the sense of a station that whisks listeners away with their hearts and their minds. Rai Isoradio responded to the coldness of Google and Waze with the warmth and colour of its storytelling as it looked at what lies beyond a traffic jam, the beauty hidden behind every motorway tollbooth and the like, meaning that traffic routes became journeys through a beautiful country and new opportunities to get to know Italy.

There were also many programmes that aimed to answer listeners' many questions, including *Colazione da Simona*, the consumer programme providing a direct daily line for talking about pensions, the economy, employment, disability and the elderly, *A chi tocca*, a helpline for listeners, and *Incroci*, looking at the daily challenges we face through sports metaphors every afternoon.

But Rai Isoradio is also a "travelling companion", bringing us local stories with programmes such as

Le Casellanti, *Tesori nascosti*, *Radici* and *Questa Italia*, which Andrea Piersanti retraced Guido Piovene's *Il Viaggio in Italia* because, as was the case sixty years ago, there is a need to bear witness to the country of tomorrow.

And then there's the music, because we sing in the car as we would in the shower, so the station offered listeners two little gems in the form of *Il mio Campo Libero*, a challenge between football and songs, and *Sulle Strade della Musica*, a talent show, the new radio space devoted entirely to young musical artists.

Last but not least, offering a combination of entertainment and revival were *L'Autostoppista* and *Alto Gradimento Revival*, with guest star Renzo Arbore offering his own take the best of the long-standing *Alto Gradimento* programme.

Special attention was paid to the road hauliers who continued to travel even during the long lockdown, and it was they who featured in the *Camionisti* programme broadcast in an entirely new format that focused entirely on telling their stories.

Rai Gr Parlamento

Five parliament news on a daily basis, an extensive press review daily and insight features make up the news offering of Rai Gr Parlamento, the institutional channel of Rai Radio which deals mainly with the parliamentary activities of the Senate of the Italian Republic and the Chamber of Deputies and describes Italian society through institutional events: political current affairs, as well as the economy, environment, labour, respect for human rights, the fight against crime and corruption, and social issues. Here too the Covid-19 emergency was the main topic.

In addition to this offering, the new schedule also included themed evenings dedicated to important political figures.

Specialised digital stations

The special-interest channels support the general-interest radio stations in compiling a comprehensive offering with the aim of tapping into vertical audiences. Audiences can listen in Dab+, on TV, on the web and with the RaiPlay Radio app.

Rai Radio 1 Sport

Rai Radio1 Sport is the digital channel dedicated to Radio Rai's sports offering and launched to coincide with the Russia 2018 World Cup.

Every day from 11:00am to 7:00pm, Rai Radio 1 Sport is broadcast with insights and features dedicated to soccer and to other sports.

There are three fixed sections: *Palla al centro*, *Il caffè di Radio 1 Sport* and *Tempi supplementari*. The rest of the programming features historical episodes of *Tutto il calcio minuto per minuto*, (with the voices of Sandro Ciotti and Enrico Ameri) and the repertoire of sports programmes such as *Extratime* and *Numeri primi*.

Rai Radio 2 Indie

Rai Radio 2 Indie is the digital channel dedicated entirely to the new independent rock and alternative music scene, as well as Italian pop. Created in 2018, it offers a refined and unique playlist of Italian and international songs, with live performances by emerging artists and music programmes by key figures. An original offering dedicated to the most innovative music and the most exclusive live events, for uninterrupted listening.

Rai Radio 3 Classica

Rai Radio 3 Classica's programming ranges from the Middle Ages to the 21st century across the instrumental, operatic, symphonic, concert and chamber music repertoire. The channel offers well-structured programming showcasing pieces relating to all civil and religious festivities with the emphasis very much on live recordings.

The channel devoted monographic slots to anniversaries of eminent historical and cultural figure including Michael Praetorius, Dante, Stravinskij, Milva, Battiato, Piovani and Josquin Desprez.

On Holocaust Memorial Day, Rai Radio 3 Classica commemorated the victims of the Shoah by dedicating its schedule to compositions that were defined as *entartete Kunst*, compositions written at the Theresienstadt concentration camp and composers and musicians who were persecuted and murdered by the Nazi regime, those who were forced to find salvation in exile, and the few survivors. On International Women's Day, the entire programme included pieces by female composers and musicians, while Early Music Day was dedicated to compositions from the Medieval to late-Baroque repertoires.

On the Anniversary of the Liberation and on Republic Day, the programme focused on pieces by Italian composers and performers, bearing testimony to the creative and interpretive vitality of our culture over the centuries and to the essential freedom of expression necessary for human life.

On the occasion of International Music Day, Rai Radio 3 Classica brought us a sound atlas demonstrating the fertile cultural exchange that has taken place over the centuries and the habit musicians have of travelling and seeking out different forms of musical expression.

Finally, ample airtime was given to the musical programming of concerts by various institutions and festivals in media partnership with Rai Radio 3 Classica, including Galleria Borghese - *Musica in Galleria*, *Gli strumenti dell'anima - ICBSA e AGIMUS per ricominciare*, the State archives, the Atlante Sonoro Freon sound atlas, the Alessandro Stradella Baroque Festival in Viterbo and Nepi, Mixxer 2021, the Bari Piano Festival and EcoSuoni.

Rai Radio Kids

Rai Radio Kids is a source of entertainment, music and education for children.

Diario Kids, the daily fixture with trivia about the day, quizzes, celebrations of name-days and anniversaries, and messages from children with greetings, birthdays and song requests, aired throughout the first half of 2021. The format, launched in 2020 to entertain children during lockdown periods, ended in June 2021.

Curiosikids, a new entertainment format for children, was launched in the spring and was transformed into *Curiosikids in viaggio* for the summer.

Mrs Spelling e i Fumbles was the first programme to introduce children to English, while the *È arrivato un bastimento carico di canzoni* format linked to the world of nursery rhymes, short stories and music.

Also new for 2021 was the inclusion in the schedule of *Lampadino e Caramella*, the radio version of the successful TV cartoon. Also on schedule was the *Big Bang* hourly clock, a talk show with Armando, Lallo and Lella exploring facets of everyday life.

In cucina con Radio Kids suggests quick and easy yet tasty dishes to make with the kids, while *Krud dal pianeta Cott* is an actual radio *sitcom* in which villain

Krud attempts to pull off one strategy after another to destroy the world, though it turns out every time that what he has in mind is, in the end, neither dangerous nor devastating; on the contrary, he finds himself helping mankind in the process.

There is also a lot of music, with songs for little ones from Zecchino d'Oro and nursery rhymes performed by children's choirs, theme songs for cartoons, soundtracks, ballads and pop music for older children. *Come nasce una canzone?* lets you discover creativity in a down-to-earth format that speaks even to very little ones. There is even more music in *Pigiama Party*, the first programme to get children and parents off their feet to dance music from the 1980s, 1990s and 2000s.

Finally there is the world of reading, with old classics plus plenty of original productions, from Rodari to Andersen, *Manolito* to *Fiabe della Buonanotte*.

Rai Radio Live

From culture and tourism to food, wine, fashion and design, Rai Radio Live is the story of Italy. The channel notably focused on local coverage and events of an institutional nature in 2021.

Meravigliosi borghi, *Paese mio*, *Patrimonio Italia* and *Il rifugio* are some of the formats designed to promote knowledge of the beauty of our country in one way or another, along with *Dieci passi nella storia*, relating to the world of walking.

Stazioni d'Italia, meanwhile, takes us on a journey to rediscover the immense heritage of the railway stations in small towns. Then there are programmes telling the story of fashion, design, food and wine, manufacturing, nature and tourism, including so-

called 'slow tourism' to Italy's most beautiful and least known villages.

Of course, there is also music, in all its forms, from *Era ora*, a semi-serious music talk show that tells the story of the great past artists and the new kids on the block in Italian music, to *Fox in a box*, showing the musical peregrinations of Rai Radio Live from Rai's headquarters in Sardinia, to *Musica Med*, from our headquarters in Sicily. Dance, music, theatre, circus skills, visual arts but also new forms of creativity, contemporary artistic languages, digital technology, performances, DJ sets, videos, popular and underground culture. There are also fixtures focusing on the week's events.

Last but not least, there is a strong emphasis on boosting the visibility of the Rai Radio *Open doors* project, with top-level managers taking part in discussions on youth employment issues.

Rai Radio Techetè

Rai Radio Techetè, which presents a schedule of theatre, music, drama, sporting stories and much more, is responsible for maintaining the memory of Italian radio.

The channel's *Speciali* series celebrates anniversaries and commemorations through archive material and great personalities who remember the voices and stories that made radio great, including many artists who have since passed away such as Raffaella Carrà, Carla Fracci, Franco Battiato and Milva.

Then there are *Le storie della musica*, *Teatri alla radio*, and drama with *Diabolik* and *Racconti della Mezzanotte*. Finally, the number of comic sketches,

duets, improvisations and songs taken from the main variety programmes in the Rai Radio archive and broadcast in *Pillole di varietà* bitesize pieces increased over the course of the year.

Rai Radio Tutta Italiana

Rai Radio Tutta Italiana is known for its easy-listening style, with its rapid speech interventions and analyses that never exceed three minutes.

Features such as *Mi ritorni in mente*, which reviews the most important events year by year, and *Cantare è d'amore*, showcasing the most beautiful love songs of the last fifty years, are flanked by *Profili*, dedicated to the big names from the world of song, from Umberto Bindi to Tiziano Ferro.

And there is plenty of space for emerging singers and new independent stylings.

Astroprofili is a new programme in which, at the beginning of every episode, the astrologer Jupiter traces the star signs of a different singer.

Another novelty is *Lui, lei e loro*, a journey that takes listeners through the history of Italian music, stopping by men, women and bands.

Also in 2021, the *Una serata Tutta Italiana* format accompanied a series of events and concerts held around the country, from Aosta to Reggio Calabria, in full compliance with anti-Covid regulations and attracting large video audiences on the web and social media.

The channel is also on FM as the theme song of Rai Gr Parlamento during the evening and night-time slots.

RaiPlay and Digital

RAI PRODUCT
DISTRIBUTED
ON ITS OWN
PLATFORMS



1.3 BILLION
VIEWS ACROSS ALL
RAI PLATFORMS



15.8
MILLION
MONTHLY AVERAGE
OF UNIQUE
BROWSERS ON
RAIPLAY

1.36
MILLION
MONTHLY AVERAGE
UNIQUE BROWSERS
ON RAIPLAY RADIO

In the first half of 2021, in keeping with and indeed consolidating the editorial and production lines adopted in 2020, the RaiPlay platform schedule was characterised by its great variety of original programmes, from docu-reality to entertainment, not forgetting cinema, drama and series. Original scripted products were one of the highlights of the Rai's OTT platform; indeed, in a market that is increasingly crowded with international players, RaiPlay's objective remains that of intercepting products that are not covered by major deals.

RaiPlay's serial product strategy has focused on titles with a strong impact on the millennials target group, in order to intercept an audience that is accustomed not to linear consumption but rather to on-demand consumption.

With regard to series on RaiPlay:

- two HBO Europe productions were released between January and February: *Beforeigners* (6 x 45' episodes), a Norwegian crime series with fantasy overtones, and *Foodie Love* (8 x 30' episodes), a serial romantic comedy set around Europe;
- the second season of *Into The Dark* (12 x 90' episodes), the 12-film horror anthology series produced by Blumhouse, an American firm specialising in the genre with cult titles such as *The Purge*, *Sinister* and *Paranormal Activity*, was released between March and May;
- April saw the release of *Nudes*, the anthology series produced by Rai Fiction adapting the Norwegian teen drama of the same name, exclusively for RaiPlay, which tells the story of the transition to adulthood of three young protagonists and tackles the issue of 'revenge porn';
- June brought us the release of the first six episodes of the second season of the NBC

flagship product *Lo straordinario mondo di Zoey* (*Zoey's extraordinary Playlist*) (12 x 45' episodes, a Lionsgate production). A romantic comedy, following *Glee* and *Crazy Ex-Girlfriend*.

Drama, which has been one of Rai's trademarks for decades, was again a cornerstone of the RaiPlay offering in the first half of 2021. Rai's drama audience has always been accustomed to watching episodes on demand on the platform, but RaiPlay also broadcast exclusive previews of three major titles produced for the linear offering in the first half of 2021, namely *Rocco Schiavone*, *Un Passo dal Cielo* and *Chiamami ancora Amore*.

Another key asset in the first half of 2021 was the cinema offering.

RaiPlay made available to the public a catalogue of films consisting of over 1,300 titles on demand, including the 100/150 titles available weekly in catch-up mode on the basis of their airing on TV channels. Film enthusiasts could count on a number of exclusive appointments over the course of the six months in question, including *Sabato cinema*, the exclusive release of quality films including original first releases and international blockbusters selected by Rai Cinema, and *I film della mia vita*, Antonio Monda's feature presenting the most important films in the history of cinema and taking us on an emotional journey through the films that have fascinated the collective imagination. Moreover, thanks to the synergy with Rai Cinema, the RaiPlay film offering was enriched with great titles available exclusively, including *L'ora più bella*, *In mani sicure*, *Il giorno e la notte* and *The Rider* as just some of the films released between January and June 2021.

The RaiPlay platform's original schedule was also characterised by a programme offering that was very diverse in terms of both target and genre, from in-

1. *Into the dark*
2. *Chiamami ancora amore*
3. *Foodie Love*



depth cultural feature *Ossi di Seppia - Il rumore della memoria*, a story in 26 episodes designed to retrace events in recent Italian history, to docu-realities such as *Tu non sai chi sono io*, a programme that gives the young people of Generation Z the floor to allow them to make themselves known to the adult world through direct and emotional first-person accounts from which dreams, fears and hopes emerge, along with determination and courage, and *Corpo di ballo*, telling the stories of the students of the dance corps at the Accademia del Teatro la Scala in Milan. Life stories in which the 'personal' aspect intersects with the 'collective' and dreams collide with exertion.

Last but not least, there was entertainment with programmes such as *Allevi in the jungle*, a journey in the company of Giovanni Allevi through the sounds, music and stories of the street singers the Maestro has encountered in some of Italy's most major cities; *Tutariel*, amusing instructions for use delivered by Marco Marzocca and Stefano Sarcinelli; and *Tocca a te!* a programme created by Carlo Conti and comprising a selection of videos chosen from the many received from 'ordinary people' to showcase talent and its various facets. The entertainment offering also includes great live music with *I concerti di Radio 2*, hosted by Ema Stokholm and Gino Castaldo from Sala B of the Rai radio studios on Via Asiago.

With regard to the sports offering, all 2020/2021 Coppa Italia matches, highlights of all 2020/2021 Serie A football championship matches and all of the biggest events of the first half of 2021 such as the Giro d'Italia, the European Under-21s Championship and Euro2020 were made available with dedicated sections and additional content.

Also in 2021, thanks to the *Learning* section, RaiPlay participated in the Rai's initiatives in collaboration with the Ministry of Education, helping the school system

face the challenge of long-distance education using the vast catalogue available, to build collections of content and video playlists to offer teaching support to teachers and pupils of all ages.

When it came to the European Football Championship, the programme *Europei a casa* *The Jackal* brought us two hours of exclusive live streaming on the RaiPlay channel starring comedy group The Jackal and guests, including Carolina Morace, Maccio Capatonda, Francesco Paolantoni, Clementino, Valerio Lundini, Lino Banfi, Andrea Delogu and many others. A very close-knit group of friends who served up their own brand of commentary and jokes throughout the Italian national football team's rousing 7-match journey to achieving the title of European Champions.

Last but not least, the RaiPlay offering provided added value through the wide selection of programmes, variety shows, adaptations and investigations produced in over 60 years of the history of public TV and available on the Rai digital platform thanks to its synergistic relationship with the Rai Teche archives, a collaboration developed in the spirit of public service with the aim of building a true heritage out of the country's multimedia memory.

During the first half of 2021 RaiPlay offered a wide selection of titles that have marked various eras in the history of television, from *Sheridan - Indagine sui sentimenti* to *Eco - Lezione di Semiotica*, *Linda e il Brigadiere* to *Mister Fantasy*, *L'idiota* to *L'isola del tesoro (Treasure Island, 1987)*. Alongside these, extensive research and selection work meant that collections of excerpts from numerous programmes could be published with a monographic slant, such as *Sanremo comiche*, *Intervista con l'Avvocato*, *Diva Moana*, *Tribuna Pannella*, *1991 Guerra nei Balcani* and many others.

4. *Ossi di Seppia*
5. *Tu non sai chi sono io*
6. *Allevi in the jungle*



Figures for the first half of 2021

According to the Audiweb 2.0 report of June 2021, the total digital audience, that is the overall audience active across all digital devices, reached 37.3 million unique users, corresponding to 62.4% of the population aged two years and over. 77.8% of the adult population connected via mobile at least once on the average day, spending an average of around 2 hours per person browsing via smartphone and/or tablet.

On an average day, 37.2 million Italians were online, 13 million of them connecting from computers and 33.9 million from mobile devices.

Rai products distributed on proprietary platforms recorded a total of approximately 1.3 billion video views (-18% compared to the first half of 2020). A detailed analysis shows that RaiPlay largely maintained its 2020 figures (-3%), followed by all other video products on Rai sites (-22%), while the decrease in syndicated content on YouTube and MSN (-70%) continued.

There were 18.7 million registered users of the RaiPlay offering (RaiPlay, RaiPlay Radio and RaiPlay Yoyo) who had accepted the latest privacy policy by the end of June 2021.

In detail:

- **RaiPlay** recorded a total of about 616 million page views (-3% vs. first half of 2020), with a monthly average of 15.8 million unique browsers (+22% vs. 2020) and a monthly average of 71.4 million visits (up 23% on 2020);
- In the first half of 2021, **RaiPlay Radio**, the radio portal born at the end of December 2017, saw a monthly average of 1.36 million unique browsers and a total of 38.2 million media items (audio and video);
- **RaiPlay Yoyo**, the children's app launched in mid-

April 2018, saw approximately 26.2 million video views over the course of the first half of 2021 (+4% vs. 2020) and a monthly average of 89,000 unique browsers (-19% vs. 2020);

- **RaiNews.it** recorded a total of 441.6 million page views (+48% on 2019) and 82.6 million video views (-9% on 2020), with a monthly average of 13.6 million unique browsers (-38.3% on 2020); TgR's performance, which was also down on 2020, was nevertheless better than in 2019 (+28% on unique browsers, +37% on views and +86% on page views).

Syndicated content distributed in the first half of 2021 got more than 562.5 million video views, getting Rai's digital products an average of 205 million views a months.

The most successful applications were as follows:

- **RaiPlay** – with over 18.8 million downloads in the last 24 months plus 10.25 million apps downloaded on smart TVs;
- **RaiPlay Radio**, with over 875,000 downloads in the last 24 months (over 200,000 downloads in the first half of 2021);
- **RaiNews**, with over 310,000 new downloads in the last 24 months (over 67,000 downloads in the first half of 2021); and
- **RaiPlay Yoyo**, with over 650,000 downloads in the last 24 months (over 133,000 downloads in the first half of 2021).

The original RaiPlay offering

Below is the list of RaiPlay's top original titles in the first half of 2021.

- *Ossi di Seppia*, the in-depth feature dedicated to the events that had characterised the last thirty

- 7 Beforeigners
8. Tutarie!!
9. Back2Back



years of Italian history through the memories and personal accounts of those who lived through that period in a project that aimed to put memory and the past front and centre with an immersive narrative style.

- *Beforeigners*, a crime series with fantasy overtones. Men and women from the past mysteriously appear in modern-day Norway, the difficulties they experience when it comes to integrating creating huge social problems.
- *Foodie Love*, the series that tells the story of a love that is born at the table, the two stars of the show united, in fact, by their shared passion for food.
- *Tutariell!*, with each of the 30 episodes featuring Stefano Sarcinelli (the tutor) and Marco Marzocca (his domestic assistant Ariel) trying to teach us those useful little hacks that make everyday life better, amid plenty of glitches.
- *Playlist 24*, the RaiPlay clip collection serving up the highlights of Rai's daily offering: shows, drama, news, sport, talk, reality and much more besides.
- *Back2Back - Speciale let's Play (I concerti di Radio 2)*, a series of concerts hosted by Ema Stokholma and Gino Castaldo from Sala B of the Rai radio studios on Via Asiago in Rome in which the artists taking to the stage in turn look back at their careers and private lives.
- *Tu non sai chi sono io*, a docu-reality show in which young people open up to their parents unfiltered, spreading a message of courage and love, to overcome the drama that stems from a lack of communication between generations in the digital age.
- *Nudes*, an anthology series produced by Rai Fiction that looks at the moment of transition that teenagers of all eras have gone through at some point, that shadow line that accompanies them into adulthood, the moment when everything changes forever, from one day to the next. The series shows how dangerous it is to cross this line in the wrong way, tackling the theme of revenge porn from the perspectives of the three young protagonists - Vittorio, Sofia and Ada. An Italian adaptation of the Norwegian teen drama of the same name.
- *Into The Dark*, the second season of the 12-film horror anthology series produced by Blumhouse, an American firm specialising in the genre with cult titles such as *The Purge*, *Sinister and Paranormal Activity*.
- *Allevi in the jungle*, a journey in the company of Giovanni Allevi through the sounds, music and stories of the street singers the Maestro has encountered in some of Italy's most major cities.
- *Corpo di ballo*, a journey of discovery of one of the world's leading dance companies. The dancers of the Teatro alla Scala in Milan star in this docu-series taking an unfiltered look at their personal and professional lives.
- *Dante e il potere*, a brilliant lecture on Dante by historian Alessandro Barbero at the Complesso Monumentale di Santa Croce in Florence.
- *Lo straordinario mondo di Zoey* (Zoey's Extraordinary Playlist), the first six episodes in the second season of the musical romantic comedy starring Zoey, a computer programmer who works at a company in San Francisco and discovers, following an accident, that she understands the feelings of people who communicate with her through songs.
- *Europei a casa The Jackal*, a live show exclusive to RaiPlay in which The Jackal provide commentary on the Euro2020 matches played by the Azzurri.
- *Tocca a te!*, a programme created by Carlo Conti and comprising a selection of videos chosen from the many received from 'ordinary people' to showcase talent and its various facets.
- *I film della mia vita*, in which Antonio Monda presents the most significant films in the history

10. *Corpo di ballo*
11. *Nudes*
12. *The Rider*



of cinema, and taking us on an emotional journey through the films that have fascinated the collective imagination.

- *Play Mag*, with Livio Beshir presenting the most relevant film, drama and entertainment news for millennials.
- *Play Digital*, in which Diletta Parlangeli takes us on a journey into the world of technology and the web, giving us an insight into all that the world of digital innovation has to offer.
- *Play Books*, an author with a book in a short interview about literature and the week's editorial news. Vittorio Castelnuovo, with Ilaria Gaspari, takes the viewer down new paths for reading more about the literary world and the latest news, with ideas and reflections from its main figures.
- *Le storie di Mirko*, starring Mirko Matteucci and offering the public short themed reports produced on the road.

Furthermore, the following exclusive products on the issues of digital literacy and innovation, social inclusion, diversity, equal opportunities and disability, as well as the live streaming of the events organised in Spoleto to mark the first *Rai Festival per il Sociale*, were made for the RaiPlay platform:

- *Web Side Story*, a documentary series of monothematic episodes showing how the web has made history and changed our lives.
- *ConverseRai*, a feature in which eight Italian female excellences talk about their passions.
- *Young Stories*, the series that chronicles the typical days of 13 young people aged between 15 and 25, from waking up to going to bed, including teenage routines, family and romantic relationships and life on social media. These are just kids like any others, kids who, with a lot of determination, a lot of audacity and a lot of clicks have changed their lives with the intention of growing, learning and sharing.

Rai's digital offering

During the first half of 2021 RaiPlay and Digital confirmed its commitment to delivering new products and offerings in other fields. Here are the most significant.

Euro 2020. The 2020 European Football Championship, postponed until June 2021, was the first major sporting event with a live audience and the first step towards post-pandemic normality. RaiPlay dedicated a *Speciale* to the event that, in addition to replaying full matches, showed the goals, real-time recaps, interviews with those involved and programmes dedicated to the event, such as *Sogno Azzurro*. Last but not least, the *Speciale* included the match schedule, rankings and results, as well as introductions to all of the teams involved in the event.

Rai Radio 2 Live. 24 hours of radio 'to watch'!

Radio 2's radio programming was on air as of September, on a dedicated RaiPlay channel, through special video recordings of the programmes. In addition to the digital and analogue on-air offerings and digital distribution with RaiPlay Radio, both live and on demand, the radio station reinvented itself by adding images to the words and combining this with the simulcast distribution of TV channels.

RaiPlay exclusives. We saw an increase in the number of opportunities for exclusive live broadcasts for RaiPlay in 2021, giving the target audience, some of which found itself confined by the pandemic, the opportunity to follow major events. These included *I Concerti del Quirinale* concerts every Sunday, the Rai National Symphony Orchestra programme every Thursday and live broadcasts from La Scala and Santa Cecilia, not forgetting exclusive live broadcasts of events such as *OnePeopleOnePlanet*,

- 13. *Play Books*
- 14. *#PlayMag*
- 15. *Un passo del cielo*



the Italian sign language versions of the most important programmes such as the *Sanremo Festival* and some of the matches of the 2020/21 Coppa Italia (Italy Cup) and under-21 European Football Championship matches.

You Tube and MSN. The confirmation of the distribution strategy on the YouTube platform, the timelines and publication quantities of which were changed, reinforced the significantly positive results already recorded, with an increase in the number of views on RaiPlay and stable levels of performance on YouTube, confirming the complementary nature of the two most strategic assets in terms of the distribution of Rai products in the digital sphere. Together with the MSN offer, which benefited from an increase in product through Playlist24, the Rai offering expanded methods of audience engagement, reaching, free of charge, an increasingly large audience of users, especially among youngsters.

Rai Cultura. The portal aims to make Rai's cultural offer accessible and usable in the digital environment with dedicated content and services. The new platform is organised by thematic areas and full of original content produced by the Rai Cultura editorial staff, cultural programmes from special-interest and general TV programming and titles from the Rai Teche archive.

RaiPlay Radio. The Rai radio world portal which, together with the live broadcasts from 10 radio stations – five on-air and five digital – offers two exclusive digital stations, Rai Radio 1 Sport and Rai Radio 2 Indie, with specific selections and programmes. The offer clearly shows the different identities of each radio network with the network portals and programme pages, on which you can find

a rich offer of content of live-streaming, on demand and podcasts.

Rai.it The inclusive portal that makes the Group's vast digital offering easily accessible. Rai.it promotes and provides access to all television and radio programming, as well as to the informative and multimedia content from all news mastheads, showing the most important news from Rai News 24 and Rai Sport. Rai.it also offers a series of services of great importance and interest to audiences, such as the guide to Rai programmes and access to information about Rai as a company.

Digital offering for teenagers and children

The strategic asset of Rai's digital offering is the segment for children and teenagers, presided over by the RaiPlay platform with its *Children*, *Teen* and *Learning* sections, the RaiPlay Yoyo app, the MHP offering dedicated to Rai YoYo and Rai Gulp on Smart TV.

In the first six months of 2021, a specific strategy was developed for this target, focusing on the following objectives:

RaiPlay platform / Children's section. This section is aimed at children and families and covers a wide range of entertainment genres, including cartoons, films, short films and programmes, with a very rich thematic offering of over 250 titles for the publication of around 60 hours of on-demand products per month, divided by target and genre and available on all devices.

In addition to rerun titles, there is a significant offering of exclusives and boxset previews. The offering

- 16. *I film della mia vita*
- 17. *Il giorno e la notte*
- 18. *In mani sicure*



was notably enriched over the course of the year with 25 exclusive RaiPlay titles for different time periods (including *Star Key*, *Le ragazze dell'Olimpo*, *ScienceXplosion*, *MathXplosion*, *Kid Lucky*, *Filastrocche per tutti di Masha*, *Sandokan*, *L'ultimo dei Mohicani*, *Acqua in bocca*, *Gino il pollo*, *Kim*, *Le storie di Lupin*, etc.) and 20 titles available as boxset previews (including *Lo specchio di Lorenzo*, *Acqua Team missione mare*, *La rosa blu*, *Bing2*, *44 gatti*, *Pablo*, *Nursery Rhyme di Masha e Orso*, *Leo Da Vinci*, etc.).

The offering was complemented with new series, programmes and new editions of programmes from the time of airing (such as *L'Albero Azzurro*, *Diario di Casa*, *Diario delle vacanze*, *La Posta di Yoyo*, *La banda dei fuoriclasse*, *Oreste che storia!*, *Gormiti*, *Baby Boss*, *Kung Fu Panda - le zampe del destino* and *Capitan Mutanda*) and a varied offering of films for children and families (such as *Il club dei brutti*, *Rocca cambia il mondo*, *Bernie il delfino*, *Heidi* and *I Fantastici 5*).

There was no shortage of special deliveries designed ad hoc to mark all the major festivals (Christmas, Easter, Mother's and Father's Day, etc.) either, with various thematic video playlists that differed from week to week, talking to children about art, music and science in a light-hearted and imaginative way.

A great deal of airtime was also given to digital content accessible to all with series and programmes in Italian sign language, audio descriptions and subtitles, and to the *Hello Kids!* video section dedicated to learning English, where young children can find songs, nursery rhymes, cartoons and games to help them learn English while having fun with *Nursery Rhyme di Masha e Orso*, the adventures of *Peppa Pig*, the songs of the *Small Potatoes*, the stories of the *Twirly woos* and the friendly *Fumbles* from the *Fumbleland* series.

RaiPlay platform / Teen section. This section, aimed at young people and launched in March 2020, offers a rich and well-structured range of titles spanning several genres, including cartoons, films, live action, children's drama, programmes, documentaries and music. A rich and diverse offer with over 150 titles and about 40 hours of on-demand product per month, divided by target and genre, and available on all devices.

There are many titles available as exclusive boxset previews, including *Martha e Eva*, *Animal House*, *Radio Teen*, *La prima donna che* and *Lucas Etc.* Programmes notably include original RaiPlay titles (*Nudes*, *La stanza*, *Lo straordinario mondo di Zoey 2* ((Zoey's Extraordinary Playlist)) and major hit *La Caserma*, brought to us live through the publication of hundreds of clips.

The programme schedule designed for the teen market also provides a rich offering that is renewed every week with thematic video content created ad hoc, with series to watch with friends or alone talking about friendship and love (*POV - I primi anni*, *Alex & Co*, *Jams*), passions linked to sport, fashion and music (*Cercami a Parigi*, *Sara e Marti*, *Jamie Johnson*, *Penny on Mars*), and also dealing with complex issues linked to adolescence such as bullying and cyberbullying (*Stalk*) and existential anxieties (*Mental*).

Last but not least, the film catalogue offers some of the most popular films of recent years, such as *La profezia dell'armadillo*, *Sette minuti dopo la mezzanotte*, *Hugo Cabret*, *La La Land* and many others.

RaiPlay platform / Learning section. RaiPlay, based on an agreement between Rai and the Ministry of Education for the Covid-19 emergency period, joined the ministry's *#LaScuolaNonSiFerma* project in early March 2020, providing an offering in its *Learning* section for children, parents and teachers, to enrich

19. *L'ora più bella*

20. *Play Books*

21. *Rocco Schiavone 4*



the experience of long-distance education. This section was created to support children and young people at all stages of their education, from nursery to high school, through a series of carefully selected documentaries, interviews, films, journalistic reports, programmes and cartoons produced with school curricula in mind.

The new *Learning* section took children and young people on the perfect journey through school subjects by the following means:

- Rai programmes divided into eight subjects, namely literature & theatre, history, science, humanities, geography, art history, foreign languages, and music & performing arts;
- over 110 themed collections (carefully thought-out and organised collections of videos going into depth on specific topics) created ad hoc for children at nursery, primary, middle and high school;
- around 250 playlists with new videos every week from January to June, again for all subjects;
- new, ad hoc programmes with audio descriptions, subtitles and, in some cases, Italian sign language.

From January to June, the *Learning* section was a showcase for the many quality programmes produced by Rai to combat the emergency, with lectures and insights from great Italian cultural commentators.

- *Ossi di seppia*, *Scrittori #fuoriClasse*, *Beautiful Minds*, *Come stanno i ragazzi* and *Play Books* produced by RaiPlay and Digital;
- *La banda dei Fuoriclasse* and *Diario di Casa*, produced by Rai Ragazzi; and
- *#Maestri*, *Diari 2021 Maturità*, *La Scuola in Tivù*, *Scuol@maturità*, *Scuol@magazine* and *Scuol@ casa* produced by Rai Cultura and Rai 3.

App RaiPlay Yoyo. The application with parental

locks, is dedicated to children and provides a rich on demand specialist schedule structured for two different targets, defined by age group, and is updated weekly.

In the first six months of 2021 around 50 titles were made available on rotation, for a total of around 2,700 episodes available to watch online. Of these, about 1,600 episodes were also available offline. Furthermore, the offering supported little ones with special programmes designed specifically for special occasions (Christmas, Easter, Mother's Day, Father's Day, etc.).

Children's MHP offer. An on-demand offering, available via Smart TV, updated weekly in relation to new editorial releases (exclusives/premiers/new series) proposed by the specialist Rai Yoyo and Rai Gulp channels.

User Experience (UX) and User Interface (UI) Design activities

The company's apps and websites have been restyled to improve functionality and navigation.

Major upgrades completed in the first half of 2021 included the following:

- **Euro 2020 special on RaiPlay.** A vertical offering dedicated to the event but integrated into the platform, complete with live matches, summaries, goals, highlights and lots of video on demand from Rai programming and exclusively from Rai Sport. New features included a calendar, results and rankings, statistics, teams, live player perspectives with additional cameras and real-time statistics from the field of play.
- **Rai Scuola.** The user-centred design and redesign of the schools portal, with a new

- 22. *Tocca a te*
- 23. *Zoey*
- 24. *Play Books*



information structure based on subjects, school type and the type of content or education offered. Key features included browsing by school type, filter enhancement, routes, workshops, events, web docs, live broadcasts, etc.

- **Rai Tv+.** An immersive experience in a new app that offers and merges the characteristic functions of linear television with additional hybrid broadcast/broadband services and access to the OTT RaiPlay service. Key features included information on the hour on air, restarts on live broadcasts, live broadcasts from the radio channels, the latest editions of national and regional news programmes and various entry points to RaiPlay.
- **Radio and Television Museum in Turin.** New institutional website with multimedia contributions related to the new exhibition and launch of the museum's social media accounts.
- **Task force Covid-19 on RaiPlace.** An informative section containing the activities and tools deployed by RAI to manage the pandemic and protect its employees.
- **Upgrade RaiPlay Yoyo.** Upgrade following a change in Apple's policy, which now no longer allows the distribution of mobile apps with social registration for children.

The main projects currently being implemented include the following:

- **Rai.it** The UI/UX restyling of the Rai.it homepage is currently underway, together with the go-live of the Corporate, RaiPlay Sound and Portale Unico dell'Informazione projects.
- **RaiPlay.** A number of significant upgrades were made in the first half of 2021, including the upgrading of the programme profile with an indication of the days individual items of VOD content were still available to watch; on-

page player and autoplay functions to facilitate immediate access to content; the offline viewing of content on the mobile app and management of rights expiration; the designing of new editorial launch formats to better promote the available offering; the redesigning of a multifunctional player for smart TVs for easier navigation; the implementation of graphic labels to highlight editorial features related to the title on display. Plans are in the pipeline to extend agreements regarding the positioning of RaiPlay clips on third-party publishers' platforms and corresponding ordinary feed (Rai/Rai Com/Rai Pubblicità) with a Rai platform for simultaneously managing the various embedded VOD streams.

- **RaiPlay Sound.** The new app and web platform for using Rai's audio content (original and linear podcasts on demand, live radio and Replay Radio service). An overall repositioning of the Rai in the non-linear audio segment reflecting the company's new strategic and distributional vision.
- **Corporate portal.** Repositioning of Rai's corporate content offering through the creation of a new single portal for providing users with a renewed and more modern mode of communication that is clearer, more transparent and more tailored to the specific information needs of the various target audiences that browse the pages of the Rai.it network in search of information and services.
- **Rai – MISE Smart Card website.** Site linked to the next switch-off and dedicated to requests for Rai smart cards, the free card provided by Rai in collaboration with the MISE and TivùSat that, when used with a suitable satellite device (CAM or decoder produced by Digiquest), enables the user to watch all of the Rai channels broadcast.
- **Portale Unico dell'Informazione (Single Information Portal).** Creation of a single



171 PAGES

25.1 million
FOLLOWERS



80 PROFILES

8.0 million
FOLLOWERS



152 ACCOUNTS

9.6 million
FOLLOWERS

portal that collects, organises and displays Rai's information to the public in an organic manner, creating synergies between the various mastheads within the company.

- **Radiocorriere Tv.** Repositioning of the Radiocorriere Tv digital offering through a new portal dedicated to previews, news and promoting the Rai's television, radio and digital offering, fed with original VOD content produced by a specific editorial team and distributed on RaiPlay.
- **Rai Com websites.** The restyling of the Rai Com portal and of the sites pertaining to the company's various business areas with a view to restructuring content and improving the user experience.

Social media and traffic building

The first half of 2021 saw the completion of the merger of the web and social structures of the three generalist channels, Rai Ragazzi and Rai Gold. This allowed the Rai branding and traffic building strategy to be coordinated and rolled out as effectively as possible across social and digital platforms (with regard to organic and paid communication activities), streamlining and promoting the main objectives, namely promotion of the Rai's television and digital products, user engagement/advocacy, creating traffic on Rai's digital platforms, and controlling third-party platforms (Google, Samsung, Amazon and Huawei).

The streamlining of the organic approach of the promotion work has made it possible to integrate editorial management between network accounts, corporate accounts and vertical properties, directing communication towards enhancing both community engagement, through organic promotional activities, and conversion, with continuous emphasis on referral to the proprietary platform.

The Rai's activity on social media has followed three main avenues of communication:

- **live:** the promotion of Rai's premium titles, *Sanremo* and *Euro 2020*, for example, relied on live transversal choral narration, enhancing the synergy between different network accounts (e.g. Rai 1, Rai Radio 2 and RaiPlay). Becoming an insider to the events themselves, live storytelling was developed with exclusive content created on the spot to bring to life a 360° account of the proceedings. All of the horizontal and vertical Rai profiles involved were used, with different tones of voice being adopted depending on the type of narrative chosen.
- **stock:** editorial communications were aimed at enhancing the RaiPlay library with regard to both original products (e.g. *Ossi di Seppia* for in-depth analysis and *Stalk* for series programming) that position RaiPlay as a pure OTT AVOD platform, and Teche Rai products, promoted by interweaving anniversaries and commemorations on the platform with collections, including special ones. The platform was also relaunched for the repository of network programme schedules and for live streaming on the RaiPlay live channel (such as the *European U21s*, for example).
- **look and feel:** for the first time in the history of Rai's social properties, a visual identity project was carried out to give the company's profiles a unique, clearly recognisable and coordinated graphic identity through the use of vertical graphic/video social toolkits for each channel. This choice was made with a view to giving the broad and multifaceted family of social network profiles a simple, clear and consistent identity that reflected the Rai logo (and not the specific network logo) as the lowest common denominator, with the channel's characteristic colour bar as a distinctive element.

In the first half of 2021, the social strategy shifted from an omnichannel publication approach to the vertical differentiation of content, based on the editorial specifications of each social channel and the different target audiences, with the emphasis always on finding the best-performing content suitable for the target social channel, thanks to constant reports on editorial activities, in order to combine the primary objective of conversion on the platform with better content engagement.

Not only were products rationalised and enhanced on social media but the presence itself, with a gradual reduction in the number of pages and profiles to make production more effective and efficient, from 604 properties at the end of January 2021 to a total of 403 by the end of June 2021, with brilliant results in terms of community growth.

Impressions (data available for Facebook and Instagram only) show the great potential for visibility with social media presence; indeed, the content produced and published on the Facebook pages of Rai's Instagram profiles was viewed almost 5.1 billion times in the first half of 2021.

The results achieved in the first half of 2021 on the main organic social KPIs compared to the first half of 2020 were as follows:

- Community: Facebook +18.9%, Instagram +45%, Twitter +15.7%;
- Posting: Facebook -1.5%, Instagram +17.5%, Twitter +17.7%;
- Total interactions: Facebook -9.9%, Instagram +12.9%, Twitter +65%;
- post impressions: Facebook 4.2 billion (-12%), Instagram 891 million (+23.7%), Twitter (data not available).

The 2021 edition of *Il Festival di Sanremo* generated

29.8 million social interactions over the five days of the festival of song, setting an all-time record and an increase of 37% compared to the 2020 edition. The final day generated 8.2 million interactions - a 51% increase on the final day of the 2020 event. The social platform with the highest rate of growth vs. 2020 was Twitter, up 58%. Instagram's growth was also excellent (+34%).

On Twitter, the official hashtag *#sanremo2021* was mentioned 275,000 times during the event.

Overall, throughout the final day, the Festival's official accounts across all three platforms generated an engagement of 892,000 interactions, which, in addition to those generated over the five days, reached 3.2 million interactions.

Twitter interaction peaked at 02.40 following the announcement of the winners, with 15,00 interactions in a minute.

Here are some brief insights that give a measure of Rai's presence on each social platform (*sources: Nielsen Social Content Ratings and FanPageKarma*).

Facebook. During the first half of 2021, the Rai Facebook pages went from 258 (as of the end of January 2021) to 171, with a total fan base of around 25.1 million, and reached and engaged around 173.1 million people. Also notable is the total amount of reactions: almost 48.1 million. Total video post views reached 543.7 million.

Instagram. The Instagram profiles were also streamlined over the course of 2021, taking the number of profiles from 93 (as of the end of January 2021) to 80. The fan base, on the basis of the reduced number of profiles covered, reached 8 million fans, with the 35,500 posts in the first half of 2021 generating 36.7 million interactions.

Twitter. The Rai's presence on Twitter was also streamlined across this social networking site

and during the first half of 2021 the number of official profiles was reduced from 256 (at the end of January 2021) to 152, with a total of 9.6 million followers. The 193,000 tweets published in the first half of 2021 got 3.3 million likes.

The promotion and positioning of Rai products on social media are supported by advertising campaigns on the main digital platforms, with the aim of: repositioning the digital platforms to reflect the continuous change that defines the OTT market; increasing downloads of Rai apps; supporting traffic on Rai websites; reaching new and potentially distant targets for Rai, with campaigns aimed at both traffic building and brand awareness about the company's key content, which must be innovative and/or aimed at a young audience. Below are the results achieved in the first half of 2021 on the platforms, Google/YouTube, Twitter, Facebook/Instagram, Apple Search, Spotify, Outbrain and IOL (Sources: *Google Ads, Facebook Business Manager, Twitter Ads, Spotify, LG SmartTV, Outbrain and IOL*):

- impressions: 108,858,923
- clicks to our platforms: 2,342,939
- downloads of the app: 1.45 million (including smart TVs)

Together with activities relating to the promotion of Rai brands, products and digital platforms on social networks, the caring strategy was also consolidated by means of a specific customer care service for digital platforms enabling direct communication with users through the most appropriate technological tools.

The supporto@rai.it mailbox dedicated to supporting Rai's digital users recorded almost 234,000 reports in the first half of 2021, as opposed to around 168,000 in the first half of 2020 - an increase of over 28%. The biggest increase was in technical reports,

which rose from an average of 26,000 per month to over 36,000, while editorial alerts decreased and accounted for around 6% of the total.

Also in the first half of 2021, due to the continuing health emergency situation, most of the regional promotional events took place exclusively online.

At the same time as streamlining the scope of pages and profiles, the issue of the security of social properties was addressed and a number of tools implemented to better guarantee secure access to the most sensitive pages and profiles in order to protect content and against copyright infringement.

Digital Rights and Compliance

Rai is always attentive to protecting and ensuring rights, including in the digital sphere. The activity, which involves all the corporate subjects responsible for the identification of rights and any authorisations necessary to guarantee the conformity of the production with the terms of the law, involved, among other things, identifying the correct method of application of the obligations deriving from the *rights exploitation guidelines* with regard to UEFA Euro 2020, as well as the consolidation of the relationship with the FAPAV-Federation for the Protection of Audiovisual and Multimedia Content and the launching of the SIAE authorisation request process for the use of repertoire material.

With reference to the fulfilment of obligations in the field of copyright and related rights, in addition to the support provided to the Teche Rai during the process of negotiating agreements with the collecting agencies of authors (SIAE) and artists/performers and phonographers (SCF), the process for periodically reporting on the works published on RaiPlay was defined.

Television production

The realisation of Rai's television editorial projects – general and specialised channels, news and sports – is entrusted to highly specialised internal professional staff and supported by the highest standards of technology, so as to offer the viewer a product which is always in line with the public service mission and at the level of quality, including technical, that this requires.

Despite the continuing health emergency, the first half of 2021 recorded a marked increase in production activities, resulting in a return to levels broadly in line with those before the start of the pandemic. While starting from March 2020 there had been a drastic drop in production activities – in particular in the entertainment and sports sector – 2021 was characterised by a return to full activity, despite the persisting constraints and operational limitations burdening the production models with longer setup times of the studios and a greater use of external links.

A particularly significant example of this trend was the production of the *Sanremo Music Festival*, which for the 2021 edition, in the light of the strict health protocols in place, required setup times increased by about 50% compared to previous editions.

Among the most important productions requiring the most effort in the half-year period were: the return of all the races of the *Alpine Skiing World Championships* in Cortina d'Ampezzo in which Rai was host broadcaster for the production of the international signal; the production organization of the coverage of the *European Football Championships*; the *Giro d'Italia*, in which the international signal was produced on behalf of RCS, as well as the customisations for Rai Sport; the development of preparatory activities for the production organisation and coverage of the *Tokyo Olympic and Paralympic Games*.

Technological Activities

Chief Technology Officer – Technological infrastructure

The CTO - Technological Infrastructure Area determines the company's technological requirements in the fields of the production, processing and distribution of audio, video and data content based on the objectives of the Business Plan, the specific business needs and national and international technological best practices, defining the architecture and equipment, systems, networks and services needed for the development of the Rai Group.

To deal more effectively with the two-year period now underway of strong renewal of the national broadcasting system, with the planned refarming of digital terrestrial frequencies and the evolution towards second-generation technologies, a radical revision of its organisational design has been carried out and the company structures most engaged in this technological evolution now report directly to the CTO.

In order to assign the frequencies of the UHF 700 MHz band to mobile telephony telecommunications systems, the refarming of the terrestrial television broadcasting system of Rai and the other operators provides for two evolutionary phases that are currently very close: the abandonment of MPEG-2 source coding (September 2021) and the transition from the DVB-T transmission system to the more efficient DVB-T2 (June 2022), with evolution towards HEVC encoding.

In the first half of 2021, in compliance with the Board resolution of 16 and 17 December 2020, an interdepartmental working group was coordinated for the completion of the complex activities of participation in the tender called by the Ministry of Economic Development for the assignment of the right of use of the additional transmission capacity available at national level, corresponding to half of a multiplex in DVB-T2 technology. The activities led to the award to Rai of this capacity, which is essential not to jeopardise, during and after refarming, the current technical quality and scope of the offering.

In a scenario made even more complex by the persistence of the health emergency linked to the coronavirus pandemic, with the resulting recession of markets and of the global and Italian audiovisual industry, the activities therefore focused also in 2021 on furthering technological projects capable of strengthening the company's resilience capacity, increasing productivity and accelerating innovation.

Refarming of the DTT platform and participation in the procedure for the assignment of additional transmission capacity at national level

In the first half of 2021 the activities outlined by the 2019 Budget Law (Law 145/18) containing the provisions for the achievement of the objectives related to the release of the 700MHz band and dictating the timing and approaches for setting up new terrestrial television networks (DTT) continued. In particular, following an intense coordination activity with the technical offices of the competent Directorates General of the Ministry of Economic Development – the technical and administrative activities to obtain ministerial approval of each of the plants (over two thousand for the "RN8" network and over a thousand for the "RN7") that will constitute the new Rai DTT Networks starting from the third quarter of 2021, were concluded, in line with the timing provided for by the Ministerial Decree of 19/6/2019 – so-called Roadmap.

Rai therefore participated in the tender for the assignment of the right of use of the additional transmission capacity corresponding to half of a national multiplex in DVB-T2 technology, a tender that ended with the award to Rai of a lot without specification of the frequencies.

Activities were therefore launched aimed at obtaining the specific rights of use with indication of the frequencies for the third DTT multiplex as a result of the integration with the additional multiplex medium that had been achieved as part of the conversion of the current DVB-T multiplexes into DVB-T2 technology multiplexes.

At the same time, operations continued on the project to extend the broadcasting service of the special-interest Multiplexes of the Digital Terrestrial Television platform aimed at expanding the coverage of the current Mux 2, 3 and 4 and at ensuring continuity of service to users also in view of the activation of the new DTT networks.

Analogue (FM, OM) and digital (DAB+) radio

With reference to radio, Rai continues to place great emphasis on protecting the analogue radio service (FM), the technical quality of which suffers from a lack of prior planning. The quality of the FM service therefore needs to be constantly monitored and, upon the occurrence of interference situations, protected through interventions at different levels of the Administration. These interventions may even lead to formal or court procedures.

With regard to DAB+ digital radio, activities deriving from compliance with the DAB must-carry obligations continued, i.e. the hosting on the DAB+ Rai block of the contents of independent national radio providers, through the transfer of the

necessary transmission capacity. In this context, the technical provisions for the transport of signals and transfer contracts have been defined.

During the first half of the year, a contract was signed with an independent radio content provider (FCRI) and an agreement is being concluded with a second provider.

From a technical perspective, Rai's DAB+ network is made up of 57 stations to date for a mobile outdoor coverage equal to 56% of the national population.

International technical activities and frequency coordination

The activity consists in the evaluation of the interferential scenarios produced by the installation and/or modification of transport and diffusion infrastructure both in Italy and abroad. Specifically, international coordination of frequency entails a planning activity to ensure harmonisation and compatibility with the use of spectrum resources between the countries to have signed the various coordination agreements. In the first half of 2021, over 40 frequency coordination requests from the Ministry of Economic Development were managed.

Rai also participated in many national (Ministry of Economic Development and CRTV Confindustria Radiotelevisioni) and international (EBU, ITU, CEPT) band management tables, and in the preparatory meetings of the 2023 World Radiocommunication Conference (WRC-23) whose main topic on the agenda will be the maintenance – in the long term – of the use of the UHF band for the DTT platform. In this context, activities were carried out that led to the definition of the EBU's stance on the need to confirm the use of the radio broadcasting band for DTT services in the UHF band. Consequently, Rai actively took part – in close coordination with the competent Directorate General of the Ministry of Economic Development – in the meetings within the CEPT (Conference Preparatory Group/Project Team D) and in the ITU (Study Group 6/Working Party 6A, Study Group 5/Working Party 5C, Task Group 6/1, SG1, where it holds the position of Vice Chairman).

Service management and contract with Rai Way

From the point of view of radio and television technologies, 2021 was a year characterised by two phenomena: the aforementioned reorganisation of radio and television frequencies (refarming), with transition to the second generation of digital terrestrial television, and the gradual resumption of cultural, sports and political activities that resulted in an increase in the demand for services from Rai Way.

Technological development initiatives

Many initiatives were launched to assess the potential optimisation of the DTT band and guaranteeing adequate video quality for the regional signal in the preparatory phases

of refarming and, subsequently, when fully operational. Among these, a technological cooperation agreement was signed with UNCEM (the 'National Union of Municipalities, Mountain Communities and Authorities') for the trialling of a system for broadcasting radio and television signals through a Fixed Wireless Access Multicast on IP protocol transmission mode, applied to urban settlements in mountain areas and/or with criticalities in terms of receiving audiovisual signals.

In the Municipality of Vernante (CN), where the design of a Proof of Concept has been started, Rai will make available the experimental service that can also be extended with value-added features in relation to the feedback of the identified users.

In the first half of 2021, initiatives to assess the possibility of guaranteeing users access to regional signals through integrated applications in an HBBTV environment continued.

Through the collaboration with CRITS, Networks and Platforms and Technologies, the implementation of a dynamic configuration of Rai's transmission capacity is underway that will increase the audiovisual quality of regional programming.

Specific compatibility checks of the user receivers (IDTV/ Set-Top-Box) were also started in order to guarantee the SLAs of the Concessionaire's service agreement.

The bandwidth optimisation analyses can also be re-proposed to be adopted on the satellite broadcasting platform and in the post-refarming phase, with DTT networks with higher transmission capacity, fully operating using DVB-T2 standards.

Standardisation and Special Projects

There was extensive participation in national and international technical bodies (e.g., European Commission, EBU, CEI, CENELEC, IEC, DVB, WRC, CEPT, ITU) and agreements with Public Administrations, Universities, Research Institutions, and Companies. Among the ongoing activities, suffice it to mention those with IAPB (International Agency for the Prevention of Blindness) aimed at identifying new technologies to improve the television use of visually impaired people; with the University of Perugia, to develop new models and cost-saving technologies in television production; one with UNCEM (the 'National Union of Municipalities, Mountain Communities and Authorities') aimed at trialling new ways of distributing television signals in the most isolated areas.

In terms of European funding, the state of planning and resources of the Horizon 2020 Community Programme (2014-2020) and the Horizon Europe Programme (2021-2027) was monitored, in close connection with other entities of the Rai Group and with other subjects involved. This preliminary work will allow us to formulate concrete proposals for participation in the upcoming EU technology calls.

Information and Communication Technology

The health emergency is forcing society to rethink its development model and companies to define new management methods. Technological infrastructure is therefore not an option, but becomes an enabling factor, since it is an integral part of business strategies. IT investments contribute to the implementation of business strategies, having the opportunity to adapt to a constantly changing context.

The sustainability goals can be achieved if there is a prudent governance of the company's digital transformation, while contributing to strengthening Rai in its role as a Public Service.

The digital transformation therefore has in itself an extraordinary potential to support the Company's business policies and also to guide the social transformation.

The experience gained during the health emergency to support the remote working plan has shown that the governance of technological platforms allowed employees to work remotely, ensuring the continuity of company operations, but also allowed us to imagine the adoption of new production models.

Monitoring in recent months has shown a stabilisation of access to company IT services from the outside: at the moment there are about 4,000/4,500 business users who remotely access information services every day and over 1000 virtual machines are made available daily for particular needs and situations.

The high number of people working from home is an indicator that confirms the positive impact in terms of flexibility, as well as generating positive effects in terms of the environmental (green economy) and social inclusion.

Technologies for mobile working are becoming increasingly relevant in production models, so in the first half of 2021 significant investments continued in this area, concerting with the Company innovation plans whose impacts cannot be limited to the technological field, but also involve cultural and organisational aspects.

Production models, including those that exploit mobility, cannot ignore the need to ensure the continuity of IT services; therefore, all the technological and procedural elements have been consolidated in the technological infrastructure to deal with emergency situations. These measures specifically concerned the updating and consolidation of backup platforms, middleware, data integration, information and access protection, and workstation management.

The issue of IT service continuity is particularly relevant with respect to the expansion of the Rai offering on the web, which seizes the opportunity of multi-channel development and distribution innovation, affording increased communication capacity with the public internet network.

Focusing on the issues of exploitation of the potential offered by the dissemination of digital channels and use also in live streaming mode with contribution through the IP network, efforts were focused on the project *Disaster Recovery Web Farm and internet Node*, which aims to create the disaster recovery infrastructure of the RaiPlay platform at the Rai headquarters in Turin in Via Cavalli, to ensure the Company redundancy of equipment and internet access not only via Rome, in Via Teulada. The initiative included interventions on the web farm components, internet node, network security, and traffic balancing.

The decision to make certain infrastructure components redundant is an indispensable element, since the digital transformation exposes companies to phenomena potentially capable of compromising the quality of service in terms of accessibility and continuity. This need emerged clearly when the infrastructure used for the *Viva RaiPlay!* programme were designed and implemented. Having recorded considerable public success, it highlighted how essential it is to consolidate exposure to the big internet to increase the safeguard of the effective and efficient supply of the offer.

The availability of redundancy is just one of the factors that increases the level of resilience of company information systems with respect to the occurrence of endogenous events – for example, the impact of the new Rai business models – and exogenous – for example those related to security incidents.

1. Data Center in Via Cavalli (Turin)



In general, in the ongoing digital transformation the issue of security is central; knowledge and risk management, as well as the ability to consciously address the challenges posed by digital technologies, are critical success factors.

The governance model of technological assets has made it possible over time to achieve an adequate level of protection against malware risks, contributing to the protection of the company's information assets through the design and implementation of interventions aimed at security and compliance with the reference regulatory framework. Following the compliance and IT risk assessment activity, the periodic assessment of the level of IT security and ICT risk allows updating the organic security plan, which contains all the initiatives aimed at ensuring the alignment of policies, processes and technical procedures, as well as technologies aimed at raising the degree of protection against cyber risk.

In line with this provision, in the first half of 2021, new perimeter security services and identity and access management services to ICT services were integrated into infrastructure. In this context, it is worth mentioning the SCC – Security Coordination Center for the coordination of IT Security activities, which maintains relations with the CNAIPIC (Italian National Cybercrime Centre for the Protection of Critical Infrastructures). It was set up to analyse information, also from external sources, to gain the proactive capacity to intervene and to mitigate the risks associated with the compromise of normal operation of the Company's critical services.

The introduction of new technologies and related services represents an opportunity to optimise operational processes, paving the way to effective and efficient production models. The lion's share of the investments went to the continuation of the consolidation of the platforms supporting business processes, in line with the scenarios agreed with the company stakeholders. In particular, with the aim of optimising the life cycle of product planning, a significant effort was made to further the evolution of systems to support editorial and economic planning processes and production resources:

- in terms of editorial planning, the release of the shutdown of Radiocorriere for Rai Sport 1 and 2, Rai Storia and Rai Yoyo was completed, laying the foundations for extending the

feature also to Rai Gold channels; moreover, the activities for the recovery of the Media and that of managing the so-called "Primary Signs" continued;

- as part of the management, administrative and management control processes, the new systems for economic planning and financial planning of Rai and its Subsidiaries have made it possible to successfully simulate, in parallel with the old instruments, the closure of Financial Year 2020 and the 2021 First Budget Adjustment.

An initiative called investment planning was also launched with the aim of optimising the management of information on this field, taking advantage of the possibility of coordinating information from the company stakeholders involved.

- following the definition of the new logical model of business accounting of the TV Production Department, the development work for the creation of the support system and integration towards the separate accounting system continued.

The re-engineering of the integrated planning system, in addition to tapping the potential offered by the new version of the technological platform, was an opportunity to optimise operational processes, seizing on the indications for improvement from user experience;

- with regard to the planning of production resources, the activity to optimise integration with the company ERP continued; moreover, to support the external light filming and editing services, a pilot phase was launched for the management of publishers' requests at some Rai editorial offices;
- with regard to the issue of business process integration of macro-processes of editorial, economic and production resource planning, a first result was released on the management of planning master data.

An inter-company Working Group, consisting of RaiPlay and Digital, Communication, Licence Fee and Artistic Heritage and ICT developed a scenario for the evolution of the Rai CRM system, with the aim of enhancing the integration and centralised coordination of the various company touchpoints (telephone, web, social, mail, app). The new system, taking advantage of an advanced technological architecture, will be able to respond to the need to improve interaction with citizens and the ability to take advantage of the information deriving from it.

1. Integrated Planning System Screen



In addition, in agreement with the Italian Tax Revenue Office, an innovation scenario was designed for the platform for the management of the ordinary licence fee, consistent with the evolution of the reference regulatory framework, which encourages the use of the electronic channel for communications with users and promotes the digitisation of documents to drastically reduce the time and costs of managing correspondence. In the first half of 2021, a first phase of the project was launched, providing for the functional and technological review of the accounting management of the user's account statement, which will manage the accounting transactions for the taxpayer to have updated situations for the purposes of Rai processing and for communications to the Italian Tax Revenue Office.

In response to the needs expressed by the company's lines of business, design paths were launched to improve the services already available and to build specific solutions to be integrated into the overall application architecture:

- optimisation and evolution actions have been carried out on the company ERP for accounts receivable and payable invoicing, allowing the transition of the management of invoices to the Rai - SdI (Interchange System) channel. The management of Rai Cinema's reports was also released in a testing environment;
- an initiative is underway which, in accordance with the provisions of the Rai Service Agreement 2018-2022, will allow access to the Rai multimedia catalogue by universities, schools, public bodies and non-profit associations, under specific agreements stipulated for cultural, educational and institutional purposes. The same solution, albeit with different purposes, will also be extended to Rai Com buyers allowing the consultation of multimedia material kept in Rai's archives, with the security safeguards required by the context;
- in the field of systems to support the purchasing of goods, works and services, an initiative was launched for the management of the supplier list;
- in the first half ICT managed the platform for voting on the member of the Board of Directors elected by Rai employees and was part of the technical secretariat that assisted the electoral commission;
- the configuration and parameterisation of the IT services necessary to start the operation of the Channel in English

were carried out;

- the design for the upgrade of the integrated TgR production systems was completed; the technological renewal will concern the Regional Offices, the Production Centres and the Regional News Service;
- connectivity services were created for the new Rai Pubblicità office in Padua.

Confirming a particular attention to the issue of the progressive digitalisation of operational processes, the pilot project for the use of digital signatures was completed, with the prospect of extending the solution to the signature log process of television resources and to the purchases of sports broadcasting rights.

In addition, several initiatives were launched to ensure the technological upgrading of Rai's software assets that manage the main business processes in the publishing and production sectors.

The provision of services is the central issue of enhancing and appropriately managing the information assets generated by data, now considered as valuable corporate assets. The development of big data algorithms has allowed the Company to harness the knowledge deriving from internal and external information sources. The main initiatives in this context were:

- consolidation of services for the sentiment survey on Rai programmes (*SARAI, Instara*) through data from Twitter and Instagram and *M.Emo.Rai*, which, using artificial intelligence algorithms, supports the analysis of emotions aroused by television programmes; an initiative for measuring the use of Rai online videos and competition is also being launched;
- development of a dashboard for the Schedules Department for the analysis of planned and transmitted data;
- Collecting analyses on copyright reporting;
- development of a data warehouse system for Rai Pubblicità, which will allow better intercompany governance in the future;
- evolution of the new CRM system for Rai Way for the management and sale of transmission circuits/links, which involved the makeover of the CRM system and integration with the Group's ERP.

A fundamental requirement in the design of data management

1. *M.Emo.Rai* System Screen



platforms is processing speed, which supports the central role of computing, storage and connectivity infrastructures. In this regard, investments were made for the adoption of systems and technologies mainly oriented towards virtualisation, according to a model aimed at consolidating on-premise infrastructure platforms within the Rai data centre and at the same time launching targeted paths to introduce the hybrid cloud paradigm. In addition, with regard to network and voice services, the activities of periodic upgrading of the equipment continued, as well as the renewal due to obsolescence of the sites in Borgo Sant'Angelo, DEAR, Salario 1 and 2, Naples Production Centre and Mazzini Executive Centre.

ICT ensures continuity and reliability in the provision of services to Rai and the Group Companies through the supervision of technological infrastructures (application, processing, communication). At present, a total of 323 services are managed, of which 297 are provided directly to employees.

In this framework, services for events were designed and provided, first of all for the *Sanremo Music Festival*, ensuring connectivity and transport on the IP network, the provision of WiFi services, VoIP, the configuration of network equipment, the construction of cabling, on-site and remote support, access and accreditation control systems, and the supply of workstations. The contribution to the first *Festival Rai per il Sociale* in Spoleto and to the *United Nations Pre-summit on Food Systems UNFSS* was particularly important.

Research and Development

Rai's Research and Development activities are carried out by the Technological Innovation and Experimentation Research Centre Department (CRITS) and focus on the experimentation and implementation of new technological solutions in the field of production, distribution and multi-platform services, with a view to the ongoing improvement of the services offered.

These activities refer to the technological and legislative context that characterise, currently and in the future, the audiovisual world both nationally and internationally.

From a regulatory standpoint, the reduction in frequency resources by 2022 and the resulting necessary evolution of digital terrestrial television have had a significant impact, while from a technical perspective there are many new technologies that are gradually transforming the way radio and television are made, including the following:

- classic display systems with increasingly advanced features in terms of spatial definition (UHD-4K or Ultra High Definition-4K), temporal definition (HFR or High Frame Rate) and vision quality (HDR or High Dynamic Range);
- new types of user devices (smart TVs, smartphones, PCs, etc.);
- the IP technology that is becoming increasingly common in the world of radio and television production;
- the introduction of new transmission methods allowing for the increasingly widespread and targeted broadcasting of radio and television content (expansion of fixed broadband, 5G technologies for mobile broadband networks, etc.);
- the pervasiveness of artificial intelligence in a wide range of fields, from content analysis, indexing and processing to content encoding and the independent production of virtual content.

These issues are developed in close synergy with the other company departments and also in collaboration with third parties, within funded projects and within international organisations.

Funded projects – Patents

Work continued on the Horizon2020-5G-TOURS project, which provides, together with partners such as TIM, Ericsson, the Municipality of Turin and the Fondazione Musei, for the study and development of applications in the media sector, such as remote production and immersive media, which will exploit the 5G network infrastructure in Turin made available by the project partners. In particular, CRITS contributed to the creation of the infrastructure to support the production and distribution of a concert with orchestra and travelling musicians.

The first half of 2021 also saw the launch of the H2020 5G-RECORDS funded project, which aims to study and integrate a remote production platform based on 5G networks. In this context, CRITS contributed to the design and testing of emerging systems and equipment for production and their

1. Control Room
in Via Cavalli (Turin)



integration between the studio/control room and the remote site, connected through the 5G network and the internet.

In addition, the executive phases of the H2020 AI4Media project were launched, aimed at studying and developing artificial intelligence technologies and systems to support the media sector. CRITS provided fundamental contributions to the definition of the functional requirements of the project and started a first phase of analysis of the business requirements related to the relevant technologies based on which it also started a series of collaborations with project partners on issues of specific interest to the company.

With regard to the CRITS patents, in particular those essential for the DVB-S2, DVB-S2X and DVB-T2 standards, the support activity to Rai Com for their commercial enhancement continued.

Production systems, audio-video coding and artificial intelligence

New technologies and appliances were developed and analysed able to handle very high quality television signals all along the production and distribution chain, paying particular attention to standardisation problems of new formats, also with a view to a pervasive transition to the IP technology.

Study and experimental activities aimed at understanding the maturity and concrete applicability of emerging standards, such as SMPTE 2110 and AMWA NMOS continued, including through laboratory tests and developments and the participation at events organised by national and international entities. In this regard, during the first quarter of 2021 there was an active participation in a remote control room testbed in collaboration with EBU and Eurovision on the occasion of a competition of the biathlon world championships.

In the field of production based on new technologies of mobile vehicles, design and trial activities of advanced shooting systems with drones continued, in particular with regard to sensors and systems and components supporting automatic shooting.

In the first half of 2021, support to Networks and Platforms continued for the broadcasting of the trial channel Rai 4K via satellite, both in terms of signal encoding and providing technical advice for the production of programmes in UHD-4K format.

To support the diffusion of UHD television formats that require high bandwidth capacity, research is continuing on video coding techniques based on deep neural networks, also with a view to contributing to the future technical-scientific development of

international standards (MPEG, ISO-IEC, ETSI). In this context, a prototype of a video encoder entirely based on neural networks is being developed; this activity is taking place in synergy with the Politecnico di Torino thanks to a doctoral thesis funded by Rai.

As part of the DigiMaster archive digitalisation project, the Rai Departments involved established regular collaboration, with the aim of improving the migration process. Development activities aimed at digitising films and testing solutions for the quality control of digital master files continued. The problems of migration, protection and access of digital content with respect to the technological evolution of storage methods continue to be the subject of upgrades, analysis and design also at international level with the involvement in the international association of FIAT /IFTA television archives.

Speaking of advanced content management systems, in the first half of 2021 the design and implementation of a speech transcription and translation system was launched to support the production of English subtitles, in collaboration with the new English Language Channel. This development is based on the platform for the integration of artificial intelligence (AI) cloud services, called Rai Media Cognitive Services (MCS).

In the field of flexible tools for indexing and real-time searches on video streams based on MPEG CDVS technology, an extensive experimental validation campaign continued and the analyses continued to identify cases of corporate interest for the application of AI technologies. Once the design phase of the AI service orchestration infrastructure was completed, CRITS also concretely supported the testing phases of commercially available services and contributed to the definition of the functional requirements for the procurement of systems and services that extend their potential and sustainability.

With the collaboration of Rai Teche, the trial of systems for the semi-automatic creation of training datasets for facial identification technologies continued. Experimental studies also continued in the field of automatic classification systems based on deep neural networks (deep learning), particularly in the area of automatic programme segmentation: These systems enable documentation cost optimisation and increase the potential for exploiting content.

Studies and trials continued in the field of NLP (Natural Language Processing) based on deep learning technologies, mainly for classification and text enrichment applications. In the same period, studies and experiments were launched in the field

of visuo-linguistic tasks, i.e., AI systems capable of integrating the knowledge of natural language and artificial vision for the solution of complex tasks.

The development and experimentation activity in the field of AI has been corroborated by theoretical studies in the field of the use of archive data as training datasets and in the field of automatic identification of editorial events to support content segmentation.

The 3D scanning activity for augmented/virtual reality applications and as a support to television production continued. 3D scans and reconstructions of some objects and environments of Palazzo Madama in Turin were carried out as part of the European project H2020 5G-TOURS.

Participation in a project of the IBC Accelerator programme, led by EBU and RTE, is underway with the aim of creating a motion capture chain using low-cost devices with the possibility of working remotely and having a feedback of the final result in real time.

The work of supporting the videographics for the positioning of virtual scene elements during live programmes continued with the creation of a network of sensors for the detection of the position of people inside a television studio and trials are underway, in collaboration with the Production Centers of Turin and Milan, for its application in augmented reality contexts.

On the basis of the positive trials of recent years, the Rai Bridge system, which allows enhancing linear television with synchronised content usable by the user on smartphones and tablets, went into full operation with a view to proposing the introduction of the service in the company. The system is now able to support companion screen productions, including continuously, linked with generic programmes both live and broadcast online.

In collaboration with ICT, the industrialisation and commissioning of a production platform geared towards data journalism continued; it is based on Hyper Media News and Concept Book systems, also developed by CRITS. The front-end of the system, the interface component with users, was released during the second half of 2020, while the back-end, i.e., the engine for data processing, indexing and aggregation, was engineered in the first half of 2021 and is in the final release phase.

In the first six months of 2021, the study activity continued, in collaboration with various company units, of an automated

access system to the company's content description databases (multimedia catalogue), aimed at facilitating access and enrichment of data in different company application contexts.

Interactive and multi-platform services

In the field of applications on connected TV, CRITS, in collaboration with Rai Play and Digital and with Networks and Platforms, provided for the constant maintenance of the RaiPlay application on the HbbTV platform and the optimisation of performance and user experience.

During the first half of 2021, the section dedicated to the European Football Championship 2021 was added, which provided users with specific features such as, for example, the consultation of the match schedule and, during live matches, the possibility of viewing results and game statistics, as well as selecting footage from different angles provided by alternative cameras.

Also in the context of smart TV services on the HbbTV platform, the development of the new Rai TV+ application was completed, an innovative service that combines the contents of linear TV with those of the on-demand offer. The new application, launched during the European Football Championships in 2021 and available on the more than 7 million televisions featuring HbbTV technology currently present in Italy, allows you to access the programme guide, have in-depth information on the programme you are watching, view it again from the start through the restart function, or view again programmes already aired on RaiPlay. In addition, Rai TV+ allows you to access at any time the latest national news editions and to select the various TgR local editions.

As part of the activities concerning the accessibility of Rai content, the experimentation of the automatic subtitling service of TgR Piemonte continued, with the aim of evaluating the potential use of automatic speech transcription technologies in the production process of subtitles for different types of content.

The development of the Virtual-LIS platform continued, aimed at the production of content in Italian sign language through a virtual interpreter that communicates in sign language through the digitised signs in the sign language database. The platform was perfected with the addition of the Didattica-LIS module that makes it possible, through a web application, to learn the Italian sign language and to produce new content.

Didattica-LIS, which won the Digital award at the Diversity Brand Awards 2021, will make it possible, thanks also to the collaboration with associations and educational institutions, to

expand the database of sign language signs and enrich the offer of content achievable with the platform.

In the context of innovative services in the radio field, the Hybrid Content Radio application, developed for the use of a personalised schedule with a mix of linear and on-demand content, was updated and the development of applications that allow access and navigation through voice commands using smart speakers or voice assistants continued. In this context, in collaboration with Networks and Platforms, a demo was created that made it possible to verify the feasibility of a proprietary Rai voice assistant to browse the RaiPlay catalogue, based on open-source systems for speech recognition.

With the implementation of the new Frequency Plan (PNAF 2019, or refarming of the 700 MHz band), the Rai regional multiplex, which currently carries only one instance of Rai 3, will have to extend coverage to several regions and therefore will carry two or three replicas of this network, whose programming differs only during the transmission of regional programmes, on average one hour a day. CRITS developed a technical solution that, by exploiting specific properties of DVB receivers, allows guaranteeing adequate video quality to the third network, through a dynamic use of video bandwidth, transmitting a single Rai 3 signal in HD quality in the hours of national programming and multiple regional Rai 3 signals in SD standard quality in the hours of regional programming, in a completely transparent mode for receivers.

Distribution systems and networks

Work continued on the study on the development of terrestrial distribution networks, with specific reference to the introduction of broadcast modes in next-generation 5G mobile technology. In this context, CRITS participates in the activities of the 5G-MAG group to promote 5G Broadcast technology and promote the introduction on the market of terminals compatible with the new standard.

Studies and trials also continued. In particular, as part of the H2020 5G-TOURS European project, a 5G Broadcast trial is being planned from the Turin Eremo transmitter and across the Valle d'Aosta single-frequency network.

With a view to expanding the possibilities of access to the Rai offer through the OTT distribution of multimedia content on broadband networks, CRITS participates in the activities of the European consortium DVB (Digital Video Broadcasting), which has defined the new *DVB-I* standard for the distribution on the internet of TV services usable by users, on connected

televisions, in a way that cannot be distinguished from traditional broadcasting services. CRITS, which is now involved in DVB activities to extend DVB-I to 5G broadcast and broadband technologies on mobile devices, led the definition of the new DVB-HB (DVB-Home Broadcast) standard, which provides for the local conversion into IP format of traditional broadcast signals (digital terrestrial or satellite) for the fruition at home of television content on devices such as smartphones or tablets. Finally, to align broadcast technologies with OTT technologies, Rai is participating in DVB activities for the definition of a new standard for satellite and terrestrial distribution in native IP format, as an alternative to the format currently used for broadcasting.

As part of the Rai-UNCCEM agreement (National Union of Municipalities, Communities and Mountain Authorities), activities continued to combat the digital divide between urban areas and mountain areas and allow the reception of Rai radio and television signals in the most isolated areas, not reached by digital terrestrial, as an alternative to TivùSat satellite broadcasting. The first phase of the project, which saw the trial of a system based on the use of FWA (Fixed Wireless Access) technology on IP protocol, continued and alternative solutions based on new technologies, including 5G, the DVB-HB standard and Native IP, are now being studied.

In the radio field, studies continued on the DAB+ digital radio system, which is supporting the current diffusion in FM frequency modulation. In particular, in view of the must-carry obligations, which provide for the sale by Rai of 25% of the total capacity to national third-party content providers, changes to the DAB multiplex structure were studied to meet the requests. As part of the project to extend coverage inside motorway tunnels, a software simulator is also being developed to model tunnel propagation.

Networks and Platforms

DTT platform refarming and satellite operations

In the first half of 2021, the monitoring of the service levels reached by the Network and the trend in the realization of orders to Rai Way continued, the most significant of which provides for the strengthening of broadcasting/transmission services with the extension of Mux 2, 3 and 4 coverage.

At the end of June 2021, the Mux 2, 3 and 4 network was extended to 596 of the 600 planned sites.

There are also many technical evaluations regarding Rai Way's service offerings related to the extension/modification of terrestrial broadcasting networks and the satellite platform (DTT, DAB+ SAT, MF). Among these, the satellite broadcasting services of the new Rai Inglese channel and the continuation of must-carry on the DTT and DAB+ broadcasting networks.

Tests and laboratory experiments continued to identify the most effective configuration of satellite transponders for the DTH broadcasting of Rai programming.

With regard to the refarming of the 700MHz band, hypotheses were defined for the reconfiguration of the post-refarming DTT MUXs in relation to the quality perceived by users and the availability of transmission bandwidth. Simulation analysis in the laboratory gave a decisive support to company decisions, especially regarding the composition of the macro-regional MUX. In fact, trials continued throughout the first half of 2021 on the possibility of achieving optimisation in the use of the transmission band on the terrestrial platform with the preparation of suitable test beds for the possible commissioning of these optimisation techniques that involve the programming of Rai 3 at national level in coordination with regional and local programming. In the light of the flattering results obtained, the possibility of applying bandwidth optimisation techniques also to the satellite platform is being assessed.

Intense and constant control activity on the quality of the DTT broadcasting platforms carried out by the laboratory, whose potential is being increased with a view to establishing a single efficient monitoring hub of the technical quality provided by all Rai platforms. In addition, technical trials continued, also in the first half of 2021, with the production of UHD films and 360° UHD photographic footage as well as the use of new technical supports (storage, cloud computing) for 4K and 8K productions, while pursuing an action to transfer the acquired know-how to the company production chain.

The monitoring of the parameters of technical availability of the broadcasting networks and of the inefficiencies that occur on the systems continues with the constant commitment to an adequate information response. The systematic evaluation of appropriate indicators that measure customer satisfaction helps to constantly monitor and improve the company's effectiveness on issues of technical service quality. To this end, the Quality Control System (SCQ) is used with probes installed in the area whose activity will also be enhanced by the full implementation of the project for the acquisition of data from Radio Rai services, launched in the first half of 2021.

In the vast field of refarming, and the relationship with users for the use of the service, it should be mentioned the Rai Smartcard project continued in the first half of this year. It provides for the creation and distribution of a smartcard suitable for the decryption of Rai programmes broadcast on a satellite platform and is among the technical measures put in place to allow the correct viewing of the Public Service channels to those who may have critical reception following the restructuring of the terrestrial television broadcast networks.

Checks were carried out on the characteristics of the satellite signal for the broadcasting of the Rai channels and on the configuration and management parameters of the channels and work was carried out on satellite LCN (Logical Channel Numbering) to add/modify channels present on the TivùSat platform.

Software updates of satellite decoders with TivùSat certification and of CAMs were disseminated via OTA by inserting the update software on a portion of transponder 124. Likewise, the electronic programme guide (EPG) for the channels on the TivùSat platform was included/updated daily.

In collaboration with Rai Com, various projects were defined and implemented, including those aimed at distributing Rai Italia signals in Asia (Hong Kong), Africa, Australia, North and Central America.

Following the renewal, in the last half of the year, of the lease of satellite capacity for the broadcasting of Rai channels and simultaneous reduction to three satellite transponders, the bit rate of some channels was optimised to improve reception quality.

Further solutions, already identified for terrestrial broadcasting, are being tested in the laboratory for the verification of the applicability to satellite broadcasting.

Web farm, application developments and Digital offer

In terms of the digital offer, in the first half of 2021 the development and enhancement of the web farm infrastructure continued to support the growth of internet users served and the enhancement of the user experience.

The production services of multimedia content were adapted to the new editorial logic of the offer and sized to support the greater processing and user load.

The provision of services in multiCDN mode, i.e., a geographical distribution of streaming content and web pages through different providers and technological models, was started and

consolidated.

In collaboration with ICT, the project for the construction of a secondary site in Turin for the disaster recovery of the web farm was launched and the consolidation of application services and infrastructures is underway.

On the application development front, a *Uefa Euro 2020 Special* was created on the RaiPlay app, which, from a technological point of view, can be considered as a real "app within the app". To this end, event management services were set up, including security mechanisms and obligations on the production of audiovisual content.

The definition of the new offer for RaiPlay Sound audio content whose release is expected in the second half of 2021 was started, the integration of multimedia production systems and the evolution of distribution systems on the IP network were carried out, and the management of services for the new environments was prepared.

As far as the information offer is concerned, the broadcasting plan of the TgR web project is underway with the go-live of the TgR Basilicata website on 28 June and that of TgR Liguria on 26 July and, in collaboration with Rai Academy, the simultaneous training activity for editors with teaching in the virtual classroom or through the provision of training content on an e-learning platform.

A major effort was made in the conception, design and implementation of the Rai Single Information Portal that will integrate, not only the Rai generalist newsrooms but also the current TgR web, creating a single digital information centre for users.

Support activities were also carried out for the editorial offices of Rai Pubblica Utilità and RaiSport for which the web specials for the *Giro d'Italia*, the *Tour de France* and *UEFA Euro 2020* were created.

The technical integration with the European Broadcasting Union Recommendation Box platform, within the Rai News 24 portal, was also carried out for the sharing of information content between the various European broadcasters.

Work also began on the creation of a site for the management of the request for free Rai smartcards as provided for in the Rai-Ministry of Economic Development contract, an activity that will be concluded by the end of this year.

Strategic development of platforms and data governance

In the first half of 2021, implementations were launched for the metadata project based on artificial intelligence that involves the in-house creation of an orchestrator with the aim of recalling off-the-shelf tools in the cloud and tools developed ad hoc for the needs of a media company. This project is part of the need to boost the functionality of the company's BI - recently entered production - and to support the embedding process of the RaiPlay player in third-party sites to increase the use of Rai digital content, with an associated benefit in terms of advertising sales.

Again on the subject of advertising sales, the preparatory activities for the start of targeted advertising on connected TVs, which required a preliminary phase in terms of consent management before starting the technical instrumentation phase along the content delivery chain, were started.

Technical trials are underway aimed at providing Rai with a proprietary voice assistant, as a starting point for the development of advanced human-machine interfaces.

The strategy aimed at providing Rai with a proprietary CDN, a tool both to strengthen the distribution of its content and to contain current expenditure for delivery over IP protocol, is being defined.

The negotiations on the privileged positioning of RaiPlay and Rai content in the most widespread platforms and ecosystems in the market to increase the digital traffic of the Public Service are almost completed.

A broadcast linear curve measurement service is being studied that will allow Rai to have access data to live broadcasts via HBBTV in real time, as well as the definition of strategic lines to support the apocalypse cookies (the blocking of third-party cookies useful for advertising campaigns) scheduled for 2022-23.

Work continued in international groups (EBU, WorldDab, HD Forum Italia, HBBTV association) to route the technical and regulatory development guidelines of networks, platforms and services to protect company needs and participation in the working tables of Marketing, Digital, Auditel and Audiweb and in the tables of the Politecnico.

Technologies

The process of technological innovation of the systems of the

production centres, of the regional and foreign offices and for external shooting continued, following the industrial context of market innovation, with the aim of:

- to complete the transition from SD to HD production and to deal with UHD production in a structured way;
- gradually migrating from traditional SDI production technologies towards IT and IP technologies in the processing and transport of audio video content, both files and live, according to a multi-platform approach.

The first half of 2021 saw the completion of several renewal initiatives, as illustrated below, broken down by technical area.

Channel broadcasting, central controls and networks

As part of the activities to support the broadcasting of television channels, the technical resources of the new transmission station in UHD technology and the new off-tube room at the CPTV Fabrizio Frizzi for the airing of the Rai 4K channel were activated. In addition, the technical tools necessary for the production of subtitles and their airing for the new English Language Channel were designed.

Work continued on the disaster recovery system for generalist television channels, based on the use of technical synergies between the Rome-Saxa Rubra and Turin-Via Verdi systems. Similarly, a design hypothesis of a cloud solution for the disaster recovery of special-interest channels was developed.

As for the systems to support the airing of advertising, the new portal for receiving content in file format and broadcasting it in HD was activated.

The refarming of the coding platforms for the broadcasting of Rai channels on Digital Terrestrial, provided for following the Ministry of Economic Development plan for the transition to DVB-T2 technology, involves the need to optimise the use of transmission capacity, in order to allow an adequate level of the technical quality of the service offered to users. To this end, a signalling mechanism was designed, in close collaboration with Networks and Platforms and with CRITS, which allows the automatic switching of the signal sent to users between national HD transmission and regional transmission.

Many projects are underway. These included: the strengthening of the infrastructure for television connections at the Production Centres in Rome with the redesign and renovation of the connection systems between the Nomentano and Saxa Rubra sites; the evolution of connections and video switching infrastructure for the complete management of signals in UHD

standard; the redesign of the LTE connection reception system at the CPTV in Rome with the upgrading of the existing digital vision network system at Saxa Rubra and the replacement of the analogue one at Teulada; the new general intercom system at the four Production Centres; the renovation of the infrastructure for the generation of Teletext Services; the updating of firewalls and balancing equipment on the entire network infrastructure.

There are also many projects aimed at subtitling programmes. These included: the activation of the teletext subtitling service on Rai Italia channels; the subtitling of TgR editions through live stenotype and experimental automatic stenotype for TgR Lazio news editions.

With regard to IP networks to support production processes, the renovation of core and aggregation nodes and of distribution infrastructures continued at all the Production Centres, and the band was expanded at production facilities, as a preliminary activity for improving the quality of the product, also in view of the migration to the UHD TV standard.

In this context, the complete redesign and renovation of the network infrastructure at the Nomentano site, along with the renovation of the facilities of the television studios, were completed.

In addition, the activation of the new network configurations at the regional offices is underway, in coordination with the activities of the project to renew the systems to support the production of the news by regional newsrooms.

Design and configuration activities were also carried out to support network connectivity for the production infrastructure of the major events *Cortina 2021* and *Tokyo Olympics*, in collaboration with ICT.

Finally, trials continued, at the level of connection infrastructure, of the transport technology of video/audio signals over the IP network also in view of a possible experimental interconnection with similar systems managed by Rai Way.

IT infrastructures for the processing and storage of audio/video content.

The evolution of the management infrastructure of digitised products is underway with the aim of simplifying workflows and adapting them to changed business conditions, also in light of the needs that emerged following the Covid-19 emergency. In this context, the first core of the new system for process orchestration was released into production, with a

specific application in the context of services dedicated to the movement of video/audio files.

During the first half of 2021, in collaboration with the Teche Rai, a technical review from an evolutionary perspective of the digitalisation flow of the archive programmes (Digimaster project) was launched and the design of the new flow for the archiving of content from the digitalisation of the archives of the Regional Offices was started.

The infrastructure of the Media Asset Management system is being upgraded with the aim of enhancing the technical resources dedicated to the processing of the contents managed by the editorial staff and to evolve the system towards complete redundancy between different company sites.

The new storage infrastructure for the areas near the broadcasting of the Turin production centre has been completed while the renovation of the centralised storage areas of the Rome production centre (Teulada and Saxa Rubra) is being carried out.

In collaboration with the ICT Department, testing and integration between the production infrastructure on Media Factory files and the On Air programme management system continued, in order to automate the publishing and production chain to support airing.

In the field of IT security, the secure data erasure service was activated in order to comply with the specific regulations on the subject and an assessment of vulnerabilities of the infrastructure was carried out to take specific measures to mitigate the identified risks.

Specific project initiatives were launched to evolve the basic infrastructure according to the renovation cycles provided for by the technologies used (e.g., tape library, virtual infrastructure, servers, storage, etc.).

Production, post-production, graphics and light mobile links systems.

In the first half of 2021 too, extraordinary production support activities continued during the Covid-19 emergency, developing remote working solutions in the news and programmes area; in particular, the trial infrastructure for the remote editing of national and regional news and programme production for the networks was implemented.

As part of the project to secure and renovate the National News

systems, the migration of the ISIS model AVID storage to the new NEXIS storage for all national newsrooms was carried out. The renovation of the 44 editing rooms serving the Tg news at Saxa Rubra and Fontanella Borghese was also completed, with the replacement of workstations, monitors and software updates and the virtualisation project of the entire National News server infrastructure is underway.

In the Field of Regional News, the renovation of storage continued with the installation and release in operation at the TgR editorial offices of Tuscany, Trento, Bolzano, Valle d'Aosta, Liguria, Lombardy, Molise and Piedmont.

The complete technological overhaul of the production systems (Dalet technology) is underway, with the transition to the Galaxy 5 version. In this context, the Sede Zero permanent system was created at the CPTV in Rome Teulada, aimed at testing new versions and carrying out drills remotely during staff training courses. In addition, the executive design and porting of the graphic templates for the renewal of the title sequence creators were completed, with the provision of courses to the graphics units and technical services of the CPTV of Turin and Naples and the relative release of the graphic design workstations.

Also in the field of regional news, workflows were implemented to support the integration of production systems with the new web portal for the enabled TgR newsrooms.

In the field of networks and programmes, the roll-out of two digital audio post-production systems in Avid ProTools technology and two new test rooms for purchased programmes at the CSS Salario 1, in native UHD technology and with specific construction works for the optimisation of ergonomics and acoustic performance, was completed.

The renovation of the studios of the CPTV Nomentano Fabrizio Frizzi in Rome is underway, with the creation of new post-production, graphics and editing areas.

In the ENG area, the assignment of camcorders using new formats in the news sector and for playback and recording devices based on the XDCAM standard.

The activity of maintaining the editing/field editing workstations and the ENG shooting systems and accessories also continued, in addition to the implementation needs related to the Covid-19 emergency and the upgrading of the equipment for the ITA satellite stations of the regional offices.

Studios and Control Rooms

As for the activities in the production centres, work begun on the construction of the new production facilities at the CPTV Fabrizio Frizzi Nomentano, which include, among other things, for the studio area, also five new control rooms in 3G HD standard in a UHD-Ready infrastructure.

The technological adaptation activities also continued for the TgR studios at the regional offices and the design for the renovation of the television control rooms of the Florence and Cagliari offices was started. The upgrade to HD technology of the video mixers in 11 TV control rooms of the TgR studios at the regional offices was completed and the one for the cameras in the Bolzano and Trieste studios is underway.

External filming

The asset upgrade plan continues with the aim of technological adaptation to HD and UHD/HDR standards.

In this regard: some satellite stations have been upgraded to HD; the realization of a mobile control room in 12G technology for UHD productions, equipped with 8-10 cameras, and that of an SNG vehicle with 12G technology for UHD production, equipped with 4 cameras and satellite uplink, began; the realization in UHD technology of the RM3 mobile control room vehicle, equipped to manage important television productions, was completed; seven new light vehicles with KASAT uplinks are being built for the news contributions of the regional offices; they are equipped to make live broadcasts and carry out field editing activities.

The design in HD standard of the shooting system, of the new control rooms and of the studio is underway at the institutional site of Palazzo Madama and studies are underway to adapt the electrical system and the shooting stations inside the Palazzo del Quirinal in Rome.

Top technologies for broadcasting, such as instant replay systems, fibre optic transmission systems, intercom systems, cameras and optics, were used for the realization of production systems for major sports events in 2021.

Electrical installations for stage lights

Work is underway at the CPTV Nomentano on the integration of 3 classic lighting directors and 4 new lighting stations in the stalls and the construction of the new lighting system at the TV studio of the Sicily regional office in Palermo is being planned.

Transmission and distribution activities

Rai Way is the company in the Rai Group that owns the infrastructure and systems for the transmission and broadcasting of TV and radio signals. Listed on the Stock Exchange (MTA) of Borsa Italiana since 2014, Rai Way is a leading provider of integrated network infrastructures and services for broadcasters, telecommunications operators, private companies and public administrations. It uses its assets and expertise to transmit and broadcast television and radio content for public service broadcasting and for its customers both in Italy and abroad, leveraging an excellent heritage of technological, engineering and managerial expertise and infrastructure.

Rai Way manages more than 2,300 sites equipped with infrastructure and systems for the transmission and broadcasting of TV and radio signals in Italy. It has 21 operational offices and avails itself of highly skilled staff.

The services offered by the Company include:

- Broadcasting Services, meaning services for the terrestrial and satellite transmission of TV and radio signals to end users within a geographical area;
- Services for the transmission of TV and radio signals via the connecting network (radio links, satellites, fibre optic) and in particular the provision of Contribution Services, to be intended as one-way transport services;
- Tower Rental Services, understood as the hosting of third party transmission and broadcasting systems at the company's sites including, where applicable, maintenance services as well as other complementary activities;

- Network services, which include a wide range of heterogeneous services relating to electronic communication networks and telecommunications in general, such as, for example, design activities and consultancy services.

The aforementioned services are made available by Rai Way to different customer categories, including: broadcasters (a category that also includes network operators and local and national radio and television players, including RAI), telecommunications operators (mainly MNOs, or Mobile Network Operators), public administrations and private companies.

The experience Rai Way has gained in operating transmission and broadcasting networks allows it to play a central role in its reference scenario, in a favourable position for also being able to explore markets related to the development of new generation telecommunication networks.

In 2021, Rai Way's commercial initiatives focused, in continuity with past years, on supporting Rai as its main customer and analysing and scouting for potential new markets, with a view to expanding services and diversifying the offer. In the first half of the year, the activation of the systems for the extension of the coverage of special-interest MUXs 2, 3 and 4 and other preparatory activities for the refarming process continued. As regards the services offered to third-party customers, Rai Way was awarded, during the first half of 2021, further calls – announced by the Ministry of Economic Development – for the assignment of the rights of use of the frequencies for the local digital terrestrial service in Veneto, Friuli Venezia Giulia, Puglia and Basilicata, Sicily and Lazio (province of Rome), in addition to those already awarded in 2020 (Lombardy and Eastern Piedmont, Western Piedmont).

Sales activities

Advertising

The sale of Rai advertising space – on generalist and specialised radio and television channels, on digital and satellite free-to-air channels, on Rai domain, on product placements, on teletext and on other minor media – is managed exclusively by Rai Pubblicità, a wholly-owned subsidiary of Rai.

The international scenario in the first part of 2021 was characterised by an economic recovery that was distributed heterogeneously between countries and production sectors, with the industrial sector continuing in the recovery process, the activities of the services that were still affected by the social containment measures and the world economic outlook that was influenced by the progress of vaccination campaigns and the timing and effectiveness of the support measures for investments and employment.

In the first months of the year, the economic cycle strengthened in China and the United States, while in the euro area economic activity declined, as a result of the additional containment measures introduced to counter the third wave of the spread of the virus; in the second part, on the other hand, there was a rather robust recovery.

In this scenario, the advertising market in the period January-June recorded an increase, net of social media and search engines, of 26.7%, with television growing by 33.2% (source Nielsen) compared to the same period of the previous year and with Rai Pubblicità recording a performance substantially in line with that of the total television market.

In the first half of 2021, the Rai Group benefitted from the recovery of the advertising market driven by the ratings of the Rai television channels thanks, among others, to the contribution of the European Football Championship.

The expansion of the Web medium continued with its growth trend thanks to the greater use of the medium as a whole, in addition to the quality and authoritativeness of the contents of the Rai offering which is able to attract the interest of an increasingly wide audience. The digital segment, in particular with the RaiPlay platform, played an increasingly important role, both in qualitative terms, thanks to an increasingly rich library of exclusives and original content in which there was no lack of sports events, and in quantitative terms.

The recovery compared to 2020 of the Radio medium was weak. It is still suffering from the consequences of the ongoing pandemic that has changed listening and social habits.

The Cinema medium, on the other hand, continued to be heavily

affected by the health emergency, and, despite the reopening of cinemas at the end of April, in the first half of 2021 there was practically no business activity.

As for the estimates relating to the outlook of the advertising market for the whole of 2021, Nielsen in June estimated a total market growth of 8.3% and 6.4% on the FCP-Assointernet universe alone. The recovery is mainly driven by the internet (+11.2%) and Radio (+12.2%), while the media that were most affected by the lockdown period – Cinema, Transit, Go Tv and Outdoor – overall were expected to grow by 5.5%. The estimate for TV (+6.7%) placed the medium in line with the total market (excluding non-FCP-Assointernet internet).

Nielsen estimated an overall growth for the Rai Group of 8.3% thanks to the contribution of major sports events postponed from 2020.

Sales

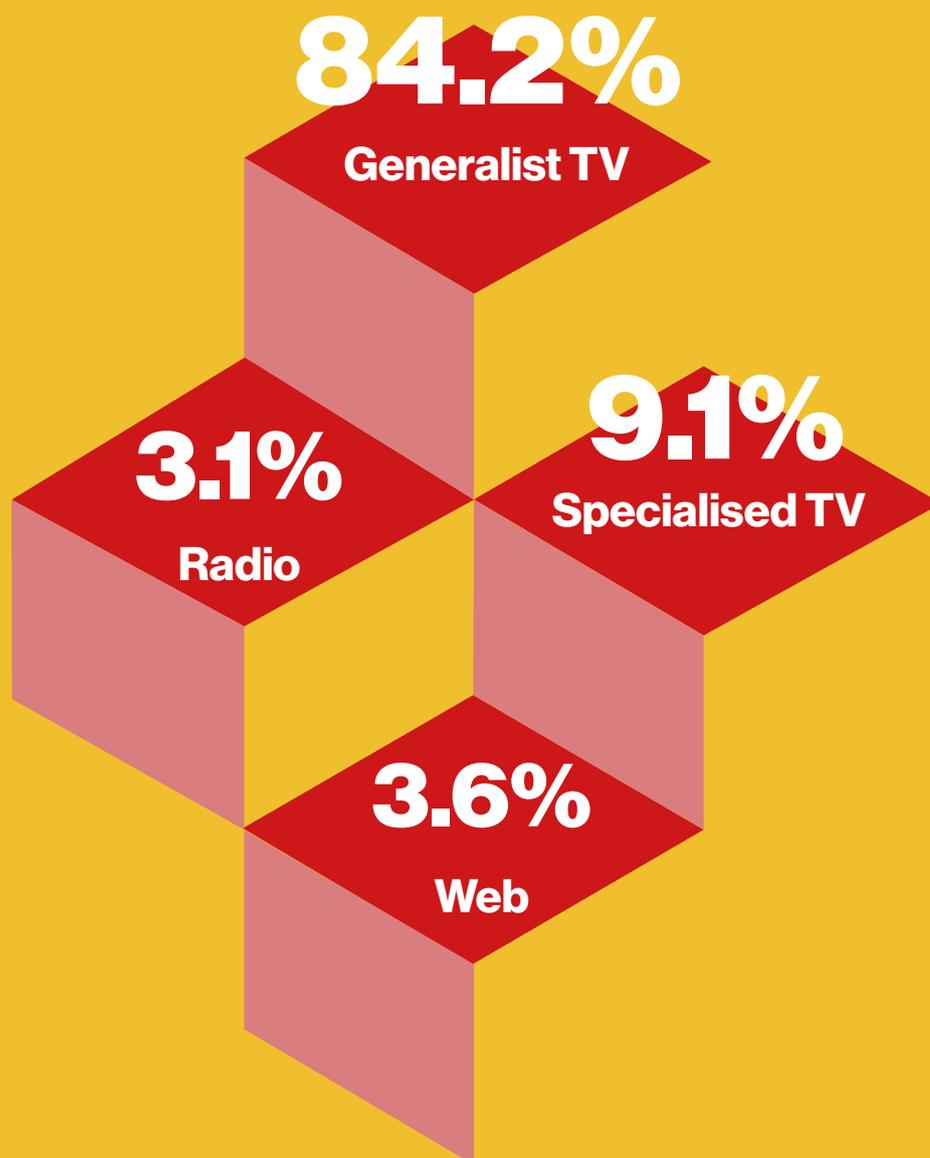
Rai Group's sales activities are managed by the wholly-owned subsidiary company Rai Com.

Agreements, tenders and partnerships

During the first half of 2021 – despite the persisting health emergency – television production activities were basically resumed and allowed Rai to promote and formalise various initiatives, in compliance with strict protocols and with significant organisational limitations. However, it was possible to correctly meet the commitments previously undertaken, among which it is worth highlighting the intense activity carried out for the Autonomous Province of Bolzano pursuant to the provisions of the four-year Memorandum of Understanding (2020-2023) with the airing of over 80 contributions including entire dedicated episodes and both television and radio slots.

In this changed climate it was possible to catch the interest of some public institutions in implementing promotional and communication activities (among others, the Puglia Region) and confirming the trust of some partners such as the Liguria Regional Agency for the Promotion of Tourism, the Consortium for the protection of Grana Padano and ISTAT which focused on the effectiveness of the opportunities offered by the Rai schedule.

Numerous negotiations were started with various partners for the 2021 cycle of *Linea Verde Tour* confirming the success of the initiative that exclusively includes episodes made under a specific agreement and which will be formalised in the second half of the year: agreements with the Sicily Region, the Autonomous Region of Valle d'Aosta, the Campania Region, some Local Authorities of the Piedmont Region, in addition to those already implemented for the Autonomous Province of Bolzano and the Puglia Region.



Moreover, after the almost total inactivity recorded in 2020, a cautious resumption of events, in collaboration with Rai Radio, and the start of concert activities at local level by the Orchestra Sinfonica Nazionale with several negotiations at an advanced stage or agreements already reached for concerts and/or tours that will be held in the second half of 2021.

On Rai 2 there was two new communication initiatives with the creation of ad-hoc programmes:

- *Campioni di domani*, a talent show among the children of Italian ski schools in 9 episodes, created in collaboration with Fondazione Cortina 2021 and Credito Sportivo and broadcast on the occasion of the *2021 Alpine Skiing World Championships - Cortina*;
- *Andiamo a 110*, a 6-episode programme dedicated to the 110% Superbonus in the construction sector in collaboration with Italian National Engineers Council Foundation.

The extensions of the agreements deriving from the obligations under the Rai/State public service agreement were signed with the Prime Minister's Office. Specifically: for another 6 months the Agreement on programming for Italians residing abroad and the agreement for the Slovenian, Friulian and French language minorities; for another 2 months the Agreement on the Sardinian language minority.

Finally, there was the conclusion of the European Call concerning fake news, as well as the formalisation of various free partnership agreements activated by Rai Pubblica Utilità.

Sales of rights to foreign countries: Cinema, TV

With reference to the distribution of television and film content, the first half of 2021 confirmed the slowdown in relations and commercial exchanges - recorded in 2020 and caused mainly by the pandemic - which reduced the opportunities for discussing and meeting with international customers and distributors.

At the macro-territorial level, the Netflix agreement for European territories is certainly worth noting, which includes the sale of 250 titles divided between cinema, drama and documentaries. Among the most important productions, there continued to be interest, especially in the countries of Eastern Europe and Northern Europe, for *Il Paradiso delle Signore*, a drama in several episodes with a good show of interest of the audience also in Italy and which also saw a major investment by Rai Com in the production activity; it is worth point out also an international interest in all the episodes (new and reruns) of *Il Commissario Montalbano* of which Rai Com is the exclusive agent.

There was considerable interest, especially in European territories, also for the products recently acquired from Titanus for different types of rights: not only free TV and VOD rights, but also home video.

Good commercial results were also recorded for *L'Amica Geniale* and for the series *Vivi e Lascia Vivere*, *Mentre ero via*, *La Vita promessa*, *l'Allieva*, which recorded good sales especially in areas such as the United States, Canada, Europe, and Latin America.

Documentary distribution also continued to produce a fair amount of interest, not only thanks to Alberto Angela's documentaries (*Le Meraviglie*, *Le Notti a...*), but also thanks to the documentaries/reports *World tales*, *Italian tales* and *Travelling around the word* (Talpa and D4 products).

The cinema product suffered a sharp setback caused by the closing of cinemas and the failure to organise evenings and festivals, both national and international. For new products, commercial activities recorded a slight recovery in May, with the release in cinemas of *Il Cattivo Poeta*.

The current make-up of sales saw a prevalence of the marketing of the drama product (about 80%) also by virtue of the current pandemic situation.

As for foreign classical music, in the first half of 2021, the marketing of the 2020 product continued through Rai Com.

Sports broadcasting rights

The first half of the year was characterised by a rediscovered collaboration with the football clubs of Serie A (Bologna, Sampdoria and Atalanta in particular) of which Rai Com holds the library rights.

In light also of the awards of live rights by the Serie A Football League, Rai Com signed agreements with the assignee of foreign rights (Infront) for the 2021-2022 football season.

It is worth noting the start of the agreement with Juventus FC with the related economic effects that will be recognised in the second half of the 2021 accounting year.

Editions

The entire music segment saw the continued decline in activities also during the first half of 2021 due to the effects deriving from the ongoing health emergency.

Consequently, the main item of income deriving from the Collectings (SIAE) was in line with 2020 and the revenues from "ambient music" (hotels, restaurants, bars, etc.) were particularly affected negatively.

In the reporting period, in support of Rai programming, 19 new TV and radio programme layouts were made, including editions and productions within the schedules, such as scientific and educational documentaries like *Ulisse Il Piacere della Scoperta*, *Superquark*, and *Passaggio a Nord Ovest*.

The important synergy for the edition and musical productions of scores in collaboration with or covered by pre-purchase agreements with Rai Fiction was confirmed.

For film projects productions were resumed in the light of the reopening of cinemas. As for contemporary music, the first half of 2021 saw an enrichment of the catalogue and performances that were broadcast by both Rai Radio 3 and RaiPlay.

Teche archive and production services

The marketing of the archive material confirmed its appeal on the national market also in this first half of 2021, despite the decrease in production hours in the first months of the year and the sharp downsizing of Italian pay TV sales. The facilities market slightly recovered thanks to the return of events such as the Giro d'Italia and the Maratona delle Dolomiti.

Finally, the activity related to indirect revenues is expected to significantly improve thanks to the sales of the second season of the drama *L'Amica Geniale*.

Home Video and Licensing

The home video sector – which was affected by the lack of products caused by the suspension of productions due to the pandemic – remained fairly stable for the normal trade part but recorded a decrease for the newsstand part, especially in the Montalbano initiative which, while maintaining a good margin, did not reach the sales levels of previous years.

As for the licensing of brands related to entertainment, the importance of some products including *Il Collegio* and *È sempre mezzogiorno*, is worth noting, as well as the sale from Rai to Banijay of the *Pechino Express* brand.

Animation, on the other hand, saw a slowdown in its business due to the closure of many companies in the sector that had often relocated their production to Asian territories (in particular, China and India) that were hit hard by the Covid-19 pandemic.

Publishing activities performed well thanks to the sales of magazines dedicated to the children's segment, such as the *PJ Mask* magazine, which continued its newsstand distribution.

Patents and Cultural Heritage

The commercialisation activities of Rai patents as well as the *Opera Omnia* project continued, the latter in collaboration with the Ministry of Foreign Affairs and International Cooperation though to a reduced extent having now finished the available locations (already significantly reduced due to the pandemic).

Digital

Good performances were recorded both in the TVoD and EST sectors – also thanks to the collaboration with the main platforms (iTunes, Google, Chili, etc.) and the management of the TVod Premium mode – and in the Svod area where new agreements

were reached with the main market players (Amazon, Netflix, Sky and Disney).

As for the online advertising (AVOD) activities, they are slowing down due to the decrease in advertising investments by the most important Italian companies and the inclusion of clips on the RaiPlay platform that has diverted traffic from the YouTube channel.

Audio Video Content

Many projects are underway including *Italia Nascosta*, *Festival dietro le Quinte*, *Via Francigena*, *Stranieri in Italia*, etc.

As for *Italiana*, the enhancement of the catalogue relating to 4K production started with a specific agreement with Google for the distribution of clips on YouTube and an increase in productions both in the current format of *Magazine* and in the elaboration of single-topic formats to meet the needs of territories and affiliated institutions is expected. To date, 5 stories related to the Agreement with the Autonomous Province of Bolzano are planned. At the same time, the production of the second documentary to be made under the Agreement with the Autonomous Province of Bolzano during 2021-2022 began.

Rai Libri

The first half of 2021 saw the publication of Antonio Di Bella's book *L'Assedio*, in which the journalist recounted live, as a Rai correspondent from Washington, the assault on Capitol Hill and the end of the Trump administration.

In March, on the occasion of the centenary of the birth of the great actor Nino Manfredi, his son Luca offered readers a different, private and intimate memory of the artist and man his father was. Also in March, Rai Libri told the story of the Palermo chef Natale Giunta who did not surrender to the blackmail of the mafia. A story of redemption and a positive ending.

The collaboration with the great Rai 1 drama continued with the publication of the historical novel inspired by the mystery and crime plot of the TV series dedicated to Leonardo Da Vinci.

Monica Setta, an economics journalist lent to the big screen, collected a series of economic tips for Italian households. The book, published in April, is characterised by an easy, useful but at the same time technical style and takes its name from the homonymous section *Quadrare i conti* broadcast on the weekend by Rai 1, during *UnoMattina in Famiglia*.

Linea Verde Life published a book of advice on good practices for a greener life by Daniela Ferolla entitled *Un attimo di respiro*.

The collaboration with one of the most authoritative names in Rai journalism as well as the best-selling Italian essayist in bookstores in recent years, Bruno Vespa, continued. With

Quirinale-Dodici presidenti tra pubblico e privato, the journalist returned to the issues most suited to him in the run-up to February 2022 with the election of the new President.

The first half closed with the publication of *Mamma, ti ricordi di me?*, the memoir by Mara Venier, intimate and painful as well as therapeutic, on the issue of Alzheimer's and the related changes that such a serious disease entails in the lives of all family members.

Distribution of Rai channels abroad

With regard to the international distribution of Rai channels, in the first half of 2021, the impact of two key factors should be taken into account: the contraction of the pay TV market for linear channels, which mainly affected the non-European area and in particular the United States, was due to the progressive spread of the use of audiovisual content in non-linear mode; secondly, the pandemic crisis worldwide, which has produced negative effects on the number of subscribers where the distribution business model was based on a fee per subscriber, and therefore, in this case too, mainly in the non-European area.

In Europe the decline of pay TV is taking place more slowly, because of both the lower subscription prices, and of the lower penetration rate of pay TV than in the United States. In addition, in the European area, the offer of bundled channels with internet and telephone services significantly limited the abandonment rate.

In economic terms, the decline described above was largely offset by the stability and, in some cases, by the increase in the profitability of existing agreements. In Canada, for example, the operator Rogers added Rai News 24 and Rai World Premium to the Italian offering, while Telus increased its fees to the public. In Europe, the creation of Rai 1 in HD format opened the way to the renewal of the collaboration with some major business partners (such as VOO in Belgium, ZIGGO and KPN in the Netherlands, and SFR in France) and the increase in fees in Germany. In addition, the inclusion in Switzerland of the turnover from the exploitation of online rights allowed recording a satisfactory performance for all three generalist TV channels according to the regulations of the Swiss audiovisual system, generating higher revenues.

Other activities

Public Broadcasting Service

RaiPubblicaUtilità, with daily appointments on radio and television networks, offers a wide range of useful service information to citizens, which is constantly updated and expanded in its contents, in terms of weather, mobility, traffic and the environment. It also provides a series of services aimed at promoting accessibility and ensuring greater inclusion of all viewers.

The qualitative trend of the services offered is constantly monitored to evaluate, in particular, their accessibility and usability. As regards the subtitling service – considering its importance in the world of hearing disabilities – a process has recently been developed to monitor the effective and complete delivery and correctness of subtitling, both in terms of editing and content.

Specific insights – on the issues of health and well-being, labour, education, culture, traditions and territory, legality, social inclusion, gender discrimination, eco-sustainability, prevention and social security, research, and sustainability with particular reference to the goals of the UN 2030 Agenda – are also offered thanks to collaborations with institutions and associations, with a view to increasing and developing a general culture of public broadcasting service. Among the many agreements in place, suffice it to remember those sealed with the Italian Red Cross, the Italian Touring Club, UNIAMO - Federation of Associations of People with Rare Diseases of Italy, FAND - Italian Diabetic Association, Italian Alliance for Sustainable Development, and the CNR.

Weather, Mobility and Teletext

The daily offer in terms of Weather, both on radio and television networks, saw, among others, the collaboration with Isoradio for the creation of new radio products, such as *Meteo Bimbi* and *Bolmare*, in addition to the traditional appointments in the schedule of regional radio newspapers; with Rai Gulp with *Green Meteo*; with Rai 1 as part of the programmes *Vita in diretta* and *UnoMattina*. with Rai Sport for the *Giro D'Italia*, with Rai 2 during *Il processo alla tappa*, with Rai 3 in the programme *Agorà* and with the many links with the newsrooms.

From 1 April the Facebook and Instagram pages of Rai Meteo are constantly updated with information, events, live broadcasts and insights.

The information offer on roads and traffic is made through news broadcast on the generalist and thematic channels, both radio and television, as well as on the National Teletext where in-depth reports on the issues of mobility, sustainable mobility and road safety are also available.

In the first half of 2021, characterised by the ongoing health emergency that had inevitable repercussions on the mobility of citizens, the following were produced every week:

- **for radio:** 160 editions of the *Onda Verde* news distributed in the schedules of the three generalist channels; 6 editions for GR Lazio and GR Liguria; 16 editions per week distributed in the schedules of the digital radios of *Previsioni di Traffico Week End*;
- **for television:** 39 editions of *Viaggiare Informati* distributed in the schedules of the generalist networks and Rai News 24;
- **for Teletext:** 7 editions of *Previsioni di Traffico* with constant updates throughout the day; 20 editions of *Approfondimenti* on mobility, sustainable mobility, road safety, and the highway code.

Televideo began in 1984 and, since then, has been a stable point of reference on the information landscape and an Italian habit. It is broadcast in national format on all Rai channels and, in its regional format, on Rai 3. From only 300 pages of 1984, the offer has progressively grown and now includes 17,000 pages per day on National Televideo and the 21 Regional Televideo sites. At the moment the offer includes over 70 sections dealing with Environment, Social Inclusion, Digital Literacy, Books, Culture and Leisure, Cuisine, Territory, and Children.

Also available in web version, Televideo is still one of the most usable products and support for people's daily lives.

With regard to the activities carried out in the first half of 2021, the temporary closing of places of culture and spaces open to the public, due to the health emergency, led to a contraction in the offering in the field of Culture, Leisure and Territory.

Accessibility

Rai's commitment is strong and constant to achieving ever greater inclusion also through the continuous increase in the hours of programming accessible – also on the web – through the use of subtitling, audio descriptions and translation into Italian Sign Language (LIS).

As for subtitling, in the first half of 2021 over 8,800 hours were produced on generalist channels in addition to 150 hours on Rai Premium, 300 hours of programmes subtitled in English and over 1,600 hours of subtitled programmes on the web where – to meet the needs arising from the health emergency in education and entertainment for children – the subtitling of the productions of Rai Scuola (*Scuola @maturità* and *La Scuola in Tivù*) and the Rai Ragazzi programme *Fuoriclasse*. In addition, Rai has engaged in making all the prime time and major films and dramas, in addition to the afternoon series *Il Paradiso delle Signore* accessible with subtitles also on the web.

Teletext - 1st half of 2021



As for described audio products described, there were over 750 hours on the generalist networks to cover 254 "prime time" events out of a total of 264 and largely exceed the obligation to cover ¾ of the programming of prime time films and drama as provided for in the Service Agreement. In addition, there were over a thousand hours of described audio product on Rai Premium, over 100 on Rai Movie and, for the first time, about 20 hours on Rai 5.

The production of live audio descriptions was also consolidated and expanded, including the 5 evenings of the *Sanremo Music Festival*, the *May 1st Concert*, the *Eurovision Song Contest* and the Concert from Assisi on 8 June titled *Con il Cuore, nel nome di Francesco*.

The LIS programming continued with about 700 editions of Tg LIS (a daily edition for each of the news of the generalist channels and a daily edition on Rai News 24, including the

Weather in LIS), and a further daily information window on Rai News 24. In the Tuscany and Basilicata Regions alone, another edition of the Tg LIS is also broadcast on *Buongiorno Regione*.

The LIS programming was offered, on the generalist networks, on the occasion of all the live broadcasts from the Chamber and Senate, of the relevant institutional appointments and of the liturgical celebrations presided over by the Holy Father on the occasion of particular events; on RaiPlay, both on the occasion of live musical entertainment programmes – including the *Sanremo Music Festival*, the *May 1st Concert* and the *Assisi Concert Con il cuore, nel nome di Francesco* – and with educational and information products such as *I Fuoriclasse*, the songs of the Zecchino d'oro, video specials and clips, etc.

Rai Easy Web is the website for visually and hearing-impaired people offering cultural entertainment and leisure content for all age groups. The entire website is accessible to the blind by

means of a Braille bar and speech synthesis and is designed and implemented based on the provisions of Law 4/2004 '*Provisions to facilitate disabled access to IT tools*'. The site features multimedia works aimed at improving the computer literacy of adults and children, as well as meeting the multiple visualisation needs for the various types of vision disorders. Rai Easy Web also hosts the section dedicated to simultaneous audio descriptions of films and dramas published on RaiPlay.

In the first 6 months of 2021, it offered multimedia works, weekly reflections on current events, updated information on events and news of particular interest for the visually and hearing impaired. Starting from the month of March, then, the offer was enriched with audio descriptions dedicated to the Hypervision of the Uffizi Gallery on the drawings of the Divine Comedy by Federico Zuccari: the 92 drawings that make up the virtual path of the exhibition are available on the site and make the Uffizi digital exhibition completely accessible.

Rai Accessibilità is also present on Facebook, with over 12,000 followers. In the first half of 2021 it published about 700 posts and over 300 videos.

Communication

Rai's communication activities are carried out with a view to protecting, improving and strengthening the corporate image both as a public service and the country's largest media company.

Rai, as well as other European public service operators, has played and continues to play a unique and central role during the emergency resulting from the progressive spread of the Covid-19 pandemic. Through an unprecedented commitment in history, extraordinary results have been achieved in a very short time: from the reorganisation of work within the company to the revision of the schedules of all channels, with the sole purpose of continuing to provide citizens – even live – with an always complete offer of news, culture, cinema, entertainment and distance learning services, in full compliance with the new health regulations.

The transformations that have characterised the social context – from the forms of distancing to the various degrees of lockdown – have however profoundly changed behaviour, habits and many psychological attitudes, determining, inter alia, also different modes of daily consumption of television, radio, press and digital services. Physical isolation combined with economic instability, fear of contagion and uncertainty about the future have had a significant impact on people's lives, particularly for the most fragile groups of the population.

In this emergency, RAI promptly and responsibly updated its editorial strategy, including by directly inspiring and launching a series of initiatives designed to support the population with the aim of narrating, explaining and supporting change and, in doing so, providing practical support to viewers. Never before had the founding values of the public service, such as the objectives of social cohesion and community support, appeared to find such a clear place in the concessionaire's programming.

This being the case, corporate communication sought to maintain Rai's image and reputation by enhancing its characteristics of quality and excellence in the face of the changes imposed by environmental conditions and the rigidity of the regulations.

Within this overall context, more strategic emphasis was placed on certain communication projects that also gained widespread support not only within but also outside the concessionaire. These included the communication projects related to Rai's offer dedicated to Education, Society, Culture, children, the most fragile groups of society and the Third Sector. It is also worth noting the tributes to leading figures who died over the course of the year or anniversaries that were celebrated through special lighting on the General Management building in Viale Mazzini.

Despite the complexity generated by the situation, the commitment to strengthen corporate transparency, an increasingly important asset of the Public Service, was remarkable, to seek increasingly innovative ways to communicate and promote the Company and its brand.

Among the more interesting communication plans of the first half of 2021 were: the one dedicated to Dante Alighieri, on the 700th anniversary of the poet's death; the one that has accompanied and supported the roadmap of the switch-off process for over a year now; the one dedicated to Earth Day based on an in-depth effort of sharing the positioning of the Public Service with the other Departments involved in such a delicate issue.

The planning activity in support of the Institutional Days (Legality Day, Day of Remembrance and National Day in Remembrance of Mafia Victims) also continued, with the launch of specific initiatives of the various publishers (Rai Radio 3, Rai Documentari, Rai News) at strategic events for Rai such as the European Football Championship and the Rai Festival for Social Affairs.

The events organised during the first half of 2021 included the presentation of the book *Coesione Sociale - La sfida del Servizio Pubblico radiotelevisivo e multimediale*; the conference *Storie di Eccellenza Femminile nel Mondo Digitale*; the setup of the dedicated space, on the occasion of the Festa dell'economia in Trento, for the live broadcasts and links of Rai Radio, RaiNews24 and TgR; the press conference *Accendiamo Il Futuro - Presentazione Offerta 2021/2022* on the occasion of the Presentation of the programming with the participation of the press on the online platform. Autism Day and Republic Day were celebrated through special lighting on the façade of Viale Mazzini.

The promotion of Rai products also took place through advertising spaces outside the Company's radio and television and multimedia offer, such as static, dynamic and digital billboards, web spaces, and daily and periodical press. Through these media – which also allow reaching the public that can only be contacted on the move – in the first half of 2021, advertising plans were carried out for the promotion of 12 products, including

the dramas *Leonardo*, *Il Commissario Ricciardi*, *Il Commissario Montalbano - Il metodo Catalanotti*, in addition to the promotion of the sports and Rai Play offer.

Corporate communication also included the publication of information and content available on the institutional website and aimed at making Rai even more transparent with regard to its users, with content tailored to the needs of the various strategic targets that come into contact with the company in search of information and services. In this context, during the first half of 2021, many sections of the company website were updated, including those relating to management, searches, regional and foreign offices and employee compensation, and a series of short promos on Rai Highlights aired from May 2021 were developed.

Rai enhances its brand in all its forms and promotes major international co-productions and internal productions also through a continuous and constant presence at small festivals as well as large international events. In the first six months of 2021, Rai participated in 60 national and international festivals, with about 220 programmes; it garnered 51 nominations and won 29 awards.

Among these, for the third consecutive year, Rai was included among the 20 best companies according to the Diversity Brand Index that measures the perception of consumers with respect to brand inclusiveness and won the "Digital" Award of the Diversity Brand Summit, with the *Virtual Lis - Didattica platform* entirely created by the Turin CRITS and capable of providing services and content in Italian sign language through a virtual avatar.

The Rai 3 documentary *Non far Rumore* won the "Jorge Garcia Badaracco – Fondazione Maria Elisa Mitre" Award for best feature film at the Lo Spiraglio festival, a festival of feature films and shorts dedicated to mental disorders that was strongly committed to organising a special event with the director, producers and cast of the *Mental* series, a Rai Play exclusive that tells the stories of a group of teenagers with psychiatric problems.

Dynamic and static billboards



Awards won in the 1st half of 2021 - National and International Festivals

| Festival | Country | Award | Winning programme | Publisher |
|---|---------|-------------------------------------|--|-----------------------|
| Diversity Brand Summit | Italy | Digital Award | Digital LIS | CRITS |
| Lo Spiraglio | Italy | Best Feature Film | Non far rumore | Rai 3 |
| Festival del Cinema Città di Spello ed i Borghi Umbri | Italy | Agenda 2030 Award | La rosa blu | Rai per il Sociale |
| Prix Italia | Italy | Students' Jury Special Award | Mental | Rai Fiction - RaiPlay |
| Prix Italia | Italy | TV Drama Special Mention | Mental | Rai Fiction - RaiPlay |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Topo Gigio | Rai Ragazzi |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Pablo | Rai Ragazzi |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Lo specchio di Lorenzo | Rai Ragazzi |
| A year of zapping... and likes 2020/2021 | Italy | State Police Award | Berry Bees | Rai Ragazzi |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Carosello Carosone | Rai Fiction |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Chiara Lubich | Rai Fiction |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Io un giudice popolare al maxiprocesso | Rai Fiction |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Questo è un uomo | Rai Fiction |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | La mia jungla | Rai Fiction |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Alighieri Durante, detto Dante | Rai Cultura |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Cammina Italia | Rai News 24 |
| A year of zapping... and likes 2020/2021 | Italy | Italian Federation of Chefs Award | Linea Verde Life | Rai 1 |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Canzone Segreta | Rai 1 |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Penso che un Sogno Così | Rai 1 |
| A year of zapping... and likes 2020/2021 | Italy | State Police Award | Stop And Go | Rai 2 |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Domani è Domenica | Rai 2 |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | L'Odissea | Rai 3 |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Ricomincio da RaiTre | Rai 3 |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Fame d'amore Special | Rai 3 |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Via dei Matti n. 0 | Rai 3 |
| A year of zapping... and likes 2020/2021 | Italy | Moige Award | Timeline Focus | Rai 3 |
| EBU Connect Awards | Europe | Best promo above 60 seconds | Giro d'Italia 2020 | Creative Direction |
| EBU Connect Awards | Europe | Silver Best entertainment promotion | 77 ^a Venice Film Festival | Creative Direction |
| EBU Connect Awards | Europe | Italia riparte | Silver Special Covid-19 | Creative Direction |

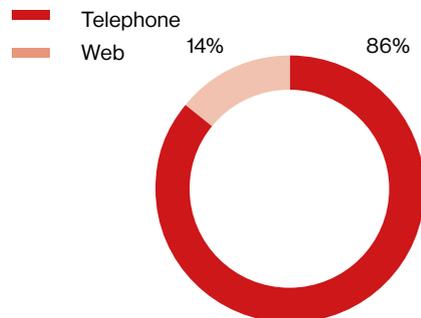
Mental was also selected in the best social drama category at the Festival dei Tulipani di Seta Nera and was selected for the Prix Italia – together with the Rai Cultura film *La Traviata*, directed by Mario Martone – winning the Special Student Jury Prize and the Special TV drama mention. The short film *La rosa blu* won the Agenda 2030 Award at the Spello Film Festival.

Moige, the Italian Parents' Movement, awarded twenty-one Rai productions with the prestigious Moige Award. Four Rai Ragazzi products: *Berry Bees* (State Police Award) *Topo Gigio*, *Pablo* and *Lo specchio di Lorenzo*; five Rai Fiction programmes: *Carosello Carosone*, *Chiara Lubich*, *Io un giudice popolare al maxiprocesso*, *Questo è un uomo*, *La mia jungla*; and then *Alighieri Durante*, *detto Dante* by Rai Cultura; *Cammina Italia* by Rai News 24; *Linea Verde Life* (Italian Federation of Chefs Award) *Canzone Segreta* and *Penso che un Sogno Così* by Rai 1; *Stop And Go* (State Police Award) and *Domani è Domenica* by Rai 2; *L'Odissea*, *Ricomincio da RaiTre*, *Speciale Fame d'amore*, *Timeline Focus*, *Via dei Matti n. 0* by Rai 3.

Major accolades for the Creative Direction spots were awarded by Ebu Connect: one gold and two silver medals respectively for the promos of: *Giro d'Italia 2020* (Best promo above 60 seconds), *77th Venice Film Festival* (silver Best entertainment promotion) and *Italia riparte* (silver Special Covid-19).

During the first half of 2021, assistance was provided to users as part of some initiatives promoted by Rai Canone as well as the usual collaboration with the editorial staff of TV programmes for the collection of reservations – starting from the current

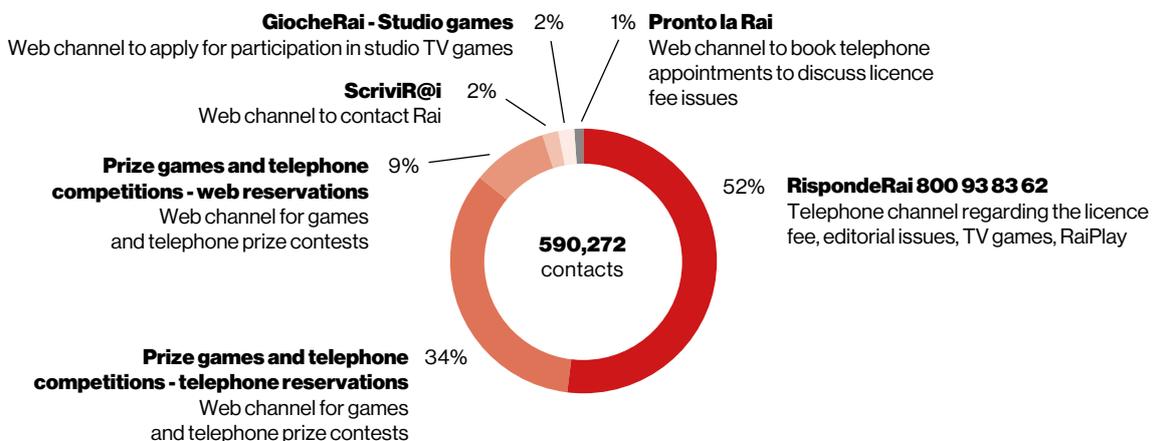
Contact channel



year also enabled for calls from the mobile network – for games and telephone competitions with prizes including those of *Uno mattina in famiglia*, *È sempre mezzogiorno*, *I fatti vostri* and the latest edition of *Il pranzo è servito*.

As well as preparing the daily press review, the press office is responsible for numerous institutional, product and content promotion activities for the public service. Overall, in the first half of 2021, 36 press conferences were held in Rome, Sanremo, Turin and Milan, and 176 photo shoots, in addition to thousands of press releases regarding corporate issues, products, audience ratings, changes and previews of programmes provided daily to the press and published on the website www.ufficiostampa.rai.it.

About 1,600 posts were published on each of the social accounts of the Rai Press Office (Facebook, Twitter and LinkedIn) in the period under review, reaching 10 million users on Twitter and 2.8 million on Facebook.



Particular emphasis was given to the promotion of certain initiatives that, in some cases, have become major events, such as the annual presentation of the Rai 2021-2022 offer, the Prix Italia in Milan, the launch of the *Euro 2020 European Football Championship*.

The *Rai Porte Aperte* project continued, which, launched four years ago, has allowed almost 50,000 students to enter Rai through educational visits, training internships, and special events.

The current pandemic has made it necessary to rethink the initiatives and, from the first months of 2020, *Rai Porte Aperte* was forced to suspend educational visits, training internships and special events throughout the country. In the first half of 2021 too, these initiatives were mainly carried out through social channels where – in addition to strengthening presence and communication on the project and networking – a great deal of focus was given to publicising the special programming and publishing selections and Corporate initiatives, with particular attention to the student target.

To date, the @RaiPorteAperte account, launched in January 2019, has 774 followers on Instagram and 1,266 on Facebook.

Also for the 2021-2022 school year, Rai, as part of the multi-year collaboration with the Osservatorio Permanente Giovani-Editori, for the ninth edition of the special initiative *Educazione alla conoscenza del linguaggio radiotelevisivo, attraverso il ruolo del Servizio Pubblico* – aimed at all teachers and students of

the classes participating in the project *Il Quotidiano in Classe* – collaborated in setting up the training project in schools that led to the creation of 6 educational reports on just as many topics.

Among the many communication initiatives, the newsletter *Rai Settegiorni* and the *Libro Blu Rai 2018-2021. Qualità, Innovazione, Futuro* of which, in March 2021, a version in images was produced that visually summarises Rai's main initiatives that promote quality, innovation, and the future.

It is also worth mentioning Rai's presence at the Uffizi on the occasion of the exhibition *A riveder le stelle. Dante illustrated by Federico Zuccari*, made accessible to visually impaired users with the audio descriptions of the 92 plates that make up the virtual path of the exhibition and are available on the Uffizi website and on www.easyweb.rai.it.

During the first half of 2021, a total of almost 300 partnerships were activated and defined, of which 205 Media Partnerships, 13 Main Media Partnerships and 73 partnerships. About 130 agreements were signed on the occasion of Festivals and 50 for Events.

Art and culture, music, cinema, social affairs, environment and education are the main issues at the centre of the initiatives, and, among the most shared goals of the UN 2030 Agenda, number 4 – *Quality Education* stands out, followed by *Sustainable Cities and Communities* (11), *Reducing inequalities* (10), and *Gender equality* (5).

Più cultura, per tutti, anche in prima serata

Il Teatro alla Scala
in esclusiva, in prima serata e on demand, oltre 2,6 milioni di spettatori
DICEMBRE 2020

'Natale in Casa Cupiello'
33,2% di ascolti nella fascia di età 20-24
Il teatro di Eduardo portato ai giovani
DICEMBRE 2020

Ricomincio da Rai3
La Rai apre il sipario in prima serata ai teatri chiusi per la pandemia
DICEMBRE 2020

Il Barbiere di Siviglia e la Traviata
di Mario Martone
Il Teatro dell'Opera di Roma e le strade della Capitale diventano un sorprendente set tv
DICEMBRE 2020, APRILE 2021

Alberto Angela
Le "meraviglie" della cultura, in prima serata, su Rai1, premiato dal grande pubblico
2019, 2020, 2021

CHE STU... E LA MUSICA
GIUGNO 2019

DANZA CON ME
2013, 2020, 2021

Il nuovo Portale raicultura.rai.it
GIUGNO 2012

Beethoven
DOPO COMPLEANNO

Dantedi
Una giornata intera di bellezza dedicata all'Anno Dantesco, anche in prima serata
MARGO 2021

Grandi Direttori e Solisti
Sulle reti Rai, il sipario è sempre aperto: la Rai al fianco delle istituzioni musicali italiane
NOVEMBRE 2020

TEATRO ALLA SCALA
"... a rivivere le aule"
INCONTRO AL TEATRO ALLA SCALA
RICHARDO CHIRILLY

Domeniche a teatro
NOVEMBRE 2020

Rai
2018-2021
Qualità. Innovazione. Future

Leader negli ascolti e nella qualità

Ascolti inverno 2020
Le generaliste Rai battono tutti: cresce la platea anche in prime time. Rai1 è il canale più seguito
FEBBRAIO 2021

TOP 10 Ragazzi 2020
Sono tutti trasmessi dalla Rai i 10 programmi più visti del 2020 sui canali per ragazzi in Italia

RaiPlay un anno da record
La piattaforma distributiva leader del mercato: in un anno oltre 17 milioni di utenti registrati
GENNAIO 2021

Informazione Rai: punto di riferimento per l'emergenza
Il genere privilegiato dal Servizio Pubblico con oltre 7300 ore tra news, approfondimenti, rubriche, inchieste, attualità
2020

Indagine Qualitel 2020
Migliora la Corporate Reputation e il gradimento complessivo per le singole Reti

Informazione da record nel 2019 e nel 2020
TG1 e RAINEWS24 sono i notiziari più seguiti

Top 20 2020
Alla Rai 16 posizioni su 20 nella classifica dei programmi più visti

Nel 2020 oltre 60 premi Rai nazionali e internazionali
promaxbda

THE CSI 2020 INTERNATIONAL DRAMA AWARDS
L'AMICA GENIALE
L'AMICA GENIALE
CON LA MIA SORRISA FORTALE

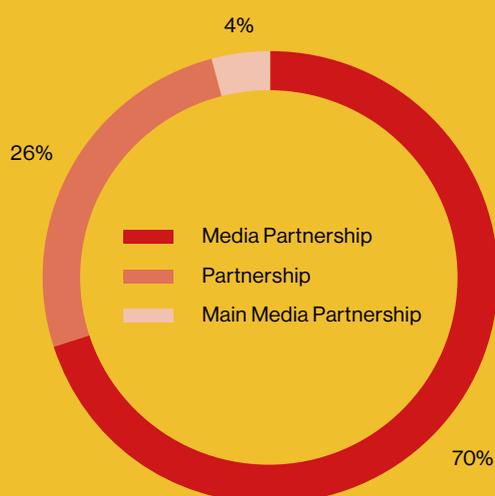
OGNUNO È PERFETTO
ABU Prize: TV drama 2020
per la serie Ognuno è perfetto

Rai
2018-2021
Qualità. Innovazione. Future

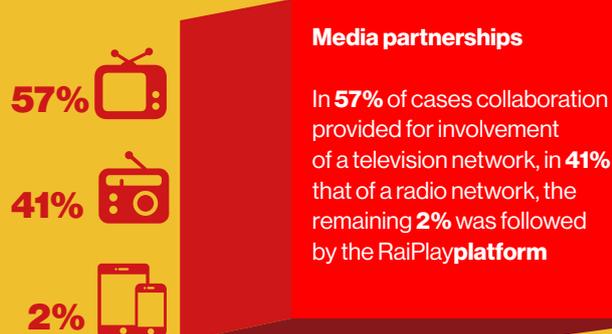
| | | | |
|---|---|---|---|
| <p>Nuovi racconti: coraggio, sperimentazione, la Rai che cambia</p> | <p>Stefano Bollani Una siriscia quotidiana per riportare finalmente in casa Rai la musica di qualità MAGGIO 2021</p> | <p>ITALIA Sogno azzurro La prima docuserie sulla Nazionale di calcio italiana GIUGNO 2021</p> | <p>VIVA RAIPLAY! NOVEMBRE 2019</p> |
| <p>Il tempo della Pandemia in un racconto a più voci aria DICEMBRE 2020</p> | <p>UNA PEZZA DI LUNDINI Lundini: la sperimentazione che diventa culto Un grande successo tra i giovani SETTEMBRE 2020</p> | <p>L'alligatore NOVEMBRE 2019</p> | <p>Che succede? Tra satira e comicità Una nuova formula per raccontare l'attualità OTTOBRE 2020</p> |
| <p>La Carezza della Memoria Speciale Verdone su Rai Radio? APRILE 2021</p> | <p>Ricomincio da RaiTre DICEMBRE 2021</p> | <p>SuperQuark+ DICEMBRE 2019</p> | <p>Allevi in the Jungle Alla scoperta dei suolatori di strada in giro per l'Italia DICEMBRE 2020</p> |
| <p>L'ODISSEA DI DOMENICO IANNAcone Il sorprendente viaggio di Iannacone nella disabilità mentale APRILE 2021</p> | <p>IL LATO POSITIVO Come è riuscita per il futuro APRILE 2021</p> | <p>YOUNG STORIES FEBBRAIO 2021</p> | <p>Rai 2019-2021 Qualità. Innovazione. Futuro</p> |

| | | | | | | |
|---|--|---|---|--|---|--|
| <p>Accessibilità, sempre di più.</p> | <p>Progetto Beethoven Musica accessibile grazie alla tecnologia CONCERTO COCLEARE SETTEMBRE 2019</p> | <p>Lucio l'Avatar L'avanguardia del CRIS Rai per il Museo Accessibile SETTEMBRE 2019</p> | <p>Rai Settegiorni! LA TV ALLIENATA UN SUCCESSO DELLA RICERCA RAI AGOSTO 2018</p> | <p>La Pimpa per l'autismo L'app sperimentale a sostegno dei bambini con autismo LUGLIO 2020</p> | <p>Sanremo 70 e 71 I Festival più inclusivi e accessibili 2008, 2009</p> | <p>DIVERSILY GRAND AWARDS Rai vince il Digital Diversity Brand Award per l'inclusione Premiata la piattaforma "virtual LIS" realizzata dal CRIS di Torino APRILE 2021</p> |
| <p>77ª Mostra di Venezia con sottotitoli, audiodescrizione e in LIS SETTEMBRE 2021</p> | <p>La Rai e la LIS L'impegno costante nella traduzione dei grandi eventi 2020, 2021</p> | <p>Dante Istoriato La Rai al fianco degli Uffizi per una mostra accessibile MARZO 2021</p> | <p>Piu edizioni accessibili di TG sottotitolati e in LIS durante l'emergenza Rai News 24 2020, 2021</p> | <p>TGR con sottotitoli Edizioni potenziata TOSCANA 2020, 2021</p> | <p>Rai Easy Web Potenziamo il sito per persone con disabilità sensoriali, visive, uditive 2020</p> | <p>Rai 2019-2021 Qualità. Innovazione. Futuro</p> |

Partnerships



Focus



Media partnerships

In **57%** of cases collaboration provided for involvement of a television network, in **41%** that of a radio network, the remaining **2%** was followed by the RaiPlay platform

291 initiatives in Italy in the 1st half of 2021

- 13 Main Media Partnerships
- 205 Media Partnerships
- 73 Partnerships

Main publishers

TV

| | |
|--------------|--|
| 70.5% | Rai Cultura (with Rai 5, Rai Storia, Rai Scuola) |
| 6.0% | Rai 1 |
| 5.4% | Rai Movie |
| 5.4% | Rai Ragazzi (with Rai Gulp and Rai Yoyo) |
| 4.2% | Rai Gold (with Rai 4 and Rai Premium) |
| 3.0% | Rai 3 |
| 2.4% | Rai 2 |
| 1.8% | Rai Italia |

Radio

| | |
|--------------|---------------------------------|
| 49.0% | Rai Radio3 |
| 21.8% | Rai Radio1 |
| 13.0% | Rai Radio2 |
| 7.5% | Rai Radio Live |
| 3.4% | Rai Radio Kids |
| 2.0% | Isoradio |
| 2.1% | Rai Radio Tutta Italiana |

Digital

| | |
|-----------|---|
| 3% | RaiPlay Out of the total number of partnerships |
|-----------|---|

Rai per il Sociale

| | |
|--------------|---|
| 16.3% | Out of the total number of partnerships |
|--------------|---|

Newsrooms*

| | |
|--------------|-----------------------|
| 40.0% | TGR |
| 25.6% | Rai Radio 1/GR |
| 20.8% | Rai News24 |
| 4.8% | TG1 |
| 4.8% | TG2 |
| 4.0% | TG3 |

Rai Pubblica Utilità

| | |
|-------------|---|
| 3.1% | Out of the total number of partnerships |
|-------------|---|

* 22% of all agreements involved at least one newsroom

Media and Rai Partnerships - Geographical distribution

First half of 2021

| | |
|----------------------------|------------|
| North | 35% |
| Centre | 26% |
| South and islands** | 14% |
| National territory | 8% |
| Web | 17% |



** The figure for the South and Islands is lower than for the rest of the country because many events planned in the summer, outdoors, were cancelled due to the Covid-19 epidemic.

International Relations and European Affairs

The strategic positioning of the Company at a global level is also pursued through the consolidation of its international dimension.

With regard to European Affairs, the activity of monitoring political and legislative issues of corporate interest within the EBU continued, in particular in relation to the Digital Services Act and the Digital Markets Act and the process of transposing the Copyright and Satcab Directives into the national legal system. In addition, Rai participated in the EBU working group "Artificial Intelligence and Data Initiative" (A.I.D.I.), as well as "Sustainability for PSM" – aimed at identifying sustainability standards for European Public Service Media – contributing to the *Sustainability Summit* on the occasion of World Earth Day on 22 April 2021.

Constant updates on the measures taken by governments and public service broadcasters globally during the pandemic was also ensured, also to stem the negative impacts on the creative and cultural industry, in addition to monitoring of international policies, projects and *best practices* on diversity, inclusion and sustainability. As part of the cooperation policy, support actions were promoted by providing Rai programmes to foreign broadcasters in difficulty due to the blocking of television productions.

A great effort was made on the occasion of the *Eurovision Song Contest 2021* – which in May brought to Rotterdam the Italian delegation that witnessed the victory of Maneskin with the song *Zitti e buoni* – as well as for the participation in the preliminary activities at the UN Food Systems Pre-Summit in July, in collaboration with the Ministry of Foreign Affairs and International Cooperation (MAECI).

Rai's consolidated role in international trade associations (EBU, COPEAM, CMCA, CIRCOM, ABU, ASBU, CRI, AUB, ATEI and TAL) has favoured the implementation of the network of contacts in various geographical areas in the world and the expansion of collaboration with international public broadcasters, through the finalization of Memorandum of Understanding for the definition of collaboration initiatives, in particular with Contenidos Públicos (Argentina) and ICRT (Cuba), while the agreement with TV Cultura (Brazil) is being renewed.

The membership of Rai as an institutional partner to the Italy-ASEAN (Association of South-East Asian Nations) Association was recently formalised.

In collaboration with the ABU (Asia Pacific Broadcasting Union), the third edition of the ABU Rai Days was organized in Milan:

two days of high level panels attended by the CEOs of the major European and Asian broadcasters in a discussion on the post-Covid-19 challenges and on the latest global trends in international cooperation in the media sector.

Within the framework of the policy of promoting international co-production projects, it is worth noting the participation in:

- the COPEAM/ASBU co-production "*Interrives - SustainAbility - Stories of Changemaker*" through Rai 3;
- the agreement to exchange, free of charge, services of the production of *Mediterraneo* by TgR Sicilia with services of RTVE Spain (in particular of the programmes *La aventura del saber* and *Agrosfera*) under the agreement in place with FTV;
- the EBU co-production *Kids-Portraits*, through Rai Ragazzi, aimed at the creation of a 9-episode TV series dedicated to the life, passions and habits of European children/young people;
- the collaboration agreement with the association ATEI (Asociación de las Televisiones Educativas y Culturales Iberoamericanas) for the exchange, free of charge, of content on scientific, technical and cultural issues between the *Noticiero Científico y Cultural Iberoamericano* (weekly programme distributed in 19 Latin American countries in Spanish and Portuguese and subtitled in English) and the Rai *Tg Leonardo* and *Pixel* features;
- the project *Another view on the Mediterranean*, promoted by COPEAM, in which TgR Sicilia will produce 3 reports on issues related to the Mediterranean;
- the co-production *Con Dante* - promoted by the Comunità Radiotelevisiva italoфона (CRI) - in the year of the seven hundredth anniversary of the death of Dante Alighieri, which involved Rai Radio 3 and the Rai Friuli-Venezia Giulia and Sardinia regional offices;
- at the seminar *Il racconto dello sport alla radio. Nuove prospettive* organised by the CRI in collaboration with Radio Rai and Rai per il Sociale, which resulted in the co-production *Lo sport che fa bene. Integrazione Comunità Sostenibilità*, which saw the participation of the Italian-speaking radios, Rai Radio 3 and the Rai Alto Adige, Friuli-Venezia Giulia, Sardinia and Sicily regional offices.

International Relations and European Affairs, together with the Communication Department, also encouraged Rai's participation in important international festivals, including the Prix Circom, and is actively engaged in scouting new Awards and Events with the aim of strengthening the company's projection abroad.

Rai per il Sociale

Rai per il Sociale covers all the Public Service initiatives that in various capacities and from different perspectives address the issues of social affairs, inclusion, national cohesion,

human rights, equal opportunities, Paralympic sports, gender respect, differently abled people, as well as the protection of the environment and sustainability. A point of listening and gathering the feedback of institutions, trade associations and the third sector, Rai per il Sociale is a space for knowledge and debate both inside and outside the Company so as not to forget the most sensitive sectors and groups of the country in the constant effort to leave no one behind.

Numerous social campaigns were carried out in the first half of 2021. Among these, there were 18 fundraisers, 18 awareness campaigns and 11 social communication spots (of which 2 with the patronage of Pubblicità Progresso and one of supranational agency).

From January to June, moreover, the Rai 1 show *I Soliti Ignoti*, broadcast in the so-called *VIP Formula* format due to the pandemic, allocated the winnings to solidarity initiatives. The Lazzaro Spallanzani Institute received €806.8 thousand, the Italian Autism Foundation (FIA) over €522 thousand and the Centro Astalli €371.4 thousand.

On the recommendation of the Department for Information and Publishing of the Prime Minister's Office, 49 institutional communication campaigns (of which 33 new and 16 reprogrammed) were broadcast on generalist television and radio channels for a total of about 7,212 runs (3,592 TV and 3,620 radio). On Rai News 24 22 campaigns were broadcast for about 1,080 runs.

In terms of inclusion, in the period under review, as always, there was great attention not only to digital literacy and the culture of innovation, but also to social inclusion, diversity, equal opportunities and disability. Many productions and promotional contributions made on various issues, including, *Converse Rai*, the programme of insights to understand the changing world and the digital revolution we are experiencing; *Web Side Stories*, the docu-series that tells about events to have taken place "on the Net" or "thanks to the Net" and that have left a mark in the collective memory or are waiting to be rediscovered; *The Italian Network*, a magazine show of stories of ordinary and extraordinary innovation told and relived through the eyes and words of enterprising young people; *Che lavoro farai da grandeto* think about the changing world of labour; *E allora dai!*, dedicated to basic literacy; *Domande Snack. La Rosa Blu*, the Rai per il Sociale's first short film on the issue of disability and which has received accolades from institutions and critics.

With regard to initiatives in the field of environmental protection and sustainability, in the first half of 2021 various awareness campaigns were carried out through interviews and television reports, including: the correct use of scooters in collaboration with the CNEL, Highway Police, and Ministry of Education; the UNESCO project *Decade of Ocean Sciences* on the occasion of

World Oceans Day; the introduction of a sustainability glossary on the 17 goals of the UN 2030 Agenda in collaboration with ASVIS and FERPI; insights on sustainable lifestyles in metropolitan cities in collaboration with the Pentapolis Association; the dissemination of the prison recovery project on the island of Santo Stefano – Ventotene to preserve the memories of the values of Europe by combining it with an environmentally sustainable building renovation.

In addition, in March, on the occasion of World Water Day, the *plastic free* campaign for employees was launched, with the aim of gradually eliminating disposable plastic from all company offices and the *M'illumino di meno* campaign continued, aimed at raising awareness of energy saving and now in its 17th edition.

Many initiatives were also launched on issues related to the fight against inequalities, labour, legality, and child protection, with live television broadcasts, streaming and social media. Events such as the National Day of Remembrance and Commitment in memory of the victims of the mafias were celebrated, in collaboration with Libera!; #PalermoChiamatItalia, the Day dedicated to the memory of the victims of the mafia attacks in Capaci and Via D'Amelio, in collaboration with the Ministry of Education, University and Research, the Falcone Foundation and State Police; the Day in memory of the Covid-19 victims and that for raising awareness of eating disorders. Promotional brand identity and awareness campaigns were designed and planned, such as that one relating to Labour and Social Cohesion. The project *Illuminare le periferie*, which was further developed, continued, increasingly fulfilling its role as a place of real and multi-platform debate on social issues, with new important events and the creation of a TgR *Special* dedicated to the suburbs of Naples, broadcast by Rai 3 and available on RaiPlay.

Agreements with Central Government

Agreements with the Central Government are managed directly by the Parent Company.

Many agreements are in progress. The most relevant in the first half of 2021 were the following.

Ministry of Education

The collaboration - started at the beginning of the health emergency - continued with activities in support of new forms of distance learning for all schools. Significant dedicated programming spaces were created on Rai Scuola, on Rai 3 and on Rai Ragazzi. The most significant initiatives included: the continuation of the *Maestri* transmission; the creation of another 190 teaching units within the programme *La scuola in tivù*; the production of 8 Specials on civic education; the new episodes of *La Banda dei FuoriClasse*, broadcast on Rai Gulp, to address school subjects in a language specifically aimed at targeting

children. The dissemination of 70 of the 100 teaching units on thinkers and great philosophers of the twentieth century published on the Rai Teche portal also continued.

In addition to lessons for young people, a new cycle of the *La Scuola in Tivù - Istruzione degli adulti* adult education programme, amounting to a total of 30 lessons, was produced.

Ministry for Labour and Social Policies

Communication initiatives continued with a campaign on the issues of safety at work, social inclusion and the fight against poverty, broken down into a plan of initiatives in radio and television programmes in the schedule, as well as the production of an institutional video on the emergency income.

In January, a new Memorandum of Understanding was also signed, which also involves the National Agency for Active Labour Policies (ANPAL) in which the 7th edition of *Il posto Giusto* was broadcast on Rai 3 for 20 episodes, as in the case of the previous editions.

Prime Minister's Office

The collaboration, started in 2020 on the occasion of the Covid-19 health emergency, continued in the first half of 2021, with the creation of an institutional video dedicated to the rights of people deprived of their personal freedom and to the figure of the National Authority.

Ministry of Sustainable Infrastructure and Mobility/ Central Committee for the National Register of Natural and Legal Persons who carry out Road Transport of Goods on behalf of Third Parties

An agreement was finalised for a communication campaign related to the issues of road haulage, with particular reference to the role played by the category in the period affected by the Covid-19 epidemic.

Ministry of Culture (formerly Mibact)

Numerous communication campaigns dedicated to the promotion UNESCO heritage sites were carried out. Among these were, in synergy with Rai Cultura, those for the promotion of intangible and underwater heritage, as well as the production of 55 videos, all available online on the Ministry's website and on RaiPlay, for the promotion of just as many Italian sites.

Changes in the regulatory framework

Assignment of rights of use of frequencies, reforming of the so-called 700 band, and adoption of related deeds

RAI was awarded a lot (P3.1) corresponding to the transmission capacity of a national multiplex in DVB-T2 technology as a result of participation in the tender for the assignment of the additional transmission capacity at national level and of the terrestrial frequencies made available by the new National Frequency Assignment Plan in addition to that necessary for the conversion process of existing networks, pursuant to Article 1, paragraph 1031 – *bis*, of Law no. 205 of 27 December 2017, as introduced by Law no. 145 of 30 December 2018.

As a result, the Ministry of Economic Development (MiSE) with a decision of 6 August 2021 granted RAI the specific right of use (lasting ten years) of the PNAF network called "Rete nazionale n. 2", operating on Channel 40 throughout the Italian territory.

Ministry activities continued, related, inter alia, to: assignment of rights of use of digital terrestrial TV frequencies to local network operators (publication of new calls for tenders and approval of rankings); the creation of rankings of audiovisual media service providers at local level; operations to shutdown channels 50 and 52 and channels 51 and 53 (migration to different broadcasting frequencies), with particular reference to restricted Area C and the optional shutdown of the frequencies of network operators in the local area.

By the decree signed on 30 July 2021, the Ministry of Economic Development redefined the timing provided for by the decree of 19 June 2019 (so-called "Roadmap" decree), remodulating the frequency *refarming* schedule (also necessary in light of the accrued delays), the disposal of DVBT/MPEG2 coding and the application of the new standards and innovative encodings. With regard to the remodulated dates relating to the steps in standard and encoding changes: on 15 October 2021, the discontinuation of DVB-T/MPEG-2 encoding in favour of at least MPEG-4 encoding on DVB-T standards, involving a representative number of programmes, began; the complete discontinuation of DVBT/MPEG-2 encoding will be defined in a subsequent measure to be issued by the end of 2021; at the end of the network transition operations to the multiplex structure defined by the PNAF, the activation of the DVB-T2 standard at national level is planned to start on 1 January 2023. Network operators can still start DVBT/MPEG-4 encoding or the DVBT2 standard before the deadlines, based on the principle of technology neutrality. The decree also provides for a new window for voluntary shutdown of frequencies for network operators in the local area that will open in the 30

days following the publication in the Official Journal of the new ministerial decree.

With a specific report concerning the criteria for determining the compensation referred to in Article 1, paragraph 1039, letter b), of Law no. 205 of 27 December 2017 for local network operators on terrestrial television frequencies, the AGCM suggested, in case of early release with respect to the deadlines set out in the *roadmap*, to pay greater compensation proportionate to the period of advance in the return of the right of use, so as to favour greater efficiency in the management of frequencies, "as it would induce the less efficient players to discontinue their frequencies early".

By director's decree of 14 September 2021, the Ministry defined the amounts relating to the compensation due to local network operators, following the mandatory or optional release of frequencies, in accordance with the procedures provided for in article 3 of the interministerial decree of 27 November 2020.

The Ministry also adopted the measures related to the so-called "TV scrapping bonus", support measures for the purchase of television reception equipment compatible with the new technological standards for the Dvbt-2/Hevc Main 10 digital terrestrial broadcasting after recycling obsolete devices. In particular, the Ministry of Economic Development decree of 5 July 2021 set among the requirements to benefit from the incentive for end users that of being subscribers to the broadcasting service, having an electricity contract on which the licence fee to the broadcasting service is charged or having paid the aforementioned fee with an F24 form at the time of requesting the benefit. This benefit is also granted to people over seventy-five years of age who are exempted from the payment of the fee under certain conditions.

Radio broadcasting service of parliamentary sittings

The Ministry of Economic Development launched the open telematic procedure for the concession of the national radio transmission service in frequency modulation of parliamentary sittings - referred to in Article 24 of Law no. 223 of 6 August 1990 - intended for information and institutional communication, as a public interest service, to be carried out pursuant to Article 1, paragraph 398, of Law no. 160 of 27/12/2019 (Stability Law 2020).

Conversion of the Support Decree Law and special licence fee

Article 6 (paragraphs 5-7) of the so-called "Support Decree" (Decree Law no. 41 of 22 March 2021 containing urgent

measures on support for businesses and economic operators, labour, health and territorial services, related to the Covid-19 emergency, as amended at the time of conversion) provided, for the year 2021, the exemption for accommodation facilities as well as those for the administration and consumption of beverages in public places or open to the public, including similar activities carried out by third sector entities, from the payment of the licence fee. The provisions also allocated €83 million under a special accounting ledger to grant a tax credit of a corresponding amount to those who already paid the fee and to compensate the Concessionaire for the lower revenues deriving from the aforementioned provision.

ANAC measures on anti-corruption and whistleblowing

In the first half of 2021, the Authority issued the Regulation on the exercise of the sanctioning power of the National Anti-Corruption Authority for the failure to adopt the three-year plans for the prevention of corruption, the three-year transparency programmes, and the Codes of conduct (Resolution no. 437/2021). With regard to the updates to the PNA, considering the systematic reforms that will affect the sectors of corruption prevention and that of public contracts, the Authority has decided, with respect to the update of the PNA 2019-2021, to simply provide a picture of the regulatory sources and resolutions that have occurred and are relevant with regard to the original approval of the three-year plan.

The Authority also adopted, with resolution number 469 of 9 June 2021, the Guidelines on the protection of whistleblowers who have come to learn of crimes or irregularities due to an employment relationship, pursuant to Article 54-*bis* of Legislative Decree 165/2001 (so-called *whistleblowing*).

With regard to listed companies, the guidelines specify that the aforementioned Article 54*bis* includes, among the employees to which it applies, also those of a body governed by private law subject to public control pursuant to Article 2359 of the Italian Civil Code, a profile that allows ensuring the protections in question to reports from the employees of State-owned listed companies.

Public contracts

Regulatory measures

Law no. 108 of 29 July 2021 "Conversion into law, with amendments, of Decree Law no. 77 of 31 May 2021, containing the governance of the National Recovery and Resilience Plan and first measures to strengthen administrative structures and accelerate and streamline procedures" provided, inter alia: amendments to the rules governing subcontracting (Article 49); amendments to

Legislative Decree no. 76 of 16 July 2020 (article 51); extensions and amendments regarding Decree Law 32/2019 on public contracts (article 52); simplification of purchases of IT goods and services instrumental to the implementation of the PNRR and in the field of e-procurement procedures and purchase of IT goods and services (article 53). In summary, the simplification measures provided for by the previous regulatory measures mentioned above were strengthened and extended and the rules on subcontracting were revised with the introduction of certain provisions with transitional validity until 31 October 2021 and others that will enter into force from 1 November 2021. The application scope of subcontracting is, in essence, expanded taking into account the guidelines of the European Court of Justice, with the aim of addressing the various observations made on the subject by the Commission and the European Court of Justice to the Italian government. In addition, in terms of social protection requirements at work, measures have been introduced concerning the economic and regulatory regime and national collective bargaining applicable to the staff of subcontractors.

Measures issued in relation to the health emergency

Decree Law no. 52 of 22 April 2021 (so-called Reopening Decree, as amended by conversion law no. 87/2021) defined the framework of the measures to be applied from 1 May to 31 July 2021 for the gradual recovery of economic and social activities, in the context of a health situation with a positive trend in the slowdown of the curve of infections and the expediting of the vaccination campaign. The measures to be applied were identified by referring to the provisions already set out by the Prime Ministerial Decree of 2 March 2021, without prejudice to the provisions of the decree law.

The cessation of some previously imposed measures from 26 April was decided, including the prohibition of movement in and out of the territories of the Regions and Autonomous Provinces located in areas characterised by the lower risk scenarios (yellow and white zones). The movements allowed to enter and leave territories located in areas characterised by higher risk scenarios (red and orange zones) were also defined, granting the permission to persons with Covid-19 green pass to travel or authorising those motivated by work needs, situations of necessity or health, or to return to one's residence, domicile or dwelling.

Pursuant to these provisions, the Prime Ministerial Decree of 17 June 2021 was issued, regulating the procedures for issuing these certifications aimed at facilitating the free and safe movement of citizens throughout the country and in the European Union.

Shows open to the public from 26 April were allowed in areas with lower risk scenarios.

Decree Law no. 105 of 22 July 2021, enacted by Law no. 126 of 16 September 2021, extended the state of emergency to 31

December 2021, including the possibility of adopting emergency containment measures within the regulatory framework set out by Legislative Decree no. 19 of 2020, with reference to the areas of possible emergency measures, and no. 33 of 2020, with reference to the definition of the specific areas of the national territory on which to apply these measures, corresponding to specific parameters based on which to evaluate the trend in epidemiological data.

The provision also established that it is possible to carry out some activities only if one has a Covid-19 green certification ("green pass") that certifies that one has received at least one dose of vaccine or has tested negative for a molecular or rapid swab test in the last 48 hours or that one has recovered from Covid-19 in the previous six months.

Green certification is required for entry into: catering services carried out by any business for consumption at the indoor table, shows open to the public, events, museums, other institutes and places of culture, conferences and seminars; the green pass is required in the white zone as well as in the yellow, orange and red zones, where services and activities are allowed.

In this regard, the Government clarified that for consumption at the table indoors, workers can access the company canteen or the premises used to serve catering services to employees only if they have Covid-19 green certification; to this end, the providers of the aforementioned services are required to check the Covid-19 green certifications as manner indicated by the Prime Ministerial Decree of 17 June 2021.

The temporary regulation relating to "fragile workers" was extended to 31 October 2021. It provides for employees, public and private, falling within certain cases, that they carry out work from home, also by being assigned to different tasks, included in the same category or area of classification, as set out by the collective agreements in force, or through the performance of specific professional training activities, also remotely.

On 16 September 2021, the Council of Ministers approved a decree law introducing urgent measures to ensure the safe conduct of public and private work through the extension of the scope of application of the Covid-19 green certification. In particular, Article 3 (Urgent provisions on the use of green certifications in the private workplace) provides that those working in the private sector are required to have and show their Green Certificate on request: "from 15 October 2021 and until 31 December 2021, the deadline for the cessation of the state of emergency to prevent the spread of SARS-CoV-2 infection, whoever works in the private sector is under the obligation, for the purposes of access to the places where the aforementioned work is carried out, to have and show on request the Covid-19 green certification".

Reopenings Decree Law

Law no. 87 of 17 June 2021 enacting, with amendments, Decree Law no. 52 of 22 April 2021, containing urgent measures for the gradual resumption of economic and social activities in compliance with the needs of containing the spread of the Covid-19 epidemic, in addition to the measures more closely related to the health emergency in progress, postponed the application of the sanctions provided for by Law no. 124 of 2017 for non-compliance with certain information obligations regarding public contributions from 1 January 2022 (Article 11-*sexiesdecies*).

Mobility manager

The decree of the Minister of Ecological Transition of 12 May 2021 containing *"Implementation procedures of the provisions relating to the figure of the mobility manager"* set out the implementation procedures for the provisions referred to in Article 229, paragraph 4, of Decree Law no. 34 of 19 May 2020, enacted, with amendments, by Law no. 77 of 17 July 2020, aimed at reducing the environmental impact deriving from private vehicle traffic in urban and metropolitan areas, promoting the implementation of interventions for the organization and management of the demand for mobility of people that allow the reduction of the use of the private individual motor vehicles in regular home-work journeys and easing traffic congestion. The measure introduced the *"company mobility manager"*, a figure specialised in the governance of the demand for mobility and in the promotion of sustainable mobility in home-work travel of employees, and provided for the *"home-work travel plan (PSCL)"* of employees, subject to adoption by certain companies, at full capacity, by 31 December of each year, based on the specific Guidelines for the drafting and implementation of the aforementioned plans.

The aforementioned Guidelines were last approved with Decree 209 of 4 August 2021 adopted by the Ministries of Ecological Transition and Infrastructure.

"Support 2" Decree Law

Law no. 106 of 23 July 2021 on *"Conversion into law, with amendments, of Decree Law no. 73 of 25 May 2021, containing urgent measures related to the Covid-19 emergency, for businesses, labour, young people, health and territorial services"* (so-called "Support 2 Decree Law"), in addition to the new provisions more closely related to the health emergency, includes, inter alia: revision of the prices of materials in public contracts (Article 1-*septies*); capitalisation of State-controlled companies (Article 23) and corporate recovery plans of loss-generating investees (Article 56-*ter*); entertainment workers (Articles 43 and 66); compensation for private copying (amending the rules for the payment of the aforementioned remuneration, establishing, in particular, that the share due to performers is assigned to them directly by SIAE, also through companies that carry out intermediation activities of rights

related to copyright, and no longer through the producers of phonograms and providing for the obligation to report the sums paid as compensation for private copying, Article 65, paragraph 4); increase of the Entertainment, Cinema and Audiovisual Emergencies Fund (Article 65, paragraphs 1 and 10); reserve of a share of the automatic contributions from the Fund for investments in the cinema and audiovisual sector referred to in Law 220/2016, due to film and audiovisual companies for the development, production and distribution in Italy and abroad of new Italian cinematographic and audiovisual works, to the directors and authors of the subject, the screenplay and music and use of the works deposited, for the purposes of access to the benefits referred to in the aforementioned law, at the Cineteca nazionale, the Italian National Film Library (Article 65, paragraph 5); extension of the investigative powers of AGCM (Article 4-*bis*, paragraph 1 of Decree Law no. 125 of 2020) regarding the existence of positions detrimental to pluralism in the electronic communications markets (Article 67, paragraph 13-*bis*).

Governance of the PNRR and simplifications

In addition to the new measures introduced in the field of public contracts (see above) Law no. 108 of 29 July 2021 *"Enactment, with amendments, of Decree Law no. 77 of 31 May 2021, containing governance of the National Recovery and Resilience Plan and first measures to strengthen administrative structures and expedite and streamline procedures"* introduced provisions on bridging the digital divide and transition (Title 2, Part 2), through, inter alia, the provision of measures for the deployment of digital communications; simplification of the authorisation procedure for the installation of electronic communications infrastructures (Article 40); amendments to the Law on Administrative Procedure No 241/1990 (Articles 61-63 regulating substitutive power, silent consent, ex-officio cancellation).

Cybersecurity

Law no. 109 of 4 August 2021, *"Enactment, with amendments, of Decree Law No. 82 of 14 June 2021 laying down urgent provisions on cybersecurity, definition of the national cybersecurity architecture and establishment of the National Cybersecurity Agency"*, defined the national cyber security system, with the Prime Minister at the top who is given the top management and general responsibility for "cybersecurity policies", as well as the adoption of the related national strategy and establishment of the new "National Cybersecurity Agency", with the setting-up of a "Cybersecurity Unit" for cases related to possible crisis situations. The "Interministerial Committee on Cybersecurity" (CIC) is also established at the Prime Minister's Office. The measure then made several amendments to Legislative Decree no. 65 of 2018 [implementing Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union, so-called "NIS - Network and Information Security Directive"] and to further regulatory acts on cybersecurity.

AGCOM copyright protection regulation

Pursuant to the provision set forth in Article 195-*bis* of Decree Law no. 34 of 19 May 2020, converted with amendments by Law no. 77 of 17 July 2020 (the "Relaunch Decree"), containing provisions on the protection of copyright, which granted the Authority the power to order, at the request of the rights holders, providers of information society services that use, even indirectly, national numbering resources to put an end to violations of copyright and related rights (first and foremost, the unlawful dissemination of contents in the internet via instant messaging services), AGCOM amended its Regulation on the protection of copyright accordingly (Resolution no. 233/21/CONS).

Consultation on governance models and the role of public service broadcasting, also with reference to the European framework and audiovisual market scenarios

The Parliamentary Committee for the General Guidance and Supervision of Radio and Television Services launched, in March 2021, the consultation in question, carrying out the hearings of the main stakeholders in the sector.

Integrated communications system

The Authority dismissed the proceedings initiated (Fininvest S.p.A./Mediaset S.p.A.; Telecom Italia S.p.A.; Sky Italian Holdings S.p.A.; Vivendi S.E.- Telecom Italia S.p.A. - Mediaset S.p.A.) for the purposes of the checks referred to in Article 4-*bis*, paragraph 1, of Decree Law no. 125 of 7 October 2020, enacted with amendments by Law no. 159 of 27 November 2020 (the so-called "anti-takeover law"), which entrusted the AGCom with the task of verifying, by means of a preliminary investigation, the existence of any distorting effects or positions which are in any case detrimental to pluralism in cases where a party operates, at the same time, in the electronic communications markets and in a different market, falling within the integrated communications system, also through equity interests of determining a significant influence pursuant to Article 2359 of the Italian Civil Code).

System Economic Reporting (IES)

With resolution no. 161/21/CONS, AGCOM amended the previous resolution no. 397/13/CONS "Economic Reporting System" establishing, among other things, that companies that, regardless of their place of establishment or residence, must draw up the consolidated financial statements of entities required to file the IES. The Authority therefore provided that the forms be divided into "Reporting Period" and "Consolidated", with contextual acquisition of the data of the individual companies and those consolidated by the group and the provision in the IES also of a specific form aimed at acquiring the data relating to the consolidated structure of subjects operating in the reference sectors, which must be completed by the company that draws up the consolidated financial statements of the said entities.

The System Economic Reporting (IES) is a mandatory annual disclosure for communications operators and concerns master

and economic data on the activity carried out by the parties concerned, in order to collect the elements necessary to meet specific legal obligations, including the enhancement of the Integrated Communications System (SIC) and the check on the anti-concentration limits within said system; market analysis and any dominant positions or in any case detrimental to pluralism; the Annual Report and preliminary assessments, as well as to allow the updating of the statistical database of communications operators.

AGCOM measures and proceedings

With AGCom Resolution no. 38/20/CSP, Rai was fined €25,000 for the violation of Article 34, paragraphs 2, 6 and 7 of Legislative Decree no. 177/2005 in conjunction with paragraph 3.1 of the Media and Minors Self-Regulation Code. The proceedings, no. 2739/Sm/MZ were launched for the broadcast in the programme La Vita in Diretta on RaiUno on 19 September 2019 of the report called "Diavoli della Bassa". The proceedings were appealed against.

With Resolution no. 42/19/Cons, AGCOM launched preliminary proceedings to verify the public service duties of Rai pursuant to the 2018-2022 Service Agreement, regarding accounting separation and transparency in advertising sales pricing. At the meeting of 23 July 2019, a further proceeding – 14/19/DCA – 2733/LF was started, to investigate, pursuant to Article 48, paragraph 2 of Legislative Decree 177 of 31 July 2005, an alleged non-fulfilment of radio and television general public service obligations and of the national 2018-2022 service agreement, concerning the transparency of the advertising space sales policy. The proceedings ended with Resolution no. 61/20/CONS, in which AGCom "Ascertained the (...) non-compliance (...) with the principles of transparency and non-discrimination as per Article 25, paragraph 1, letter s) point iii) of the 2018-2022 Service Agreement" and warned Rai "to immediately cease conduct similar to that subject of the established infringement.". The above measures (14/19/DCA, 42/19/CONS and 61/20/CONS) were challenged before the Lazio Regional Administrative Court (TAR), which did not uphold the appeal filed by Rai against the aforementioned Resolution 61/20/CONS (ruling no. 945/2021 of 25 January 2021). The first instance ruling was challenged by Rai with an appeal to the State Council, served on 15 March 2021.

with proceedings no. 13/19/DCA – proc. 2732/RC, AGCOM started a preliminary investigation pursuant to Article 48, paragraph 2 of Legislative Decree 177 of 31 July 2005 for alleged non-fulfilment of the radio and television general public service obligations and of the National Service Agreement for the years 2018-2022 regarding information pluralism. The investigation ended during 2020 with Resolution 69/20/CONS, containing a notice ordering a series of measures regarding information pluralism as well as a fine of €1,500,000. Resolution 69/20/Cons

was challenged before the Lazio Regional Administrative Court, which was initially suspended due to Court Order no. 2805 of 16 April 2020 and subsequently annulled with Judgement no. 3800/2021 published on 29 March 2021. By appeal to the State Council served on 28 June 2021, Rai re-proposed the grounds of appeal formulated before the Lazio Regional Administrative Court and rejected or absorbed by the first instance ruling.

In execution of the ruling of the Lazio Regional Administrative Court, at the end of the appropriate preliminary investigation, AGCom reconsidered only the facts that are the subject of the original dispute, simply reminding the Company to abide by the specific principles of the Public Service: impartiality, independence and autonomy.

Contributions due to the Authorities

Also with reference to the year 2021, as well as for 2020, the payments of annual contributions for the rights of use of digital television frequencies were suspended, in consideration of the persistent failure to adopt the ministerial decrees governing the amounts for both years.

The proceeding filed by the Company against the ANAC communicate that extends the request for payment of the contribution due to ANAC also with reference to the so-called "excluded contracts" from the scope of the Code of Public Contracts (including the procedures pursuant to Article 17, paragraph 1, letter b, "contracts in the audiovisual or radio media sectors") is still pending before the Lazio Regional Administrative Court. Rai paid the amount requested for the first quarter of 2020 with express reservation of repetition of the sums relating to the aforementioned excluded procedures, in the case of positive outcome of the proceeding. The repetition reserve must also be construed to refer to future payments of contributions relating to the contracts in question.

Reorganization of the Consolidated Law on Digital Audiovisual and Radio Media Services (TUSMAR)

Pursuant to article 3 of the European Delegation Law 2019-2020 (Law no. 53 of 22 April 2021), the draft legislative decree transposing Directive (EU) 2018/1808 of the European Parliament and of the Council of 14 November 2018 amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive - AVMSD") is currently being assessed in Parliament for the required opinion of the relevant Committees.

Corporate Governance

The Ministry of Economy and Finance Directive of 31 March 2021 on the procedures for identifying the members of the corporate bodies of the investees of the Ministry and updating the Regulation on the selection and appointment of the members of the corporate bodies of companies with unlisted shares controlled by Rai SpA

The Ministry updated, with Directive no. 5748 of 31 March 2021, the procedures for appointing the members of the corporate bodies (both managers and auditors) of the companies controlled by it (directly or indirectly), in particular with the provision that the qualitative and attitudinal preliminary assessment of potential candidates for the office, "without prejudice to legislative, regulatory and statutory requirements, is aimed at identifying the best profiles for professionalism and competence and, without prejudice to the specific corporate governance structures, the optimal collective composition, also by age and gender, of the corporate bodies, with the aim of pursuing the sustainable success of companies. Therefore, the professionalism and skills of the candidates will be evaluated, in particular in relation to the specific sector of operation, management experience and, in corporate bodies, to financial markets, risk management, legal and corporate sectors and environmental, social and governance (ESG) matters". The Directive has also had an impact on the procedures to be used for the appointment of new corporate bodies in companies indirectly controlled by the Ministry of Economy and Finance (with the exclusion, now, also of companies with listed shares), requiring, inter alia, the transposition into the internal regulations on the selection and appointment of members of the corporate bodies of investees of the new provisions illustrated above and introduced as part of the preliminary investigation. The Company updated accordingly its Internal Regulations on the methods of selection and appointment of the members of the Corporate Bodies of investees with non-listed shares.

Appointment of financial reporting officer

The Board of Directors, at its meeting on 22 September 2021, appointed the Chief Financial Officer of the Company, Mr. Marco Brancadoro, for a period equal to the term of office of the Board itself, pursuant to article 30 of the Articles of Association and after obtaining the mandatory opinion of the Rai Board of Statutory Auditors.

Corporate Governance Report - the Rai Control Governance Model and the Internal Control and Risk Management System

The Internal Control and Risk Management System (SCIGR)

Within the scope of the risk control and management tools there are structural similarities between the systems implemented in the various Group companies. The companies have set up their own Internal Control and Risk Management System (SCIGR), which, in terms of structure, contemplated roles and operation mechanism appears similar in all associates, as required by the Code of Ethics and inspired by the system currently in effect at the Parent Company.

The SCIGR is “*all the instruments, organisational structures, company rules and regulations that enable the company to be managed in a healthy, correct way consistent with company goals established by the Board of Directors, through a suitable process to identify, measure, manage and monitor the main risks, and by structuring suitable information flows to guarantee circulation of information*”.

The SCIGR is integrated in the most general organisational and corporate governance structures and is organised into three levels: *Management* (I level), *Management* with monitoring functions (II level), Internal audit (III level).

An efficient SCIGR facilitates making informed decisions and helps protect corporate assets, the efficiency and effectiveness of company processes, the reliability of financial information, compliance with laws and regulations and the Articles of Association and internal regulations.

The goal of the System is to mitigate risk by managing it in each process.

Rai uses the *Committee of Sponsoring Organizations Report* as its framework of reference, recognised both nationally and internationally for the implementation, analysis and assessment of the Internal Control System.

The regulatory framework and device of Rai's SCIGR is mainly represented by:

- Company Articles of Association;
- Service Agreement;
- Code of Ethics;
- Organisation, Management and Control Model, pursuant to Legislative Decree 231/2001;
- Three-year Corruption Prevention Plan;
- Regulatory, organisation and powers system of Rai SpA;
- Model for the management and processing of notification of potentially illegal, irregular or reprehensible facts;

- Internal disciplinary system;
- Guidelines on Internal auditing activities, integrating the Guidelines on the Internal control and Risk Management System;
- Regulation for the management and coordination activities performed by Rai on its subsidiaries.

In the first half of 2021 the main activities on the subject of Internal Control System were:

- the continuation of the Integrated Risk Assessment project, launched in the second half of 2018, with the aim of achieving an overview of corporate risks (compliance and operational), increasing the effectiveness and efficiency of processes and even more adequately combating the phenomena of corruption and illegality, as well as all other possible offences falling within the scope of Legislative Decree 231/2001.

The project has necessarily taken into account, and will continue to take into account, the organisational evolutions underway and the timeframes and methods for implementing the Business Plan, which reflect on both the analyses and the changes in corporate processes and therefore on the identification of sensitive areas and related risks, with the consequent impact and probability assessments. The sensitive areas include environmental, social and governance (ESG) risk.

The activity aimed at transposing the legislative innovations on "Tax Crimes" introduced in Legislative Decree 231/2001 by Law 157/2019 and Legislative Decree 74/2020, which may lead to identifying further at-risk activities and control standards, was also started;

- the consolidation of the new integrated reporting management model (also anonymous) for Rai SpA and the Group's subsidiaries (with the exception of listed companies with their own Internal Audit structure), governed by the specific procedure approved in January 2019 by the Board of Directors of Rai S.p.A.

Thanks to the integration of the various aspects of the internal control system under analysis, this model has made it possible to improve the process of investigating a report and ensure the completeness of the analyses with a positive impact on the effectiveness and efficiency of the Internal Control and Risk Management System;

- continuous training and awareness of management and employees, through information and training activities that have seen the provision – starting from March – of new and updated e-learning courses on the subject of Legislative Decree 231/2001 and Law 190/2012.

The Rai Corporate Governance Model



CCE: Stable Commission for the Code of Ethics
RASA: Manager of the Register for the Contracting Entity
RPC: Corruption Prevention Manager

The Code of Ethics

The Code of Ethics regulates all the rights, duties and responsibilities that Rai has with the stakeholders it interacts with when performing its activities. It is addressed to the corporate officers, the Chief Executive Officer, the senior managers, employees, collaborators and everyone that has business and/or financial relations of any type with Rai or that act on its behalf on the basis of specific mandates.

The Code of Ethics was drawn up for the entire Rai Group so is binding for all companies controlled directly or indirectly by the Parent Company. The Code is valid both in Italy and abroad, with any adjustments needed for the different situations of countries where Rai operates, also through its subsidiaries.

The Code is broken down into three macro-areas:

1. initially, to underscore its importance, the principles considered essential by the Group are set forth: correctness and transparency; honesty; observance of the law; pluralism; professionalism; impartiality; value of the human resources; integrity of the people; confidentiality; responsibility towards the community; fair competition;
2. afterwards the general principles of conduct are described, which in agreement with the principles above must tangibly guide Rai's activity: diligence, correctness, good faith and loyalty; information and transparency; protection of the company's assets; respect for privacy; prevention of conflict of interest; strict policy concerning gifts and acts of courtesy;
3. lastly, the various areas deemed relevant and "critical" from the behavioural correctness viewpoint are specified, as well as specific methods of implementation and the supervisory programme.

In particular, the following are regulated in the Code of Ethics:

- the relationship with personnel, with special attention paid to promoting merit, equal opportunities, occupational safety and environmental protection;
- administrative and financial management, which emphasises the essential role of an internal control system;
- relations with the Public Administration with regard to conflict of interest, risk of corruption and abuse of power;
- the relationship with suppliers and collaborators, underscoring the obligations of transparency, correctness and discrimination when selecting the supplier and execution of the contract, and commitment to protecting ethical aspects along the supply chain;
- the relationship with customers and users, particularly the obligations required by the Service Agreement such as protection of minors and minorities, a socio-cultural function,

a varied and quality programming;

- protection of the share capital and of the creditors;
- relations with the other interlocutors, highlighting the obligation of independence from critical subjects such as political parties and trade union organisations.

For monitoring purposes, the Stable Committee for the Code of Ethics, which reports to the Chief Executive Officer, has been set up; it ensures information flows to the RAI Supervisory Board pursuant to Legislative Decree 231/2001 and periodic reporting on the initiatives taken as a result of reports received and their outcomes. In compliance with the company procedure on managing and processing reports, the Committee also sends the Corruption Prevention Manager the reports received presumably pertaining to corruptive profiles, even only abstract in nature, and informs him/ her of their result.

The Code also establishes that the Supervisory Body and the Corruption Prevention Manager provide observations on ethical problems and on presumed breaches of the Code of Ethics that could occur as part of their areas of responsibility and that they report any breaches of the Code of Ethics to the Stable Committee for the Code of Ethics.

Other aspects to be highlighted are the provision of a confidential email address for reports of alleged violations of the Code and the related penalty system and the communication and training of personnel on the principles and ethical rules set out in the Code.

The Code was last updated in January 2020. The Parent Company's Board of Directors updated the Code of Ethics, setting out the principles of diligence, fairness, good faith and loyalty to which the addressees must adhere when using digital media. Digital media are defined as systems for publishing and disseminating content accessible to any connected device (such as, but not limited to, websites, blogs, forums, social networks).

As a public broadcaster, Rai needs to be present in the digital media in order to fully play its role within the public service mission. By virtue of this public nature, although web spaces or social networks may be considered pertinent to the personal sphere and per se separate from the role covered in the company, it is inevitable that activities carried out in a personal capacity by employees or collaborators of the public service may have consequences on the image of Rai and the Group Companies as a whole. It was therefore considered useful to specify the principles to be adopted in the use of these devices.

The Organisation, Management and Control Model

All companies part of the Rai Group are formally autonomous in adopting their risk control and management mechanisms, and they are bound only to the Code of Ethics, which is valid for all Group companies. What is fundamental, however is the policy function carried out by the system of the Parent Company, from which the other companies draw inspiration.

In carrying out its management and coordination activities, Rai SpA promotes and fosters the independent performance by its subsidiaries, which are individual recipients of the requirements of Legislative Decree 231/2001, of the activities of preparation and revision of its Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, providing indications also considering the Group's organisational and operational structure. It also promotes the adoption of general principles to ensure legality also at associates.

The most recent update of the Organization, Management and Control Model (MOGC), adopted by Rai SpA pursuant to the aforementioned Decree on the administrative liability of entities, was approved by the Board of Directors on 29 July 2020 and includes the legislative amendments and changes in the organizational and governance structure that have occurred in the meantime.

Currently the Model includes standards and control measures with reference to the types of offences included in Legislative Decree no. 231/2001 until June 2020¹. Control standards are prepared based on principles and indications in the Guidelines of Confindustria, and on the best international practices.

The Model also contains a description of the methods and responsibilities for approving, implementing and updating the Model. Proposals for updates and/or adjustments, submitted by the Chief Executive Officer to the Board of Directors, are prepared by a special team called "Team 231".

The Supervisory Body is entrusted with updating the Model and supervises its suitability and effective implementation. The Supervisory Body of Rai SpA is a body established pursuant to the Articles of Association, and has autonomous powers of initiative and control to exercise its functions, and reports to the management board (Part IX, Article 32 of the Articles of Association). It is a collective body with two external members, one of whom takes the chair and the Internal Audit Manager pro tempore, depending on the function performed.

The Supervisory Body carries out specific interventions and monitoring in order to check the adequacy of the Model and to ascertain the level of effective implementation and efficiency of the prevention system, and also in-depth study and preliminary investigations on the subject of compliance with the provisions.

Special attention is reserved for the results of audits conducted by the Internal Audit Department and monitoring of the resulting corrective actions identified to improve company efficiency and strengthen controls established to prevent crimes.

The Supervisory Body promoted and supported the launch of the Risk Assessment on "231" risks, with the aim of keeping the framework of risks with an impact on the Model updated and ensuring the adequacy of the crime prevention system. This activity is part of the broader Integrated Risk Assessment Project mentioned above.

Every six months, the Supervisory Body, collectively, sends the Board of Directors, the Board of Statutory Auditors and the Chief Executive Officer a Report on activities carried out and on the other information established by the Model, expressing its recommendations for the best suitability and effective implementation of the offence prevention system indicated in the regulation referred to.

In addition, training initiatives and seminars are promoted for management and employees. In particular, in the first half of 2021 the e-learning training on the general aspects of Legislative Decree no. 231/2001 was renewed, organising with the intention of making the course available to employees throughout the Group, and on the specific profiles of the Rai Model to make staff aware of the recently introduced updates. The periodic publication of the newsletter specifically intended for communication and updating on "231" issues continued.

Also in the first half of 2021, as part of the supervision of areas sensitive to the risk of committing crimes, on the monitoring of risks, on new procedures and on any critical issues, the Body continued to monitor in a strengthened way – considering inter alia the persistence of the national health emergency – the risks of committing predicate offences for the purposes of the administrative liability of the Entities related to the cases of culpable crime referred to in Article 25-septies of Legislative Decree no. 231/2001 (manslaughter and serious injuries in violation of the rules on the prevention of accidents at work).

The functions of the Supervisory Body of the non-listed subsidiaries are carried out by the respective Boards of Statutory Auditors. On 28 January 2021, the Rai Board of Directors resolved on the separation of functions between the Supervisory Body and the Board of Statutory Auditors for these companies, approving the directive that they take all the necessary initiatives aimed at achieving separation, in order

¹ Among the new regulations, those brought by Legislative Decree no. 75 of 14 July 2020 on the "Implementation of EU Directive 2017/1371, relating to the fight against fraud affecting the financial interests of the Union through criminal law", which was published just before the board meeting, were not included. The transposition into the Model of the related measures is ongoing.

to establish the Supervisory Bodies as autonomous internal control bodies for the purposes of Legislative Decree 231/01.

The functions of the bodies will continue to be carried out on a transitional basis by the respective Boards of Statutory Auditors until the appointment of the new Supervisory Bodies.

Anti-corruption

Considering the heavily regulated context in which the Company operates and the business of reference, anti-corruption is a significant issue for all of the Group's companies. In particular, it is emphasised that Rai has acquired procedural and organisational tools over the years that are able to manage and monitor what is established by the current legislation on the subject.

Specifically, the monitoring of this issue is handled individually by each Group company: in fact, they have their own Three-Year Corruption Prevention Plan (PTPC) or an MOGC pursuant to Legislative Decree 231/2001 which includes the Anti-Corruption provisions, as well as a Corruption Prevention Manager (RPC) or an Anti-Bribery Representative as a member of the Supervisory Board. In this regard, as part of its management and coordination activities carried out with regard to its subsidiaries and in compliance with the logics set forth in the regulation issued on 29 December 2014, Rai SpA ensures that the subsidiaries identify the aforementioned roles and adopt their own PTPC or MOGC that includes anti-corruption provisions.

Since 2015, the Board of Directors of Rai SpA, in compliance with Law 190 of 6 November 2012, containing "*Provisions for prevention and repression of corruption and illegality in the Public Administration*", has appointed a Corruption Prevention Manager and has adopted the Three-year Corruption Prevention Plan (PTPC) of Rai SpA, then presented to ANAC, which also indicates the implementation standards and criteria for Rai's subsidiaries. During the following years, the PTPC was updated, re-projecting structure, method and logic. The main changes introduced were the result of three separate activities: implementing the National Anti-corruption Plan, the guidelines and recommendations of ANAC, Risk Assessment and analysis of the results of audit reports and investigations into notifications received.

In the PTPC (last updated in March 2021) published also in English on the official website www.rai.it/trasparenza and to which reference should be made for further details, the process of identification, assessment and management of corruption risk is clearly identified; it analytically lists the possible areas of risk that can be linked and the probability and impact assessment indices, based on the Risk Control Self Assessment carried out in 2015.

Identification of the risk areas and of the related activities was periodically monitored within the scope of the Annual Information Forms drawn up by the single Anti-corruption Representatives if it was requested to confirm the overall mapping for the areas of competence and related risk assessment. Moreover, in the perspective of monitoring these Areas on an interim basis, specific flows of information, set out in the methodological notes, going to the RPC from the Representatives in charge were made operational.

The objective of the current Integrated Risk Assessment Project already mentioned above is also to enable the implementation of an increasingly integrated internal control and prevention system, taking advantage of the opportunity, indicated by Law 190/2012, to adopt new measures and/or consolidate those already in place through coordinated action, in order to fight the phenomena of corruption and illegality more effectively.

Specifically, the PTPC adopts the following tools to support the prevention of risk:

- transversal control principles that apply to all processes and the company areas;
- specific protocols for the "General Areas" set out in the National Anti-Corruption Plan (PNA);
- anomaly indicators, identified on the basis of experience/knowledge and that can stimulate management to pay more attention to its activities.

The function of Anti-corruption Representative is aligned with the organisational changes underway. As of today, it is covered by the heads of Top Management organisational structures (those reporting directly to the Chairperson, the Chief Executive Officer, Chief Officers and all Management heads), the Heads of Regional Offices and of the Regional Editorial Offices of Regional News, the Heads for foreign Correspondence Offices and the Heads of the TV Production Centres of Rome, Milan, Naples and Turin.

To further enhance these roles and update them continuously, a periodical newsletter system is active, as well as a specific dedicated area on the company intranet network containing important data, documents and information on anti-corruption and transparency, with a section reserved for managers and one accessible to all employees.

In addition, the training plan already launched in previous years, aimed at covering all Rai employees, continued. In particular, a new edition of the e-learning Anti-Corruption course has been prepared, divided into two modules, one concerning the reference regulatory framework and one specifically concerning Rai SpA's PTPC. The launch of the relevant training campaign took place in March 2021.

As concerns transparency, considered one of the main anti-corruption levers and measures available to the Company by the PNA, it is worth mentioning Law 220/2015 Reform of the Rai and the Public Broadcasting Service introduced important company transparency changes; consequently, on 28 May 2016 Rai prepared and adopted the Plan for Transparency and Company Communication (last updated in April 2021) establishing the criteria and methods for defining, publishing and updating the data, documents and information set forth in regulations in force. That data was published on the Company website in the section called *Rai for Transparency* as of 25 July 2016.

The aforementioned Plan replaces the previous *Three-year Program for the Transparency and Integrity of Rai SpA*; as a result, the Head of Transparency no longer exists (that responsibility had been assigned to the Head of Corruption Prevention). The relative responsibility has been attributed to the Chief Executive Officer.

Other information

Human Resources and Organisation

Rai pays particular attention to the recruitment, management, development and empowerment of human capital, considered a strategic factor for corporate growth, in a perspective that supports and promotes the creation of value and the achievement of corporate objectives, while ensuring sustainable results and full employee engagement.

With this in mind, the company:

- adopts strategies for managing and developing the company's human capital, organisational structure, design and operation of the processes in line with the vision, value and culture of the Rai Group;
- implements human resources management, development and compensation activities are implemented according to performance management models and in an HR business partner perspective, guaranteeing fair industrial relations and ensuring compliance with labour legislation;
- ensures the development of the organisational structure, design functions and operation of the processes, support computer systems, and monitoring of the administration activities and management of the remunerations, labour cost dynamics and optimisation and control functions connected with the activities of the personnel;
- ensures, through the Rai Academy, personnel training and research activities as well as the development of the "knowledge hub" and the alignment of skills with company strategies;
- promotes an appropriate working environment from the point of view of employee safety and health, taking all necessary measures.

In the first half of 2021, in compliance with government measures on the containment of the virus and interpersonal distancing and in order to protect the health of workers and preserve the production facilities on whose operation the continuity of the public radio and television service depends (in particular, the studios dedicated to Saxa Rubra newscasts, those intended for in-depth information programmes in via Teulada and the studios dedicated to regional information), Rai facilitated the use of flexible forms of work (so-called *smart working*) providing staff with all the tools and equipment necessary to carry out work in total safety in presence (e.g., PPE, plexiglass panels, etc.), in cases of activities incompatible with the remote work model.

In this context, the company intranet (Rai Place) has proven to be fundamental, providing the regulatory and operational reference (company regulations, press releases, instructions for accessing virtual workstations to install and use audio/video services and for the use of all the tools useful for remote work, etc.), and training for all employees.

Introducing and maintaining remote work was made possible thanks to an effective telematic infrastructure that has allowed remote connection to the company's IT systems to a large number of employees.

Workforce and turnover

During the first half of 2021, Rai's workforce¹ decreased by 75 units, from 11,611 employees (of which 161 with fixed-term employment contracts) at the beginning of the year to 11,536 (of which 213 with fixed-term employment contracts) at the end of the first half.

The permanent employees decreased by 127 units, from 11,450 at the beginning of the year to 11,323 at the end of the first half.

In particular, 186 people were hired, as detailed below:

- 161 by competition/selection (irregular staff, apprenticeship, etc.);
- 17 as temporary staff, in compliance with law and trade union agreements (Dignity Decree, Protected Categories, etc.);
- 8 for other reasons (intra-group mobility, reinstatement following litigation, etc.).

There were 313 terminations, of which:

- 191 for incentives;
- 96 for having reached retirement requirements;
- 11 for resignations and consensual termination;
- 15 for other causes (intra-group mobility, layoffs, etc.).

With regard to fixed-term personnel, there was a net positive balance of 52 units, from 161 at the beginning of the year to 213 at end of the first half.

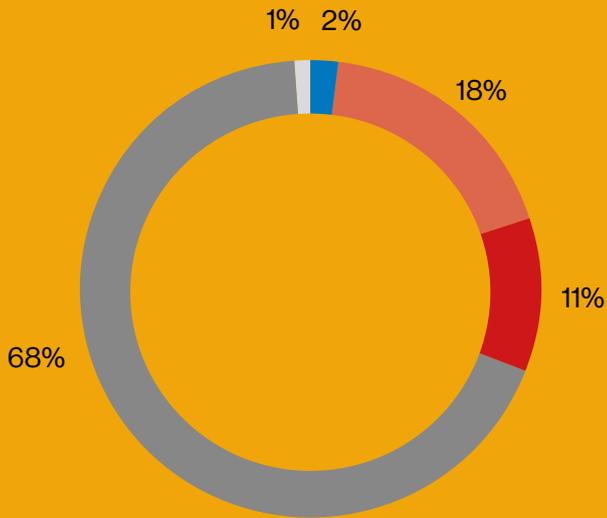
Personnel selection

The activities relating to the search and selection of personnel at Rai are carried out based on a specific operational procedure ("*Criteria and procedures for recruiting staff and awarding collaboration contracts*") consistent with the "*Three-year Corruption Prevention Plan*" and the "*Corporate Transparency and Communication Plan*". Before starting the process of recruiting personnel on the market, a survey the availability of adequate internal resources in terms of quality and quantity to fill the positions sought is carried out.

Personnel recruitment is carried out in accordance with the principles of transparency, publicity and impartiality for objective, motivated and tracked needs of the Company. The criteria for selecting and assessing candidates are

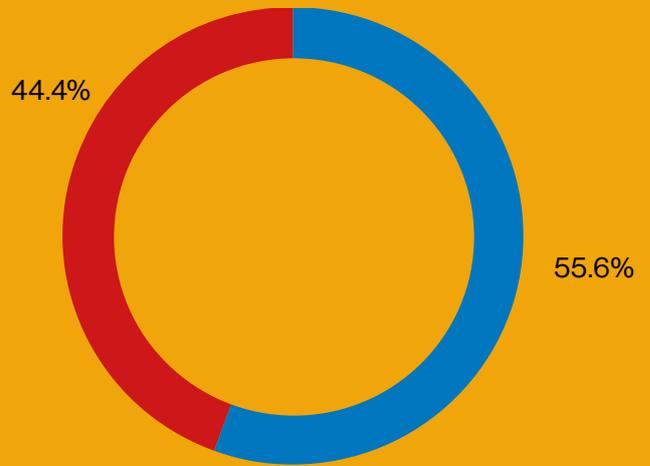
¹ The permanent staff includes the top figures to maturity.

Breakdown of workforce by macro categories



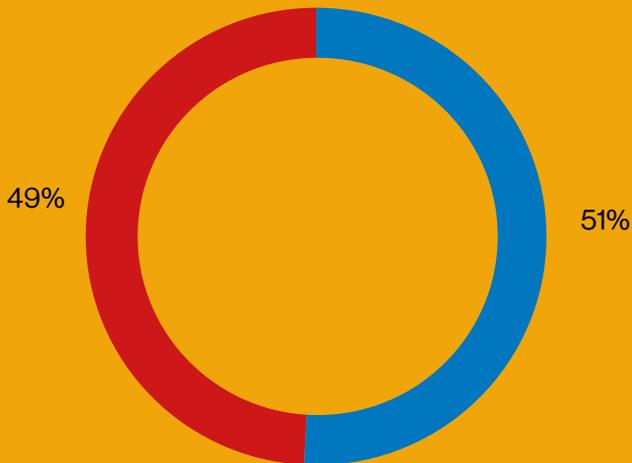
- Managers
- Journalists
- Officers/Middle managers
- Other personnel
- Orchestra players

Breakdown of workforce by gender



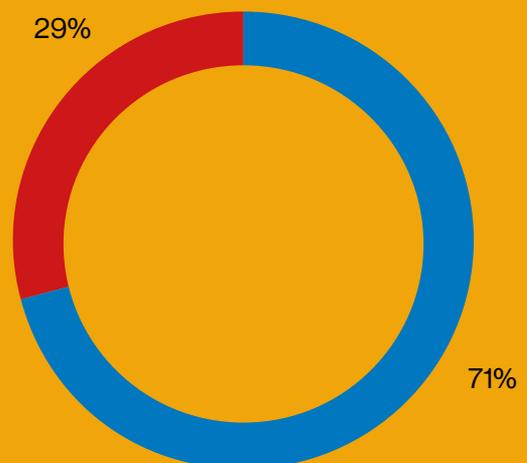
- Men
- Women

Breakdown of hires by gender



- Men
- Women

Breakdown of terminations by gender



- Men
- Women

identified in advance, adequately documented, specific and objective, linked to the Company's actual needs, consistent with the characteristics required for the role to be filled. All stages of the process are justified, documented and tracked, systematically and consistently.

Recruitment notices for external candidates are published on the Company's official website and/or other channels or social media. The selection of candidates, managed directly or with the support of specialised external companies, generally consists in the evaluation of qualifications and study and professional experiences, in the administration of tests (tests, written papers, hands-on tests, etc.), in the conduct of professional and/or cognitive and motivational interviews that are adequate to and consistent with the profiles sought.

For the recruitment of management and/or specialised profiles, given their uniqueness and the highly competitive context characterising the radio, television and multimedia sector, Rai, having previously verified the absence of such professional skills within its organisation, may entrust the search for personnel to specialised companies as an alternative to competitive selection procedures, ensuring in any case publicity, transparency and traceability of the selection process.

In this context, with regard to *recruitment* policies, despite the limitations resulting from the rules to be adopted to counter the spread of the Covid-19 virus, during the first half of 2021:

- selections were held for the figures of technician and production specialist, aimed at identifying 20 and 35 resources, respectively, to be included in the workforce. Due to the Covid-19 emergency, the selections were carried out using largely "remote" operating methods;
- the evaluation activity on the suitability of 68/99 resources for different professional figures was assessed continued, in compliance with mandatory recruitment obligations deriving from Law 68/99 (Rules for the right to work of the disabled);
- the professional journalist selection process was completed in the month of May, in accordance with trade union agreements signed with Usigrai, with the aim of identifying 90 units to be employed at the TgR Regional News;
- the search for resources for specialist profiles continued.

In all the cases, new resources are hired on a permanent basis, with a professional apprenticeship contract pursuant to article 10 of the RAI Collective Labour Agreement for middle managers, office staff, and workers; the use of fixed-term contracts is predominantly applied to: (i) workers belonging to the compulsory employment service, in respect of whom there are recruitment obligations in relation to the staff in service as well as commitments undertaken under the agreement signed with the Disabled Employment Placement Service of the Lazio Region; (ii) widows and orphans of employees who have died while employed with the company.

Personnel management

The main initiatives implemented by Rai in the first half of 2021 concerned the management:

- of the so-called hiring plan of resources suitable for selection initiatives carried out in past years. In particular, recruitment continued: (i) journalists who won the public selection held following the trade union agreement to cover the needs of regional newsrooms; (ii) office staff and programme assistants (2018 selection) and production technicians (2020 selection) to cope with staff shortages, of a productive/ organisational nature, present throughout the national territory. The recruitment of office staff, programme assistants and production technician took place in the form of the professionalising apprenticeship contract, pursuant to Article 10 of the Rai Collective Bargaining Contract for middle managers, office staff and workers;
- stabilisation with permanent contracts, pursuant to the framework agreement on active policies of 13 December 2018, of contractors and found to be suitable by the relative internal evaluation (so-called irregular personnel);
- the use of remote work, where compatible with the tasks performed, in consideration of the persisting epidemiological emergency and the consequent need to limit the presence of workers on company premises;
- the extraordinary voluntary redundancy incentive plan of journalistic staff, middle managers, office staff and workers;
- the management, in the light of the specific needs formulated by the various company units (in particular, those expressed by newly established Departments or affected by company reorganisation), of internal survey activities aimed at identifying, also through job postings, the required resources.

With specific reference to staff development and enhancement activities, the following main initiatives should be noted:

- promotion of the "online curriculum vitae" tool, in order to ensure that the necessary up-to-date and detailed information is available to support personnel management processes;
- evaluation of workforce resources in order to: (i) identify job opportunities in other professional profiles; (ii) recognise, at contractual level, the qualification of employees who have a degree of interest to the company through a review of their salary and a specific career path;
- completion of the operational phase of the *Skills Project* aimed at developing a support system for the management of human resources centred on professional *know-how*. The Rai skills model resulting from the aforementioned Project will allow: (i) acquiring more detailed and targeted information on the existing skills within the company for the professional roles and profiles concerned; (ii) determining the main strategic human resource planning actions (planning, development, training and possibly recruiting); (iii) identifying, in a timely manner, areas for investment in the development of the skills needed to meet the operational needs of both individuals and the organisation. Following the

adoption of the new Skills Model, during the first half, some first initiatives were activated to implement the model within the personnel management and development processes:

- recruitment initiatives, including competitions, training courses for apprentices for the so-called "professionalising" part and the new initiatives to evaluate and analyse the potential of groups of corporate interest were aligned with the skill sets defined in the Skills Model for the roles sought;
- the setting up and design of a new skills mapping initiative was launched, aimed at acquiring, through dedicated survey tools, a "snapshot" of the set of skills of the staff classified as "Programmer", in order to prepare targeted training courses on the needs of the profile of interest and activate any further management/development initiatives (launch in the second half of 2021);
- the new performance evaluation report was implemented, with a new section dedicated to the assessment of skills (overarching and specialist);
- launch, by the *disability, management* area, of a direct consultation of personnel with disabilities with the aim of acquiring useful information to promote a more structured and effective approach in the management of problems related to disability. The employees involved were individually contacted and, on a voluntary basis, specific meetings were organised electronically – considering the particular health emergency situation – on the occasion of which each employee could illustrate their needs in relation to the accessibility of the environment and work tools, the balance between work organisation and health conditions and beneficial inclusion in the work context;
- awareness raising by part of the *out-of-court* litigation area of the Departments involved in claims concerning alleged demotions and/or deskilling, finding and defining settlement solutions – where possible in advance of court action – at the same time compatible and consistent with management needs;
- examination by the *discipline* area of the conduct reported in violation of the company regulations, the Code of Ethics, the 231 Organisational Model and the Three-Year Plan for the Prevention of Corruption and determination of the consequent disciplinary actions. The investigations mainly concerned: (i) irregularities in travel expenses; (ii) issue of improper statements to the press or on social media; (iii) inappropriate behaviour towards colleagues or third parties and lack of diligence. Finally, particular attention was paid to the failure of the staff to adopt anti-Covid-19 measures, in order to guarantee a healthy and safe working environment for all Rai employees and collaborators.

Despite the emergency period and the consequent use of remote work, the activities indicated were carried out without interruption, favouring even more effectively the direct relationship with employees in order to guarantee constant attention to the needs of the resources managed.

Staff training

In setting up the Training Plan, great attention was paid to ensuring that training activities were always available, flexible and easily accessible by all employees, with approaches, teaching methodologies and user channels gauged to organise a lean, effective and adequate learning environment for the development of the required skills.

Given the persisting restrictions imposed to face the pandemic situation, in recording the consolidation of the habit of participation in training initiatives in *distance learning* mode and/or in self-learning mode through *e-learning* courses, the first half of 2021 was characterised by the design of new initiatives consistent with the aim of making training available "anytime and anywhere", in addition to the approximately 140 titles in the Catalogue.

In particular, as part of the *LOGIN-Apprenticeship Plan*, the first digital edition of *Benvenuto in Rai* was created, maintaining the same pillars on which the event was based. Until January 2020 it had been held at company offices with a strong symbolic value (e.g., Teatro delle Vittorie): presentation of the Company, completely curated, in this new version, by the Human Resources and Organisation Department, testimony of a well-known figure and focus on the Public Service dimension, choosing the story of the campaign on social cohesion, one of the central issues of debate in Italy. The experience involved 84 apprentices in the *online* edition held on 14 May 2021. The event is a module that falls within the construction of similar initiatives to be addressed to new hires with contracts other than apprenticeships.

LOGIN was also enriched by a further initiative, *Esplora la Rai*, with the aim of providing apprentices with the opportunity to know in an unmediated way company models and production processes other than those in which they work daily, in order to gain a broader knowledge of the Rai reality. The topics to be dealt with were determined based on a *survey*, launched by means of Rai Place, through which the participants were able to report the four business areas whose in-depth analysis would have aroused their greatest interest.

The initiative, whose first two editions were held in the months of May and June, was thus divided into four events, developing an unprecedented path between innovation, design, production and realization of the Rai product. The *onboarding* initiatives mentioned so far are then followed by vocational training plans, which accompany the apprenticeship path for a three-year period.

In addition, as part of the broader *Gender Equality* project, conceived as part of an inter-department working table set up by the CEO to promote actions for gender rebalancing within the company and a reduction of the *gender pay gap*, a wide-ranging and articulated training initiative was carried out. It saw:

- the performance of a *survey*, in the form of an online

questionnaire for all employees, aimed at acquiring opinions (perception index) of the company population about the attention to gender equality and its expression in the Company;

- the organisation of a series of training and sharing activities, divided into 5 online appointments, dedicated to providing basic knowledge of certain aspects related to the value of diversity and inclusion, the management of plurality (age, gender) and the levers related to the expression of female *leadership*, with a final online *workshop*, aimed at identifying some company operational proposals regarding the topics covered, useful for the continuing effort to achieve the objectives of the *Gender Equality* project.

With a view to enriching the Catalogue permanently available through Rai Place to all employees, new courses that are tailored to Rai's needs and homogeneous in stylistic terms are being designed and implemented: it is worth mentioning in particular the launch of two initiatives, one on the subject of sustainable development, which explores the issues related to the environmental management system, and a training course that will focus the creative and production process at the base of four of the best international productions of radio, TV and web broadcasters, awarded at the 2020 edition of the Prix Italia, with the aim of responding to the need for updating by professional figures related to the world of audiovisual and web production.

Even the historically best covered area, relating to mandatory training activities in terms of Compliance and Safety, saw the renewal of the training offering, with the new courses on Compliance, concerning the RAI MOGC and the Company's Three-Year Anti-Corruption Plan, which is the result of the work of an interdepartment *team*.

Finally, the last of the massive training campaigns on Health and Safety at Work, the Specific Safety Training campaign was launched in June, involving over 9,000 participants, divided between the administrative area and the editorial, technical and production area.

For an overview, as at 30 June 2021, more than 40,000 hours of training were provided, involving 76% of the staff.

Social Security and Welfare

Rai's welfare strategy aims at ensuring, with an intergenerational vision, the centrality of individuals and their needs, closeness to local communities and social realities, attention to families and the inclusion of people. In this context and in line with the previous year, in the first half of 2021 Rai granted its employees a credit that can be spent through the use of a Welfare Platform that ensures access to a series of services and benefits (refund of "social" expenses advanced by employees; *services paid with vouchers*; coupons, shopping vouchers and fuel vouchers for use at participating businesses).

This is a wide range of benefits that are added to those that have been traditionally provided at the company for several decades and that, in a reconstructive perspective and in the light of their underlying aims, can be counted among the welfare benefits in a more modern sense, namely:

1. supplementary pension for different categories of employees, with the aim of ensuring a supplementary pension benefit in addition to that provided by the public social security system. This includes two negotiated funds of the Group companies (CRAIPI for middle managers, office staff, workers and players; FIPDRAI for senior managers) and a national negotiated fund for journalists (Fondo previdenza complementare dei giornalisti italiani);
2. supplementary healthcare for different categories of employees, with the aim of providing additional benefits to those of the public health system. Again, there are two company funds at Rai (FASI for middle managers, office staff, workers and players; FASDIR for senior managers) and a national negotiated fund for journalists (CASAGIT).

Finally, it is worth pointing out the existence of insurance protection that RAI constantly guarantees as required by collective bargaining for the various categories of personnel, in addition to the protection provided by law (insurance pursuant to article 23 of the collective bargaining agreement for occupational and non-occupational accidents for middle managers, office staff, workers and players; insurance as per articles 38 and 39 of the National Collective Bargaining Agreement for journalists (CCNLG); insurance as per article 12 of the National Collective Bargaining Agreement for senior managers (CCNLD).

Labour Relations

The promotion of an ongoing dialogue with workers' representatives is an important commitment for the Rai Group. Trade union activity is particularly complex due to the considerable heterogeneity of job profiles at the company, which are covered by four different collective labour agreements: senior managers; journalists; middle managers, office staff and workers; orchestra players.

The various meetings with the trade unions led to the signing of several agreements. These include those relating to:

- 2021 Result Bonus for Orchestra Professors. The document regulates the payment of the bonus as previously agreed with the personnel falling under the Collective Agreement for middle managers, office staff and workers, binding the payment to the achievement of a positive value, in the Rai Group's financial statements, of the item "Result for the year of the consolidated income statement" and in the presence of incremental values of the parameters of innovation and productivity, with the possibility of using the related tax benefits;
- Use of days of leave not taken by senior managers. The

agreement stipulated with Adrai (Rai Executives Association), among other agreements, starting from this year, regulates the use of annual holidays and the use of leave not taken also in light of the provision in the National Collective Agreement for executives of companies producing goods and services.

During the first half of 2021, with reference to the personnel falling under the Contract for middle managers, office staff and workers, negotiations continued for the renewal of the contract started in the fourth quarter of 2020, through the work of the Company/Trade Union Technical Commissions tasked with exploring specific issues, such as the regulation of remote working at full capacity.

Finally, as part of the periodic meetings of the National and Territorial Committees for the health emergency, in line with the provisions of the "Guidelines for Phase 2 of the health emergency" of 17 June 2020, updates were provided to the Trade Unions on the issues indicated in the Protocol and answers on the specific questions of trade unions.

Organisation, Processes and Systems

In line with the strategic guidelines outlined in the 2019-2021 Business Plan and in its capacity as exclusive concessionaire of the Public Service, the Rai Group's offer is divided into linear (distributed mainly through TV and radio channels accessible via satellite, digital terrestrial and Rai digital platforms) and non-linear, accessible via PC, mobile devices, Smart TV and via *app*.

The diversity of the radio, television and multimedia offer is ensured by an organisational structure which provides for the reporting of the editorial/production sector to the CEO, while staff functions tend to be concentrated under the Corporate General Manager. During the first half of 2021, various organisational interventions were carried out in application of the Business Plan (definition of the structure and start of full operation of the New Formats Development Department), the Service Agreement (definition of the structure of the Institutional Channel within the Rai Parlamento Department) and aimed at aligning organisational structures with business needs and ensuring regulatory compliance (e.g., reorganisation and rationalisation of the Rai Fiction, Radio 1, Marketing, Public Broadcasting Service, Creative, Purchasing, Real Estate Assets and Services, and Internal Audit Departments).

With regard to the regulatory sources on the company's operation, the updating/rationalising effort pursuant to new design and classification standards continued. In this context, by way of example, the process of conferring self-employment assignments, the process relating to the planning of the needs of works, purchases and supplies and the process relating to the management of the needs of the ENG crews for the news sector (excluding the Rome area) were formalised; among the policies, by way of example, it is worth mentioning those relating

to commercial communication and assignments for legal aid and legal services.

Lastly, with reference to personnel IT systems, also considering the organisational and operational repercussions of the epidemiological emergency, Rai has accelerated the process of digitising processes and updating devices to ensure that employees working from home can carry out their operational activities correctly.

In general, the evolutionary action of the IT systems has been directed towards the following two main lines: (i) enhancement of self-service management functions by employees, in particular by streamlining secretarial activities for absence management; (ii) digitalisation of the remote working management process and automation of recurring activities; (iii) end-to-end digitalisation of the workflow related to parental leave; (iv) implementation of the IT system for the administrative management of Welfare; (v) launch of a pilot project for the evaluation of fully digital performance and implementation of the management system for the assignment and accounting of MBOs for senior managers; (iv) completion of the analysis and design for the complete re-engineering of the applications underlying all personnel systems (Centralised Master Data, Pay Roll (payroll process), Time Management (absence and travel management), Labour Costs and Shift Planning), with the aim of discontinuing applications in the mainframe environment in favour of the use of new IT solutions.

Real Estate Assets and Services

The Rai real estate assets include about 150 sites spread throughout the country, including properties and leases, for about 785 thousand gross square metres, in addition to 11 correspondence offices in as many countries. They include properties of particular architectural and historical importance, including the General Management building in viale Mazzini and the Radio Directorate building in via Asiago in Rome, the Production Center in Corso Sempione in Milan, Palazzo Labia in Venice and the regional offices in Florence.

They are divided into offices and editorial offices (37%), television and radio studios (10%), production technical areas (21%), garages, warehouses and other service areas (32%).

The main purposes of use are linked to production activities in the four Production Centres in Rome, Turin, Milan and Naples (about 60% of the total), followed by the Regional Offices (20%) and the head offices in Rome and Turin (10% and 9% respectively).

The management of the real estate assets is entrusted to Real Estate Assets and Services, which takes care of both ordinary and extraordinary activities to adapt the properties to the best

quality and functional standards and which provides the facility services necessary for company and staff activities, ensuring an adequate level of service to the user structures.

In the first half of 2021, the collaboration for the Covid-19 emergency continued, first with the Task Force and then with the Covid Management Unit, allowing the regular performance of activities and the maintenance of service continuity. The analytical mapping of assets, the analysis of maximum capacity - both of the individual rooms and of the sites - through the use of the Rai Real Estate Management database (GPIRai), and the analyses and actions necessary for the safe use of the production and management spaces inside buildings in compliance with the reference standards were carried out. These included:

- distribution of protective equipment (masks) and body temperature measurement at the entrance of company sites, while ensuring privacy;
- sanitising gel dispensers, signs and devices for respecting social distancing in the areas designated for common services (canteens and bars, entrances, stairs, lifts, etc.);
- extraordinary sanitisation of work environments, as well as the timely isolation and targeted sanitisation of areas affected by episodes of positive cases, for a total at 30 June 2021 of approximately 2.2 million cubic metres of treatments carried out at the sites in Rome, Milan, Turin, Naples and at the Regional Offices.

The initiatives to enhance the real estate assets, despite the difficulties brought about by the epidemic, continued with different types of intervention, of which an important part concerned the programme to improve fire safety at the main company sites. In January, the qualification for the TV Production Centre in Via Teulada 66 in Rome was presented, while the completion of the adaptation works of Palazzo Labia in Venice is scheduled for the end of 2021.

The necessary adaptation works continued also at the Milan Production Centre in C.so Sempione 27 and the Turin centre in Via Verdi 14-16, where they are proceeding in functional lots, as well as in the Naples centre in Viale Marconi.

At the same time, the seismic risk assessment campaign for strategic company buildings also for Civil Protection purposes continued, covering about 60% of the buildings. In particular, the seismic upgrading of buildings E south and I of the Saxa Rubra Centre has been completed.

As part of the project to adopt BIM (Building Information Modeling) and integrate it in the GPIRai real estate database, the digitalisation of the Saxa Rubra centre was completed and the modelling of the remaining buildings of the production centre in Rome (Via Teulada 66, Teatro delle Vittorie, Centro Studi Nomentano, Via Asiago and Via Salaria) and the Milan production centre in Corso Sempione are currently underway.

With regard to the rationalisation and enhancement of real estate assets, the preliminary contract for the sale of the Turin property in Via Cernaia 33 was signed in May, whose sale procedure had been launched in 2019. The conclusion of the final contract of sale is set by the end of the year.

For the Basilicata regional office in Potenza, the transaction with the property owner was concluded and the lease contract was renewed starting from 1 March 2021.

For the Sardinia regional office, given the problems related to the adaptation of the current lease property in Cagliari, a feasibility study was carried out for the construction of a new office on the land owned by the Company 10 km from Cagliari, in the municipality of Sestu (about 10 ha, previously used as a MW broadcasting centre, long since discontinued), which provides for the partial swap of areas with the municipality for urban and functional needs.

Safety & Security

As a generally accepted principle, a company's fundamental objective is to ensure its production without compromising the moral and regulatory obligations of protecting the health and safety of its workers. Therefore, Rai has harmonised its public service mission with the main objective of ensuring a

1. General Management Building in Turin - Via Cernaia
2. Saxa Rubra Centre - Rome
3. Naples Production Centre - Via G. Marconi



safe, integrated and sustainable environment for staff and for all third parties involved in company activities and, in line with this purpose, since the beginning of the Covid-19 pandemic, it has implemented every possible action for the protection of health and safety at work.

With reference to this year, since March the operational management of the coronavirus emergency has passed from the Task Force (TF) to the Safety & Security Department, and in particular to the Covid Management Unit (NGC) specifically established, while the editorial and strategic activities have fallen within the respective organisational areas of competence. Safety & Security has thus played a supervisory and coordinating role in the Company in terms of health emergency and, in line with the emergency regulations issued by the Government, has updated procedures and rules of conduct and supported the various Company Departments by providing, in the Covid-19 context, the necessary specific operating instructions.

Also in this first half of 2021, Rai continued to provide all the workers present in the Company with adequate personal protective equipment in relation to the various and specific activities carried out.

The NGC has ensured, as previously the TF, continuous dialogue with workers through the specific email taskforce@rai.it, as well as the Company Health Service has managed the emerging criticalities and has been a reference point in health matters for workers with the email ssa@rai.it.

The fruitful dialogue between the Prevention and Protection Service and the workers' safety representatives and between the Company and the social partners continued, in line with the "shared protocols for regulating measures to combat and contain the spread of the Covid-19 virus in the workplace" of 14 March and 24 April 2020, renewed on 6 April 2021.

To best protect workers and guarantee industrial processes and following the government lines regarding the extension of the state of emergency, Rai has allowed workers to continue working from home.

Following the improvement of the national pandemic situation, Italy's transition to the white zone and the resumption of production activities, the guidelines of conduct and the specific anti-infection work procedures for employees, guests, collaborators and suppliers have been updated. For each individual production, specific cooperation and coordination protocols have been developed that set out the rules that all persons, whether belonging to the company or not, who contribute to television, radio and web production in the preliminary and broadcasting phase must comply with.

Following the request of the Commissioner for the Covid-19 emergency to the business world to identify "extraordinary vaccination points" for its workers, the Company has positively met the request and has also joined a similar initiative to identify vaccination spaces in companies launched by Confindustria to support the national Covid-19 vaccination campaign.

Therefore, 21 vaccination points were made available at the four Production Centres in Rome (Saxa Rubra), Milan (Corso Sempione), Turin (Via Verdi), and Naples (Via Marconi) and in the various Regional Offices.

Although the coronavirus emergency involved an all-engaging commitment, during the first half of 2021, ordinary activities also continued.

For the Security aspects, during the first half of 2021 the following events were managed:

- *71st Sanremo Music Festival*, where the accreditation and entry management was centred solely on health prevention issues, with the adoption of technological tools and procedures strictly related to compliance with the Covid-19 health protocol;
- *Prix Italia* in Milan;
- *Rai per il Sociale - Festival dei Due Mondi in Spoleto*.

As part of Travel Security, the service of the recently contracted security provider was formally implemented and made available, with specific instructions, to the various directors for the safety of their workers.

1. Production Center in Milan - C.so Sempione
2. Rai land in the Municipality of Sestu - Cagliari
3. Basilicata Regional Office - Potenza



For the security of company information, the analysis and revision of some company guidelines continued, and relations with competent institutions were consolidated.

In the Field of Safety, with a view to continuous improvement, internal and third-party audits continued remotely on some Offices and Centres to ensure the maintenance of the certification of the Safety Management System according to the BS OHSAS 18001:2007 standard with a view, however, to migration to ISO 45000.

As regards environmental protection, work continued to adopt the Environmental Management System (UNI EN ISO 14001) aimed at reducing the production of waste and environmental impact of company production activities. In this context, training content was also planned for both the entire company population and technicians responsible for overseeing these issues in the various areas.

The Company Health Service, also this year as in previous editions, developed and managed the Health Care Plan of the *Sanremo Music Festival* structuring, in agreement with the local health authorities, a specific prevention protocol with sequential diagnostic tests to ensure the early diagnosis of any positive cases of Covid-19 and allow the rapid application of the precautionary measures provided in order to ensure the continuity of work.

The activity of the specialised medical unit dedicated to the containment of the Covid-19 emergency for the protection of the health of all workers engaged in operational continuity continued.

The Health Unit also ensured the protection activities of the Parent Company's and Subsidiaries' personnel, providing for the continuity of health surveillance with the types of examinations provided for by the specific regulations in force during the Covid-19 emergency (in particular, the protection of fragile individuals). Emergency medical care was also provided, including clinical monitoring and counselling dedicated to the particular clinical emergency context.

Intercompany Relations

In the first half of 2021 the Rai Group continued operations based on an organisational model foreseeing that some activities be performed by companies set up specifically.

Relations with subsidiaries, associates and in joint ventures are based on normal contracts negotiated at current and market values.

For details on commercial and financial relations with Group

companies, please refer to what was said in Note 13.4 "Transactions with Related Parties" in the explanatory notes to the Interim Separate Financial Statements.

Highlights of subsidiaries

Rai Cinema

| (€/million) | 30 June 2021 | 31 December 2020 | 30 June 2020 |
|--|--------------|------------------|--------------|
| Revenue | 123.1 | 299.1 | 138.1 |
| EBIT | 10.6 | 32.1 | 8.7 |
| Profit/(loss) for the period | 7.5 | 19.4 | 4.5 |
| Total profit/(loss) for the period | 7.6 | 19.2 | 4.5 |
| Shareholders' equity | 271.2 | 281.9 | 267.2 |
| Net financial position | (140.8) | (123.9) | (209.1) |
| Net financial position excluding operating lease liabilities | (135.0) | (117.5) | (202.1) |
| Investments (including lease rights of use) | 106.6 | 207.6 | 110.5 |
| Workforce | 153 | 150 | 152 |
| of which fixed-term | 2 | 1 | 4 |

Rai Com

| (€/million) | 30 June 2021 | 31 December 2020 | 30 June 2020 |
|--|--------------|------------------|--------------|
| Revenue | 14.3 | 30.5 | 14.9 |
| EBIT | 3.0 | 4.9 | 2.9 |
| Profit/(loss) for the period | 2.1 | 3.4 | 2.0 |
| Total profit/(loss) for the period | 2.1 | 3.5 | 2.0 |
| Shareholders' equity | 108.4 | 109.7 | 108.2 |
| Net financial position | 134.5 | 132.0 | 128.6 |
| Net financial position excluding operating lease liabilities | 138.3 | 136.3 | 133.3 |
| Investments (including lease rights of use) | 0.9 | 6.1 | 5.5 |
| Workforce | 112 | 109 | 104 |
| of which fixed-term | 1 | - | - |

Rai Corporation in liquidation

| (USD/million) | 30 June 2021 | 31 December 2020 | 30 June 2020 |
|--|--------------|------------------|--------------|
| Revenue | - | - | - |
| EBIT | - | - | - |
| Profit/(loss) for the period | - | - | - |
| Total profit/(loss) for the period | - | - | - |
| Shareholders' equity | (5.0) | (4.9) | (4.9) |
| Net financial position | 3.6 | 3.6 | 3.7 |
| Net financial position excluding operating lease liabilities | 3.6 | 3.6 | 3.7 |
| Investments (including lease rights of use) | - | - | - |
| Workforce | - | - | - |
| of which fixed-term | - | - | - |

Rai Pubblicità

| (€/million) | 30 June 2021 | 31 December 2020 | 30 June 2020 |
|--|--------------|------------------|--------------|
| Revenue | 362.7 | 584.8 | 281.4 |
| EBIT | 8.9 | 5.9 | 3.5 |
| Profit/(loss) for the period | 6.2 | 3.9 | 2.3 |
| Total profit/(loss) for the period | 6.3 | 3.9 | 2.3 |
| Shareholders' equity | 35.9 | 33.5 | 31.9 |
| Net financial position | (8.1) | (14.6) | (28.5) |
| Net financial position excluding operating lease liabilities | (2.1) | (8.1) | (26.3) |
| Investments (including lease rights of use) | 1.3 | 6.7 | 0.7 |
| Workforce | 374 | 361 | 369 |
| of which fixed-term | 16 | 10 | 16 |

Rai Way

| (€/million) | 30 June 2021 | 31 December 2020 | 30 June 2020 |
|--|--------------|------------------|--------------|
| Revenue | 113.8 | 225.0 | 111.2 |
| EBIT | 45.7 | 89.4 | 45.4 |
| Profit/(loss) for the period | 33.2 | 64.0 | 32.8 |
| Total profit/(loss) for the period | 33.1 | 63.9 | 32.8 |
| Shareholders' equity | 134.1 | 164.8 | 153.7 |
| Net financial position | (84.5) | (46.1) | (32.5) |
| Net financial position excluding operating lease liabilities | (50.2) | (10.7) | 5.5 |
| Investments (including lease rights of use) | 34.3 | 67.0 | 21.4 |
| Workforce | 594 | 604 | 616 |
| of which fixed-term | 18 | 14 | 6 |

Financial balances of Rai S.p.A. with subsidiaries as at 30 June 2021 and 31 December 2020

| Subsidiaries (€/000) | Rai Cinema | Rai Com | Rai Corporation in liquidation | Rai Advertising | Rai Way | Total subsidiaries |
|---|------------|-----------|--------------------------------------|--------------------|----------|-----------------------|
| Lease rights of use | | | | | | |
| As at 31 June 2021 | - | - | - | - | 412 | 412 |
| As at 31 December 2020 | - | - | - | - | 444 | 444 |
| Non-current financial assets | | | | | | |
| As at 31 June 2021 | 12 | - | - | - | - | 12 |
| As at 31 December 2020 | 56 | - | - | - | - | 56 |
| Current trade receivables | | | | | | |
| As at 31 June 2021 | 1,833 | 83,035 | - | 176,505 | 4,781 | 266,154 |
| As at 31 December 2020 | 1,644 | 90,204 | - | 176,003 | 4,005 | 271,856 |
| Current financial assets | | | | | | |
| As at 31 June 2021 | 142,264 | - | - | 2,115 | - | 144,379 |
| As at 31 December 2020 | 122,379 | - | - | 8,081 | - | 130,460 |
| Other current receivables and assets | | | | | | |
| As at 31 June 2021 | 10,938 | 740 | - | 21,504 | 32,180 | 65,362 |
| As at 31 December 2020 | 6,684 | - | - | 10,637 | 21,140 | 38,461 |
| Non-current lease liabilities | | | | | | |
| As at 31 June 2021 | - | - | - | - | (355) | (355) |
| As at 31 December 2020 | - | - | - | - | (387) | (387) |
| Trade payables | | | | | | |
| As at 31 June 2021 | (23,162) | (5,739) | - | (170) | (56,448) | (85,519) |
| As at 31 December 2020 | (16,311) | (11,124) | - | (144) | (55,607) | (83,186) |
| Current financial liabilities | | | | | | |
| As at 31 June 2021 | (7,250) | (138,276) | (3,050) | - | (383) | (148,959) |
| As at 31 December 2020 | (4,943) | (136,252) | (2,954) | - | (450) | (144,599) |
| Current lease liabilities | | | | | | |
| As at 31 June 2021 | - | - | - | - | (72) | (72) |
| As at 31 December 2020 | - | - | - | - | (71) | (71) |
| Other current payables and liabilities | | | | | | |
| As at 31 June 2021 | (445) | (325) | - | (2,402) | (2,456) | (5,628) |
| As at 31 December 2020 | (1,429) | (1,745) | - | (2,976) | (2,550) | (8,700) |

Financial balances of Rai SpA with joint ventures and associates as at 30 June 2021 and 31 December 2020

| Joint ventures and associates (€/000) | Auditel | Player Editori Radio | San Marino Rtv | Tavolo Editori Radio | Tivù | Total joint ventures and associates |
|---|---------|-------------------------|-------------------|-------------------------|-------|--|
| Lease rights of use | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 31 December 2020 | - | - | - | - | - | - |
| Non-current financial assets | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 31 December 2020 | - | - | - | - | - | - |
| Trade receivables | | | | | | |
| As at 30 June 2021 | - | 23 | 49 | - | 106 | 178 |
| As at 31 December 2020 | - | 19 | 60 | 1 | 129 | 209 |
| Current financial assets | | | | | | |
| As at 30 June 2021 | - | - | 1,666 | - | - | 1,666 |
| As at 31 December 2020 | - | - | 801 | - | - | 801 |
| Other current receivables and assets | | | | | | |
| As at 30 June 2021 | - | - | - | 110 | - | 110 |
| As at 31 December 2020 | - | - | - | - | - | - |
| Non-current lease liabilities | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 31 December 2020 | - | - | - | - | - | - |
| Trade payables | | | | | | |
| As at 30 June 2021 | (50) | (18) | - | - | (397) | (465) |
| As at 31 December 2020 | (353) | - | - | - | (403) | (756) |
| Current financial liabilities | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 31 December 2020 | - | - | - | - | - | - |
| Current lease liabilities | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 31 December 2020 | - | - | - | - | - | - |
| Other current payables and liabilities | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 31 December 2020 | - | - | - | - | - | - |

Income statement totals of Rai SpA with subsidiaries as at 30 June 2021 and 31 December 2020

| Subsidiaries (€/000) | Rai Cinema | Rai Com | Rai Corporation in liquidation | Rai Advertising | Rai Way | Total subsidiaries |
|---|-------------------|----------------|---|------------------------|----------------|---------------------------|
| Revenue from sales and services | 10 | 26,990 | - | 313,296 | 2 | 340,298 |
| As at 30 June 2021 | 2 | 28,244 | - | 241,187 | - | 269,433 |
| As at 30 June 2020 | | | | | | |
| Other revenue and income | 1,671 | 1,676 | - | 1,550 | 4,864 | 9,761 |
| As at 30 June 2021 | 1,831 | 1,713 | - | 1,552 | 4,978 | 10,074 |
| As at 30 June 2020 | | | | | | |
| Costs for services | (109,005) | (2,816) | - | 14 | (106,012) | (217,819) |
| As at 30 June 2021 | (123,575) | (4,608) | - | (697) | (104,947) | (233,827) |
| As at 30 June 2020 | | | | | | |
| Other costs | - | (160) | - | 5 | - | (155) |
| As at 30 June 2021 | - | (168) | - | - | - | (168) |
| As at 30 June 2020 | | | | | | |
| HR expenses | 482 | 794 | - | 746 | 162 | 2,184 |
| As at 30 June 2021 | 478 | 874 | - | 842 | 175 | 2,369 |
| As at 30 June 2020 | | | | | | |
| Depreciation, amortisation and write-downs | - | - | - | - | (33) | (33) |
| As at 30 June 2021 | - | - | - | - | (16) | (16) |
| As at 30 June 2020 | | | | | | |
| Financial income | 19,576 | 3,445 | - | 3,898 | 42,148 | 69,067 |
| As at 30 June 2021 | 16,163 | 7,191 | - | 8,120 | 41,158 | 72,632 |
| As at 30 June 2020 | | | | | | |
| Financial expense | - | - | - | - | (4) | (4) |
| As at 30 June 2021 | (9) | - | - | - | (1) | (10) |
| As at 30 June 2020 | | | | | | |

Income statement totals of Rai SpA with joint ventures and associates at 30 June 2021 and 31 December 2020

| Joint ventures and associates (€/000) | Auditel | Player Editori Radio | San Marino Rtv | Tavolo Editori Radio | Tivù | Total joint ventures and associates |
|---|---------|-------------------------|-------------------|-------------------------|-------|--|
| Revenue from sales and services | | | | | | |
| As at 30 June 2021 | - | - | - | - | 320 | 320 |
| As at 30 June 2020 | - | - | - | - | 305 | 305 |
| Other revenue and income | | | | | | |
| As at 30 June 2021 | - | - | 9 | 4 | - | 13 |
| As at 30 June 2020 | - | - | 7 | 4 | 2 | 13 |
| Costs for services | | | | | | |
| As at 30 June 2021 | (4,748) | (18) | - | (322) | (834) | (5,922) |
| As at 30 June 2020 | (4,769) | (18) | - | (194) | (806) | (5,787) |
| Other costs | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 30 June 2020 | - | - | - | - | - | - |
| HR expenses | | | | | | |
| As at 30 June 2021 | - | - | 83 | - | - | 83 |
| As at 30 June 2020 | - | - | 84 | - | - | 84 |
| Depreciation, amortisation and write-downs | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 30 June 2020 | - | - | - | - | - | - |
| Financial income | | | | | | |
| As at 30 June 2021 | - | - | 14 | - | - | 14 |
| As at 30 June 2020 | - | - | 11 | - | - | 11 |
| Financial expense | | | | | | |
| As at 30 June 2021 | - | - | - | - | - | - |
| As at 30 June 2020 | 1 | - | - | - | - | 1 |

Significant events occurring after 30 June 2021

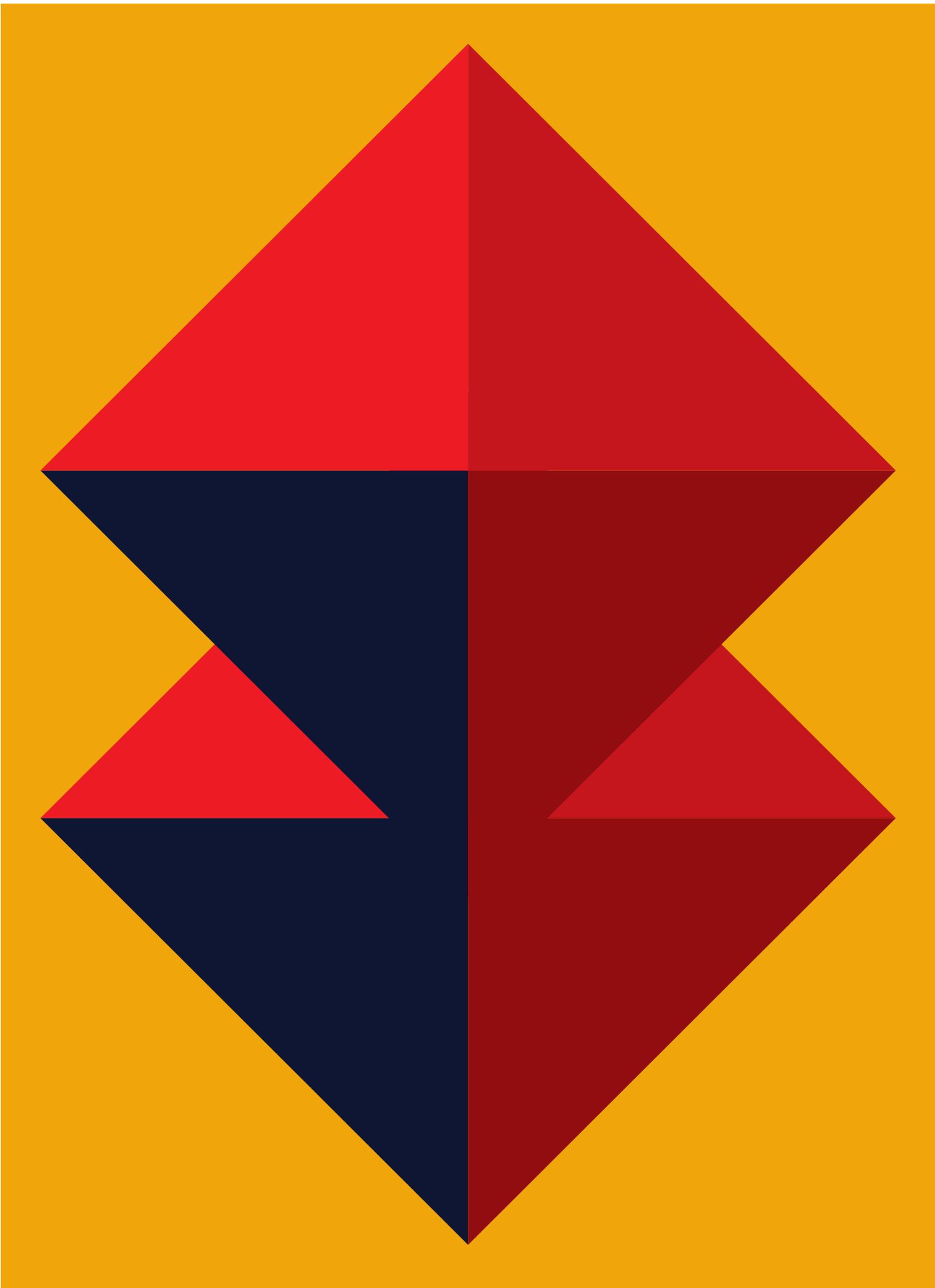
No relevant event to report.

Outlook of operations

The first half of the current year recorded a recovery in Gross Domestic Product significantly higher than expected. A slight increase in the first quarter (0.2% over the previous period) was followed by an increase of 2.7% in the second. The third quarter is estimated to have seen a further recovery in GDP, with an increase of 2.2% over the previous period. While assuming a more moderate progression in economic activity in the last quarter, the annual growth forecast is now 6.0%.

In this context - which is reflected in better performance, compared to forecasts, of advertising revenue, an indicator of the improvement in the overall climate of confidence -, the updated economic projections for the current year envision, also taking into account the additional cost containment measures taken in the second half of the year, a breakeven in the consolidated income statement result and a negative yet sustainable net financial position.

Over a medium-term time horizon, Rai's economic and financial results will be affected, on the one hand, by market dynamics, with the increasingly intense competitive pressure from OTTs and, on the other hand, by the initiatives that will be taken as part of the next multi-year planning cycle with a view to increasing company efficiency and responding to competitive challenges with an appropriate allocation of the overall available resources. The latter will in fact be influenced by the choices that will be made regarding advertising crowding as part of the imminent transposition of the European directive on audiovisual media services, which could lead to a worsening in Rai's position vis-à-vis commercial operators unless corrective regulatory measures are taken.



**Interim
Separate
Financial
Statements
as at 30 June 2021**

Analysis of the results and performance of economic and financial management of the first half of 2021

Reclassified statements

Income statement

| (€/million) | June 2021 | June 2020 | Change |
|---|----------------|----------------|----------------|
| Revenue | 1,280.7 | 1,173.2 | 107.5 |
| External costs net of major sports events | (643.8) | (600.0) | (43.8) |
| Major sports events | (61.7) | 0.0 | (61.7) |
| External costs | (705.5) | (600.0) | (105.5) |
| HR expenses | (474.7) | (464.1) | (10.6) |
| EBITDA | 100.5 | 109.1 | (8.6) |
| Depreciation, amortisation and write-downs | (145.2) | (144.7) | (0.5) |
| Provisions | 0.0 | (2.2) | 2.2 |
| EBIT | (44.7) | (37.8) | (6.9) |
| Net financial income | 63.1 | 63.6 | (0.5) |
| Earnings from equity investments recognised at equity | 3.8 | (0.2) | 4.0 |
| Pre-tax profit/(loss) | 22.2 | 25.6 | (3.4) |
| Income tax | 7.6 | 7.4 | 0.2 |
| Profit/(loss) for the period | 29.8 | 33.0 | (3.2) |
| Other comprehensive income | 7.5 | 5.1 | 2.4 |
| Total profit/(loss) for the period | 37.3 | 38.1 | (0.8) |

Capital structure

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|--|--------------|------------------|----------------|
| Fixed assets | 2,266.3 | 2,251.4 | 14.9 |
| Net working capital | (752.8) | (412.3) | (340.5) |
| Provisions for risks and charges | (185.4) | (183.3) | (2.1) |
| Employee benefits | (352.3) | (379.1) | 26.8 |
| Net invested capital | 975.8 | 1,276.7 | (300.9) |
| Equity | 731.6 | 694.3 | 37.3 |
| Net financial debt excluding operating lease liabilities | 190.7 | 526.5 | (335.8) |
| Operating lease liabilities | 53.5 | 55.9 | (2.4) |
| Net financial debt | 244.2 | 582.4 | (338.2) |
| Total | 975.8 | 1,276.7 | (300.9) |

The final balance for the first half of 2021 showed a net profit of €29.8 million, slightly down on the result for the same period of 2020 (profit of €33.0 million).

Some summary information on the main items of the income statement and capital structure is provided below, along with the reasons for the most significant variances compared to the previous period.

Income statement

Revenue

This is made up of licence fees, advertising proceeds and other trade revenue, totalling €1,280.7 million, up by €107.5 million (+9.2%).

Revenue

| (€/million) | June 2021 | June 2020 | Change |
|-----------------|----------------|----------------|--------------|
| TV licence fees | 923.6 | 869.9 | 53.7 |
| Advertising | 312.4 | 240.8 | 71.6 |
| Other revenue | 44.7 | 62.5 | (17.8) |
| Total | 1,280.7 | 1,173.2 | 107.5 |

TV licence fees

Licence fees of €923.6 million, detailed in the table below, increased by €53.7 million (+6.2%) compared with the first half of 2020.

TV licence fees

| (€/million) | June 2021 | June 2020 | Change |
|---|--------------|--------------|--------------|
| Licence fees for the year – household licences | 857.6 | 812.2 | 45.4 |
| Ordinary licence fee exemptions | 5.3 | 4.8 | 0.5 |
| Licence fees for the year - ordinary | 862.9 | 817.0 | 45.9 |
| Licence fees for the year – special licences | 42.4 | 35.5 | 6.9 |
| Special licence fee exemptions | 0.2 | 0.0 | 0.2 |
| Licence fees for the year - special | 42.6 | 35.5 | 7.1 |
| Licence fees collected by enforcement order - ordinary licence fees collected by the Government in the period | 3.5 | 4.5 | (1.0) |
| Licence fees collected by enforcement order – special licences | 1.0 | 1.5 | (0.5) |
| Licence fees collected by enforcement order | 4.5 | 6.0 | (1.5) |
| Contingencies on ordinary licence fees | 13.6 | 11.4 | 2.2 |
| Total | 923.6 | 869.9 | 53.7 |

The increase in this item, which mainly relates to the licence fees for the period from private customers (+€45.4 million) and, to a lesser extent, to the special licence fees for the period (+€6.9 million), was largely due to the entry into force of the following regulatory measures.

For licence fees for the period, Law No. 178 of 30 December 2020 provided, with effect from 1 January 2021:

- the abrogation of the 5 per cent reduction in the amounts to be paid to RAI to cover the cost of providing the Public Service and of the so-called 'extra revenue', determined by the higher revenues with respect to those provided for in the State Budget for 2016;
- that €110 million per year of the revenue paid for radio and TV licence fees be allocated to the Fund for

pluralism and innovation in information, set up in the budget of the Ministry for the Economy and Finance, and the remainder to RAI, without prejudice to the sums of licence fee revenue already allocated by current legislation for specific purposes.

For special licences for the period, Decree-Law No. 41 of 22 March 2021 established:

- full exemption from payment of the special radio and television licence fees for 2021 for accommodation facilities as well as for the supply and consumption of beverages in public establishments or premises open to the public, including similar activities carried out by third sector entities;
- the allocation of a sum equal to €83 million in order to grant to the interested parties a tax credit equal to 100% of any payment of the licence fee made before the entry into force of the decree, or to provide for the transfer to RAI of the sums corresponding to the lower revenues claimed by the Company.

Advertising

After a 2020 marked by the pandemic that from March brought the entire economy to a standstill until May, only to gradually reopen in the following months, 2021 has shown good growth prospects. The advertising market also felt these effects and as a result 2021 started with a downturn in the first two months before reversing the trend with strong growth in the lockdown months from March onwards.

In the period January-June 2021, the overall advertising market (net of OTT) registered an increase in investments of 26.7% compared to the first half of 2020, with TV growing by 33.2%, Radio by 22.0% and internet (Digital) by 29.3% (Source: Nielsen).

In this context, Rai's advertising revenues, equal to €312.4 million, detailed in the table below, also thanks to the contribution of the European Football Championship ratings, increased by €71.6 million compared to the first half of 2020 (+29.7%).

Advertising

| (€/million) | June 2021 | June 2020 | Change |
|--|--------------|--------------|-------------|
| Television advertising on general-interest channels: | | | |
| – commercial | 161.5 | 132.3 | 29.2 |
| – promotions, sponsorships and other initiatives | 105.5 | 71.2 | 34.3 |
| | 267.0 | 203.5 | 63.5 |
| Television advertising on specialist channels | 28.8 | 23.7 | 5.1 |
| Radio advertising | 9.7 | 9.5 | 0.2 |
| Web advertising | 7.8 | 4.9 | 2.9 |
| Other advertising | 0.0 | 0.1 | (0.1) |
| Share due to third parties | (1.1) | (0.8) | (0.3) |
| Contingencies | 0.2 | (0.1) | 0.3 |
| Total | 312.4 | 240.8 | 71.6 |

Other revenue

It amounted to €44.7 million, down compared to the reference period by €17.8 million (-28.5%) due to the absence of the contribution granted by the government for the fulfilment of obligations under the Service Agreement including those for the development of digital programming, established for the years 2019 and 2020 by Law no. 145 of 30 December 2018, amounting to €19.2 million in the first half of 2020.

A breakdown of this item is shown in the table below.

Other revenue

| (€/million) | June 2021 | June 2020 | Change |
|---|-------------|-------------|---------------|
| Special services under agreement | 19.5 | 18.9 | 0.6 |
| Fulfilment of service contract obligations and digital programming development - Law 145/2018 | 0.0 | 19.2 | (19.2) |
| Service and other provisions of services to investees | 9.4 | 9.7 | (0.3) |
| Sale of rights | 1.3 | 4.2 | (2.9) |
| Distribution and sale of channels | 5.5 | 5.7 | (0.2) |
| Sundry services, mainly for institutional purposes | 5.2 | 1.5 | 3.7 |
| Other | 3.3 | 3.0 | 0.3 |
| Share of sales due to third parties | 0.0 | (0.2) | 0.2 |
| Contingencies | 0.5 | 0.5 | 0.0 |
| Total | 44.7 | 62.5 | (17.8) |

The other more significant changes refer to the item Sale of rights (-€2.9 million), due to the presence in the first half of 2020 of an agreement for the sale of a library to a football team, and to the item Sundry services, mainly for institutional purposes (+€3.7 million) to be ascribed to the resumption of activities related to institutional communication agreements.

As a result of the above trends, advertising as a percentage of total revenue increased by 3.9 percentage points compared with the first half of 2020, to the detriment of licence fees (-2.1 percentage points) and other revenue (-1.8 percentage points), as shown in the table below.

Percent of revenue

| | June 2021 | June 2020 |
|-----------------|---------------|---------------|
| TV licence fees | 72.1% | 74.2% |
| Advertising | 24.4% | 20.5% |
| Other revenue | 3.5% | 5.3% |
| Total | 100.0% | 100.0% |

Operating costs

These are made up of external costs and HR expenses, meaning both internal and external costs pertaining to the company's ordinary business except for those concerning financial management.

The item totalled €1,180.2 million, up by €116.1 million (+10.9%) compared to the first half of 2020. The reasons for this are illustrated below.

External costs

This item amounted to €705.5 million and included the purchases of goods and the supply of services necessary to produce programmes of immediate use (purchases of consumables, external services, artistic collaboration agreements, etc.), the sports events recording rights, copyrights, services supplied by subsidiaries, operating costs and other management-related costs (indirect taxes, contributions payable to the control authorities, etc.).

This item increased by €105.5 million (+17.6%) due to the resumption of production activities, which in the first half of 2020 were severely limited by regulatory measures to contain the health emergency caused by Covid-19, and the European Football Championship, which recorded costs of €61.4 million.

The table below shows that the majority of this increase related to recording rights (+€94.2 million compared to the first half of 2020). Of these, €59.3 million were recorded by the European Football Championship, €16.5 million by the friendly and qualifying matches for the 2022 World Cup of the Italia national football team, €6.7 million by the Football Championship in relation to the different distribution of matches in the two periods, €7.5 million by cycling for the presence in the first half of 2021 of the Giro d'Italia and part of the Tour de France in 2020 held in the second half and €2.6 million by winter sports for the presence in 2021 of the Alpine and Nordic skiing world championship events.

External costs

| (€/million) | June 2021 | June 2020 | Change |
|--|--------------|--------------|--------------|
| Purchases of materials | 5.1 | 4.7 | 0.4 |
| Costs for services | | | |
| Freelance services | 59.3 | 59.3 | 0.0 |
| Services for programme acquisition and production | 96.4 | 81.2 | 15.2 |
| Daily allowances, travel expenses and accessory costs for personnel | 13.9 | 10.1 | 3.8 |
| Signal broadcast and transmission – RAI Way | 106.0 | 105.0 | 1.0 |
| Maintenance, repairs, transport and similar | 18.6 | 16.4 | 2.2 |
| IT system documentation and assistance services | 26.4 | 25.9 | 0.5 |
| Other outsourced services (telephone, supply services, cleaning, postal, insurance etc.) | 40.2 | 37.3 | 2.9 |
| Purchase of showings from subsidiaries | 107.9 | 124.1 | (16.2) |
| Leases and rentals | 12.4 | 10.7 | 1.7 |
| Recording rights (mainly sports broadcasting rights) | 144.8 | 50.6 | 94.2 |
| Rights of use | 53.6 | 54.0 | (0.4) |
| Recovery of expenses | (1.1) | (1.1) | 0.0 |
| Contingencies | (0.1) | 0.3 | (0.4) |
| | 678.3 | 573.8 | 104.5 |
| Other costs | 22.1 | 21.5 | 0.6 |
| Total | 705.5 | 600.0 | 105.5 |

HR expenses

This item amounted to €474.7 million, up by €10.6 million (+2.3%) compared to the first half of 2020.

HR expenses

| (€/million) | June 2021 | June 2020 | Change |
|---|---------------|--------------|--------------|
| Wages, salaries and social security costs | 457.9 | 440.1 | 17.8 |
| Employee severance pay provisions | 20.0 | 19.8 | 0.2 |
| Pensions and similar obligations | 6.4 | 6.4 | 0.0 |
| Others | 1.6 | 5.4 | (3.8) |
| | 485.9 | 471.7 | 14.2 |
| Redundancy incentives | 0.0 | 0.5 | (0.5) |
| Recovery of expenses | (2.5) | (2.4) | (0.1) |
| Capitalised HR expenses | (7.2) | (5.3) | (1.9) |
| Contingencies | (1.5) | (0.4) | (1.1) |
| | (11.2) | (7.6) | (3.6) |
| Total | 474.7 | 464.1 | 10.6 |

In detail, there was an increase of €17.8 million (+4.0%) in wages, salaries and social security costs. This change was not only the result of the physiological growth linked to automatic contractual mechanisms, but also from the variable component of labour cost (overtime and raises), which in the first half of 2020 had shown a contraction linked to the effects of measures to combat the pandemic (remote working, review of production models, etc.), the stabilisation of irregular staff as part of trade union agreements on active policies and less recoveries for sick leave and unpaid absences. The incremental impacts related to these phenomena were only partially offset by the positive effects of management actions aimed at containing cost dynamics.

The decrease in Other (-€3.8 million) is due to lower charges for labour disputes.

The **average number of employees** in service during the period, including temporary staff, was 11,494, up by 44 compared to 30 June 2020; in detail, there was an increase of 93 units in permanent staff and a decrease of 49 units in temporary staff.

The **workforce** as at 30 June 2021 consisted of 11,323 units in headcount (including, in addition to employees on a permanent contract, 4 units of senior management hired with temporary contracts and 474 units of personnel hired with apprenticeship contracts) and 213 units of employees with a temporary contract.

The decrease of 127 units in the headcount compared to 31 December 2020 was due to the exit of 313 employees, of whom 191 with incentives, and the hiring of 186 employees, of whom 17 due to the stabilisation of employees with fixed-term contracts, 93 due to the stabilisation of contractors and found eligible by the relative internal evaluation for so-called Irregular Personnel (pursuant to the Framework Agreement on Active Policies of 13 December 2018), 60 due to new apprenticeship contracts, 2 due to disputes and 6 due to new hires by Group companies.

EBITDA

In connection with the changes stated above, EBITDA was positive and totalled €100.5 million, down €8.6 million compared to 30 June 2020.

Depreciation, amortisation and write-downs

The balance of the item amounted to €145.2 million, up €0.5 million (+0.3%) compared to the first half of 2020 and refers to depreciation, amortisation and write-downs of current and non-current assets as detailed in the table below.

Depreciation, amortisation and write-downs

| (€/million) | June 2021 | June 2020 | Change |
|--|--------------|--------------|--------------|
| Amortisation and depreciation | | | |
| Amortisation of programmes | | | |
| Drama | 60.4 | 64.5 | (4.1) |
| Cartoons | 5.9 | 5.1 | 0.8 |
| Others | 1.2 | 1.1 | 0.1 |
| | 67.5 | 70.7 | (3.2) |
| Of property, plant and equipment | | | |
| Buildings | 6.5 | 6.2 | 0.3 |
| Plant and machinery | 24.0 | 23.0 | 1.0 |
| Industrial and commercial equipment | 1.1 | 1.0 | 0.1 |
| Other assets | 3.3 | 3.1 | 0.2 |
| | 34.9 | 33.3 | 1.6 |
| Of intangible assets | | | |
| Software | 4.2 | 3.5 | 0.7 |
| | 4.2 | 3.5 | 0.7 |
| Lease rights of use | | | |
| Land and buildings | 6.6 | 6.7 | (0.1) |
| Other assets | 1.4 | 1.4 | 0.0 |
| | 8.0 | 8.1 | (0.1) |
| | 47.1 | 44.9 | 2.2 |
| Total amortisation and depreciation | 114.6 | 115.6 | (1.0) |
| Write-downs (write-backs) | | | |
| Of intangible assets | | | |
| Programmes under amortisation | 30.9 | 29.1 | 1.8 |
| Programmes in progress | 0.1 | 0.6 | (0.5) |
| | 31.0 | 29.7 | 1.3 |
| Of investments valued at cost | 0.1 | 0.0 | 0.1 |
| Of other non-current assets | 0.2 | 0.0 | 0.2 |
| Of trade receivables and other current assets | (0.7) | (0.6) | (0.1) |
| Total write-downs | 30.6 | 29.1 | 1.5 |
| Total | 145.2 | 144.7 | 0.5 |

Provisions

The item, which recognises the provisions for risks and charges and any uses not classifiable in specific items of profit or loss, shows a balance of zero (€2.2 million in 2020) caused by provisions for €1.1 million and by uses of provisions set aside in previous years and now in excess of the same amount.

EBIT

The trends in revenues and costs illustrated above resulted in a negative EBIT of €44.7 million, improving by €6.9 million compared to the first half of 2020.

Net financial income

The item, as detailed in the following table, was positive at €63.1 million (€63.6 million in the first half of 2020) and shows the economic effects arising from distribution of the dividends by the subsidiaries, from recognition of the actuarial interest for employee benefits, the effects of financial management, such as interest income/ expense from banks, Group companies and bondholders, exchange rate charges/gains and interest expense for leases as a result of the adoption of the new accounting standard IFRS 16.

Financial income and expenses

| (€/million) | June 2021 | June 2020 | Change |
|--|--------------|--------------|--------------|
| Dividends | | | |
| Rai Cinema | 18.4 | 14.0 | 4.4 |
| Rai Way | 42.1 | 41.2 | 0.9 |
| Rai Com | 3.4 | 7.2 | (3.8) |
| Rai Pubblicità | 3.9 | 8.0 | (4.1) |
| Others | 0.1 | 0.0 | 0.1 |
| | 67.9 | 70.4 | (2.5) |
| Other net financial income (charges) | | | |
| Net interest income (expense) with banks | (0.3) | (0.1) | (0.2) |
| Net interest income (expense) from subsidiaries and associates | 1.2 | 2.2 | (1.0) |
| Interest expense on lease contracts | (0.4) | (0.4) | 0.0 |
| Interest expense on bonds | (3.7) | (6.2) | 2.5 |
| Interest on employee benefit liabilities | (0.4) | (1.2) | 0.8 |
| Net exchange rate gains (losses) | (0.1) | 0.0 | (0.1) |
| Others | (1.1) | (1.1) | 0.0 |
| | (4.8) | (6.8) | 2.0 |
| Net financial income | 63.1 | 63.6 | (0.5) |

The most significant variances compared to the previous year concern:

- decrease of €2.5 million in dividends;
- lower interest on bonds for €2.5 million, resulting from the simultaneous presence in the first half of 2020 of the new bond issue of 4 December 2019 with the 2015 issue redeemed in May 2020.

The average cost of financing, consisting of uncommitted credit lines, revolving lines and the bond maturing in December 2024, was 2.1%, in line with the first half of 2020.

Earnings from equity investments recognised at equity

The item, resulting from the valuation of associates and joint ventures using the equity method, recorded a positive balance of €3.8 million, an improvement compared to the first half of 2020 (negative balance of €0.2 million) determined by the investment in Tivù S.r.l.

Income tax

This item posted a positive value of €7.6 million (€7.4 million in the first half of 2020) and is due to the balance between current and deferred taxes, as itemised in the following table:

Income tax

| (€/million) | June 2021 | June 2020 | Change |
|--------------------------|------------|------------|------------|
| IRES | 0.0 | 0.0 | 0.0 |
| IRAP | 0.0 | 0.0 | 0.0 |
| Deferred tax liabilities | 0.9 | 1.0 | (0.1) |
| Deferred tax assets | 6.7 | 6.4 | 0.3 |
| Total | 7.6 | 7.4 | 0.2 |

As in 2020, the economic trends in the period did not result in taxable income for direct taxes.

Deferred tax liabilities had a positive effect on the income statement of €0.9 million due to the re-entry of the temporary differences recognised in the previous years.

Deferred tax assets had a positive economic effect of €6.7 million due to the recognition of the tax loss of the period, which was offset by the income brought in by Group companies during tax consolidation.

Capital structure

Fixed assets

This item amounted to €2,266.3 million, up by €14.9 million compared to 31 December 2020.

A breakdown of this item is shown in the table below:

Fixed assets

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|-------------------------------|----------------|------------------|-------------|
| Property, plant and equipment | 896.6 | 899.0 | (2.4) |
| Lease rights of use | 52.7 | 55.5 | (2.8) |
| Assets in programmes | 372.9 | 355.8 | 17.1 |
| Long-term investments | 923.5 | 919.3 | 4.2 |
| Others | 20.6 | 21.8 | (1.2) |
| Total | 2,266.3 | 2,251.4 | 14.9 |

Property, plant and equipment, detailed in the table below, decreased by €2.4 million.

Property, plant and equipment

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|---|--------------|------------------|--------------|
| Land | 367.0 | 370.1 | (3.1) |
| Buildings | 290.7 | 293.1 | (2.4) |
| Plant and machinery | 149.9 | 149.1 | 0.8 |
| Industrial and commercial equipment | 7.0 | 6.9 | 0.1 |
| Other assets | 25.3 | 26.4 | (1.1) |
| Assets under construction and payments on account | 53.5 | 53.4 | 0.1 |
| Real estate for sale | 3.2 | 0.0 | 3.2 |
| Total | 896.6 | 899.0 | (2.4) |

Lease rights of use amounted to €52.7 million, down €2.8 million compared to 31 December 2020.

Lease rights of use

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|--------------------|--------------|------------------|--------------|
| Land and buildings | 49.5 | 51.5 | (2.0) |
| Other assets | 3.2 | 4.0 | (0.8) |
| Total | 52.7 | 55.5 | (2.8) |

Assets in programmes, up €17.1 million compared 31 December 2020 and detailed in the table below, are mostly represented by Drama, on which, as shown below, most investments in the period were concentrated.

Assets in programmes

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|-----------------------|--------------|------------------|-------------|
| Drama | 270.5 | 253.6 | 16.9 |
| Cartoons | 43.9 | 43.1 | 0.8 |
| Rights of library use | 57.7 | 58.9 | (1.2) |
| Other | 0.8 | 0.2 | 0.6 |
| Total | 372.9 | 355.8 | 17.1 |

The **Long-term investments**, consisting of investments in companies and other financial assets falling due beyond 12 months, increased by €4.2 million due to the purchase of fixed-income securities held as collateral for corporate bonds maturing beyond 12 months and the change in the value of associates accounted for using the equity method.

The item is broken down in detail in the table below.

Long-term investments

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|---|--------------|------------------|--------------|
| Equity investments in subsidiaries | | | |
| Rai Cinema SpA | 267.8 | 267.8 | 0.0 |
| Rai Com SpA | 107.1 | 107.1 | 0.0 |
| Rai Way SpA | 506.3 | 506.3 | 0.0 |
| Rai Pubblicità SpA | 31.1 | 31.1 | 0.0 |
| | 912.3 | 912.3 | 0.0 |
| Equity investments in associates | | | |
| Auditel Srl | 1.1 | 1.1 | 0.0 |
| Tavolo Editori Radio Srl | 0.1 | 0.1 | 0.0 |
| Tivù Srl | 4.8 | 2.8 | 2.0 |
| San Marino RTV SpA | 1.3 | 1.5 | (0.2) |
| | 7.3 | 5.5 | 1.8 |
| Other equity investments | 1.0 | 1.0 | 0.0 |
| Fixed-income securities | 2.5 | 0.0 | 2.5 |
| Other | 0.4 | 0.5 | (0.1) |
| Total | 923.5 | 919.3 | 4.2 |

Other assets, detailed in the table below, decreased by €1.2 million.

Other fixed assets

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|---------------------------------------|--------------|------------------|--------------|
| Software | 19.9 | 21.1 | (1.2) |
| Commercial rights with football clubs | 0.7 | 0.7 | 0.0 |
| Total | 20.6 | 21.8 | (1.2) |

Investments for the period amounted to €156.6 million, up €48.7 million (+45.1%) compared to the first half of 2020.

In detail:

- greater investments in programmes for €53.0 million (+84.4%) referring to the drama genre;
- greater technical investments for €4.7 million (+15.3%) related to property, plant and equipment for €3.4 million and software for €1.3 million;
- lower investments in lease rights of use for €9.0 million (-62.9%), which in the first half of 2020 were more substantial in relation to the renewal of lease contracts for certain company premises located in Rome.

Technical

| (€/million) | June 2021 | June 2020 | Change |
|---|--------------|--------------|--------------|
| Drama | 108.3 | 57.0 | 51.3 |
| Cartoons | 6.7 | 4.7 | 2.0 |
| Other | 0.8 | 1.1 | (0.3) |
| Investments in programmes | 115.8 | 62.8 | 53.0 |
| Tangible investments | 32.6 | 29.2 | 3.4 |
| Software | 2.9 | 1.6 | 1.3 |
| Technical investments | 35.5 | 30.8 | 4.7 |
| Investments in lease rights of use | 5.3 | 14.3 | (9.0) |
| Total investments | 156.6 | 107.9 | 48.7 |

Net working capital

Net working capital

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|------------------------------|----------------|------------------|----------------|
| Inventories | 0.1 | 0.1 | 0.0 |
| Trade receivables | 319.2 | 332.9 | (13.7) |
| Other receivables | 266.3 | 259.9 | 6.4 |
| Trade payables | (537.2) | (538.2) | 1.0 |
| Other payables | (738.5) | (424.7) | (313.8) |
| Net deferred tax liabilities | (62.7) | (42.3) | (20.4) |
| Total | (752.8) | (412.3) | (340.5) |

The most significant changes compared to 31 December 2020 regard the following items:

- **Trade receivables** decreased by €13.7 million due to lower receivables from customers and subsidiaries;
- **Other payables**, up by €313.8 million, due to deferrals on subscription fees originating from the difference between the amounts paid in the first half of the year by the Ministry of Economy and Finance compared to the relevant economic value, the repayment of which is expected in the second half of the year;
- **Net deferred tax liabilities** up by €20.4 million due to lower deferred tax assets.

Provisions for risks and charges

Provisions for risks and charges, amounting to €185.4 million, increased by €2.1 million compared to 31 December 2020 mainly due to the provision for the contribution for the rights of use of television digital technology frequencies for the year 2021, allocated pending the issuance of the decree that will determine the amount to be paid and for provisions related to personnel management, whose effects were offset in part by the decrease in provisions for litigation.

Employee benefits

Employee benefits, amounting to €352.3 million, decreased by €26.8 million compared to 31 December 2020 due to payments to beneficiaries and to actuarial valuation elements related to financial and demographic assumptions detailed in the specific paragraph of the Notes to the separate financial statements.

The table below shows the details of the provisions and relevant changes compared to 31 December 2020.

Employee benefits

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|--|----------------|------------------|-------------|
| Employee severance pay | (172.0) | (187.0) | 15.0 |
| Supplementary company pension provisions | (101.3) | (109.3) | 8.0 |
| Provisions in lieu of the former fixed indemnity for journalists | (65.3) | (68.8) | 3.5 |
| FASDIR assistance provision for the retired | (13.4) | (13.7) | 0.3 |
| Other | (0.3) | (0.3) | 0.0 |
| Total | (352.3) | (379.1) | 26.8 |

Net financial position

The net financial position determined in accordance with the criteria established by ESMA, summarised in the table below, was negative at €244.2 million, an improvement of €338.2 million compared to 31 December 2020.

Net of liabilities for operating leases, financial debt amounted to €190.7 million, an improvement of €335.8 million compared to 31 December 2020.

Net financial position

| (€/million) | 30 June 2021 | 31 December 2020 | Change 30 June 2021/ 31 December 2020 | 30 June 2020 |
|---|----------------|------------------|---|----------------|
| Cash and cash equivalents | 106.3 | 11.4 | 94.9 | 68.3 |
| Other current financial assets | | | | |
| Securities | 0.0 | 2.3 | (2.3) | 2.3 |
| Blocked bank deposits | 4.6 | 4.2 | 0.4 | 4.3 |
| Receivables from subsidiaries/ associates | 146.0 | 131.3 | 14.7 | 276.0 |
| Derivative hedging instruments | 0.1 | 0.0 | 0.1 | 0.2 |
| Other financial receivables | 0.5 | 0.5 | 0.0 | 0.5 |
| | 151.2 | 138.3 | 12.9 | 283.3 |
| Current financial debt | | | | |
| Due to banks | 0.0 | (232.1) | 232.1 | (10.0) |
| Payables to subsidiaries/ associates | (149.0) | (144.7) | (4.3) | (141.9) |
| Derivative hedging instruments | 0.0 | (0.2) | 0.2 | 0.0 |
| Lease liabilities | (16.0) | (15.9) | (0.1) | (21.5) |
| Other financial debt | 0.0 | 0.0 | 0.0 | (0.1) |
| | (165.0) | (392.9) | 227.9 | (173.5) |
| Non-current financial debt | | | | |
| Bond issues | (299.2) | (299.1) | (0.1) | (299.0) |
| Derivative hedging instruments | 0.0 | (0.1) | 0.1 | 0.0 |
| Lease liabilities | (37.5) | (40.0) | 2.5 | (44.6) |
| | (336.7) | (339.2) | 2.5 | (343.6) |
| Net financial debt | (244.2) | (582.4) | 338.2 | (165.5) |
| <i>of which:</i> | | | | |
| - due to subsidiaries/associates | (3.0) | (13.4) | 10.4 | 134.1 |
| - due to third parties | (241.2) | (569.0) | 327.8 | (299.6) |
| | (244.2) | (582.4) | 338.2 | (165.5) |
| <i>of which: operating lease liabilities</i> | (53.5) | (55.9) | 2.4 | (60.4) |
| Net financial debt excluding operating lease liabilities | (190.7) | (526.5) | 335.8 | (105.1) |

The reduction in debt compared to 31 December 2020 is due to ordinary cash flows in the first half of the year, characterised by the settlement of ordinary instalments on account of approximately €1,250 million (around 70% of the annual value). In detail, flows in the half-year period showed compared to the same period of 2020:

- higher revenue from ordinary licence fees as a result of the regulatory changes introduced by Law no. 178 of 30 December 2020;
- stability of advertising flows (the financial effects of the increase in revenues will be seen in the second half of the year);
- increased expenditure in operating expenses and investments related to the resumption of production;
- higher outlays for the Summer Olympics postponed in 2021 as a result of the lockdown and for advance payments for the 2022 World Cup.

The average financial position (excluding liabilities for operating leases and assets/liabilities for derivatives) was a negative €301 million (-€223 million in the first half of 2020): the worsening is due to the change in intercompany financial balances (average debt of €33 million compared to a credit position of €62 million in the same period of the previous year), while the payables to third parties improved (average debt of €268 million compared to €285 million in the first half of 2020).

On 15 June 2021, Moody's published a credit opinion that confirmed the Long-Term Issuer Baa3 for Rai (Investment Grade), with negative outlook.

The financial risks to which the Company is exposed are monitored with appropriate IT and statistical tools. A policy regulates financial management according to best practices, with the aim of preserving the company's value through a stance adverse to risk, pursued with active monitoring of exposure and implementation of expedient hedging strategies, also on behalf of the Group companies (except for Rai Way).

Detailed information on the financial risks is provided in the specific section of the Notes to the Interim Separate Financial Statements, to which the reader is referred.

Financial statements of Rai SpA

Balance sheet

| (€/000) | Note | Half-year ended 30 June 2021 | Year ended as at 31 December 2020 |
|---|----------|---------------------------------|--------------------------------------|
| Property, plant and equipment | 6.1 | 893,433 | 898,970 |
| Lease rights of use | 6.2 | 52,761 | 55,502 |
| Intangible assets | 6.3 | 393,515 | 377,637 |
| Equity investments | 6.4 | 920,633 | 918,831 |
| Non-current financial assets | 6.5 | 2,842 | 529 |
| Deferred tax assets | 6.6 | - | - |
| Other non-current assets | 6.7 | 45,152 | 4,215 |
| Total non-current assets | | 2,308,336 | 2,255,684 |
| Inventory | 7.1 | 63 | 100 |
| Trade receivables | 7.2 | 319,156 | 332,912 |
| Current financial assets | 7.3 | 151,282 | 138,279 |
| Current income tax assets | 7.4 | 16,824 | 17,762 |
| Other current receivables and assets | 7.5 | 204,360 | 237,951 |
| Cash and cash equivalents | 7.6 | 106,277 | 11,390 |
| Total current assets | | 797,962 | 738,394 |
| Non-current assets held for sale | 8 | 3,155 | - |
| Total assets | | 3,109,453 | 2,994,078 |
| Share capital | | 242,518 | 242,518 |
| Reserves | | 491,390 | 510,530 |
| Retained earnings (losses) | | (2,271) | (58,731) |
| Total shareholders' equity | 9 | 731,637 | 694,317 |
| Non-current financial liabilities | 10.1 | 299,241 | 299,178 |
| Non-current lease liabilities | 10.2 | 37,549 | 40,014 |
| Employee benefits | 10.3 | 352,252 | 379,135 |
| Provisions for non-current risks and charges | 10.4 | 185,379 | 183,289 |
| Deferred tax liabilities | 10.5 | 62,692 | 42,340 |
| Other non-current payables and liabilities | 10.6 | 1,726 | 1,878 |
| Total non-current liabilities | | 938,839 | 945,834 |
| Trade payables | 11.1 | 537,194 | 538,281 |
| Current financial liabilities | 11.2 | 149,050 | 376,916 |
| Current lease liabilities | 10.2 | 15,972 | 15,944 |
| Current income tax liabilities | 11.3 | 14,096 | 29,085 |
| Other current payables and liabilities | 11.1 | 722,665 | 393,701 |
| Total current liabilities | | 1,438,977 | 1,353,927 |
| Total liabilities | | 2,377,816 | 2,299,761 |
| Total shareholders' equity and liabilities | | 3,109,453 | 2,994,078 |

Income statement

| (€/’000) | Note | Half-year ended at | |
|---|-------|--------------------|--------------------|
| | | 30 June 2021 | 30 June 2020 |
| Revenue from sales and services | 12.1 | 1,268,385 | 1,161,811 |
| Other revenue and income | 12.2 | 12,273 | 11,375 |
| Total revenue | | 1,280,658 | 1,173,186 |
| Costs for the purchase of consumables | 12.3 | (5,116) | (4,647) |
| Costs for services | 12.3 | (678,320) | (573,807) |
| Other costs | 12.3 | (22,063) | (21,541) |
| HR expenses | 12.4 | (474,697) | (464,125) |
| Impairment of financial assets | 12.5 | 2 | 108 |
| Depreciation, amortisation and other write-downs | 12.6 | (145,250) | (144,779) |
| Provisions | 12.7 | (15) | (2,205) |
| Total costs | | (1,325,459) | (1,210,996) |
| EBIT | | (44,801) | (37,810) |
| Financial income | 12.8 | 69,173 | 72,743 |
| Financial expense | 12.8 | (6,031) | (9,167) |
| Earnings from equity investments recognised at equity | 12.9 | 3,861 | (155) |
| Pre-tax profit/(loss) | | 22,202 | 25,611 |
| Income tax | 12.10 | 7,623 | 7,374 |
| Net profit (loss) for the period | | 29,825 | 32,985 |

Statement of comprehensive income

(€/’000)

| | Half-year ended at | |
|---|--------------------|---------------|
| | 30 June 2021 | 30 June 2020 |
| Profit/(loss) for the period | 29,825 | 32,985 |
| Items that can be reclassified to the income statement: | | |
| Profit/(loss) on cash flow hedge | 1,564 | 1,573 |
| Total | 1,564 | 1,573 |
| Items that cannot be reclassified to the income statement: | | |
| Recalculation of defined-benefit plans | 5,931 | 3,532 |
| Total | 5,931 | 3,532 |
| Total profit/(loss) for the period | 37,320 | 38,090 |

Statement of Cash Flows

| (€/’000) | Note | Half-year ended at | |
|---|-----------|--------------------|------------------|
| | | 30 June 2021 | 30 June 2020 |
| Pre-tax profit | | 22,202 | 25,611 |
| Adjustments for: | | | |
| Depreciation, amortisation and write-downs | 12.6 | 145,248 | 144,671 |
| Provisions and (issues) of personnel provisions and other provisions | | 24,922 | 29,115 |
| Net financial expense (income) | 12.8 | (63,142) | (63,576) |
| Earnings from equity investments recognised at equity | 12.9 | (3,861) | 155 |
| Other non-monetary items | | 42 | 13 |
| Cash flows generated by operating activities before changes in net working capital | | 125,411 | 135,989 |
| Change in inventory | | 36 | 43 |
| Change in trade receivables | 7.2 | 13,758 | 48,920 |
| Change in trade payables | 11.1 | (1,087) | (37,797) |
| Change in other assets and liabilities | | 332,945 | 337,619 |
| Use of provisions for risks | 10.4 | (4,541) | (5,745) |
| Payment of employee benefits and to external provisions | 10.3 | (39,785) | (28,640) |
| Taxes paid | | - | - |
| Net cash flow generated by operating activities | | 426,737 | 450,389 |
| Investments in property, plant and equipment | 6.1 | (32,586) | (29,172) |
| Disposal of property, plant and equipment | 6.1 | 9 | 21 |
| Investments in intangible assets | 6.3 | (118,599) | (64,486) |
| Disposal of intangible assets | 6.3 | - | - |
| Equity investments | 6.4 | - | (71) |
| Sale of equity investments | 6.4 | - | - |
| Dividends collected | | 69,899 | 30,906 |
| Net interest collected (*) | | 395 | 42 |
| Change in financial assets | 6.5 7.3 | (15,675) | (117,515) |
| Net cash flow generated by investing activities | | (96,557) | (180,275) |
| Long-term loans taken out | 10.1 | - | 32 |
| Long-term loan repayments | 10.1 11.2 | (5,003) | (355,006) |
| Increase (decrease) in short-term borrowings and other loans | 11.2 | (222,787) | 2,326 |
| Repayments of liabilities for leases | 10.2 | (7,503) | (9,339) |
| Net interest paid (**) | | - | (4,047) |
| Net cash flow generated by financing activities | | (235,293) | (366,034) |
| Change in cash and cash equivalents | | 94,887 | (95,920) |
| Cash and cash equivalents at the beginning of the period | 7.6 | 11,390 | 164,264 |
| Cash and cash equivalents at the end of the period | 7.6 | 106,277 | 68,344 |

(*) Referring also to financial assets/liabilities.

(**) Referring to financial assets/liabilities.

Statement of changes in equity

| (€/’000) | Share capital | Legal reserve | Other reserves | Retained earnings (losses) | Total Shareholders’ equity |
|---|----------------|---------------|----------------|-------------------------------|----------------------------------|
| Balances as at 1 January 2020 | 242,518 | 12,042 | 530,354 | (71,887) | 713,027 |
| Allocation of profit/loss | - | - | (35,028) | 35,028 | - |
| Net profit/(loss) for the period | - | - | - | 32,985 | 32,985 |
| Statement of comprehensive income components | - | - | 1,573 | 3,532 | 5,105 |
| Total profit/(loss) for the period | - | - | 1,573 | 36,517 | 38,090 |
| Balances as at 30 June 2020 | 242,518 | 12,042 | 496,899 | (342) | 751,117 |
| Balances as at 1 January 2021 | 242,518 | 12,042 | 498,488 | (58,731) | 694,317 |
| Allocation of profit/loss | - | - | (20,704) | 20,704 | - |
| Net profit/(loss) for the period | - | - | - | 29,825 | 29,825 |
| Statement of comprehensive income components | - | - | 1,564 | 5,931 | 7,495 |
| Total profit/(loss) for the period | - | - | 1,564 | 35,756 | 37,320 |
| Balances as at 30 June 2021 | 242,518 | 12,042 | 479,348 | (2,271) | 731,637 |

Notes to the Interim Separate Financial Statements as at 30 June 2021

1

General information

Rai Radiotelevisione italiana SpA (hereinafter “Rai”, the “Company” or the “Parent Company”) is a joint-stock company formed and domiciled in Italy, with registered office in Rome at Viale Mazzini 14, organised according to Italian law.

With Prime Ministerial Decree of 28 April 2017 containing “Assignment of the radio, televisions and multimedia Public Service concession and approval of the annexed draft agreement” (hereinafter “Public Service”), Rai was established as the concessionaire of the radio, television and multimedia Public Service on an exclusive basis for a decade, starting from 30 April 2017. That role is performed by the Company and its subsidiaries (jointly the “Group”).

On the strength of specific Italian and EU regulatory sources, the Parent Company is required to meet precise programming quality and quantity obligations that are described in detail in the Service Agreement (hereinafter the “Agreement”) drawn up with the Ministry of Economic Development for the period 2018-2022, published in the Official Gazette on 7 March 2018.

The Agreement relates to the activity that Rai performs in order to carry out the public service and, in particular, the radio, television and multimedia services broadcast through the various platforms in all modes, the use of the necessary transmission capacity, the creation of editorial content, the provision of technological services for the production and transmission of the signal using analogue and digital technology, and the preparation and management of control and monitoring systems.

The capital of the Company is respectively held by:

- the Ministry of Economy and Finance (99.5583%)
- SIAE Società Italiana Autori Editori (0.4417%).

The review of the interim Separate Financial Statements (hereinafter the “Separate Financial Statements”) as at 30 June 2021 is conducted by PricewaterhouseCoopers SpA (hereinafter the “Independent Auditor”) to which the Rai Ordinary General Meeting of Shareholders, upon the proposal put forward by the Board of Statutory Auditors, assigned the appointment for the financial years until 2023 on 10 March 2016, in consideration of Rai’s acquisition of status as a Public Interest Entity.

2

Criteria for the preparation, measurement and use of estimates

The Separate Financial Statements, as described below, have been prepared in accordance with the provisions of IAS 34 - Interim Financial Reporting, which is part of the *International Financial Reporting Standards* (“IFRS”).

As regards the criteria for the preparation, measurement and use of estimates used to prepare the Separate Financial Statements, reference should be made to the specific paragraphs in the Notes to the Separate Financial Statements in the Report and Financial Statements at 31 December 2020, as the criteria are unchanged.

Accounting standards approved by the European Union but still not mandatorily applicable

- Regulation 2021/1080 issued by the European Commission on 28 June 2021 endorsed the documents “Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the 2018-2020 Annual Improvement Cycle”. The documents contain changes limited to three standards as well as annual improvements and clarify the wording or correct oversights or conflicts between the requirements of the standards. The amendments to IFRS 3 “Business Combinations” update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments to IAS 16 “Property, Plant and Equipment” prohibit a company from deducting from the cost of property, plant and

equipment income from the sale of items produced while the company is preparing the asset for its intended use. Income from sales and related costs shall be charged to the income statement. The amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" specify which costs should be included in measuring whether a contract is a loss. The annual improvements make minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and the illustrative examples in IFRS 16 "Leases".

All the amendments are effective starting from the years beginning on or after 1 January 2022.

The Company assessed that above changes will have no significant impacts on the Financial Statements.

Accounting principles not yet approved by the European Union

- On 18 May 2017, the IASB issued IFRS 17 "Insurance Contracts", which was subsequently amended by "Amendments to IFRS 17" issued on 25 June 2020. The standard addresses the accounting treatment of insurance contracts issued and reinsurance contracts held.

The provisions of IFRS 17 are effective starting from years beginning on or after 1 January 2023.

- On 23 January 2020 and 15 July 2020, respectively, the IASB issued the documents "Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current" and "Classification of Liabilities as Current or Non-current - Deferral of Effective Date" to clarify the requirements for classifying liabilities as current or non-current. More specifically:
 - the amendments specify that the conditions existing at the end of the reporting period are those that must be used to determine whether there is a right to defer the settlement of a liability;
 - management's expectations regarding events after the reporting period, for example in the event of a breach of a covenant or in the event of early settlement, are not material;
 - the amendments clarify situations that are considered as the payment of a liability.

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

- On 12 February 2021, the IASB issued the document "Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies". The objective of the amendments is to provide guidance and examples to assist entities in applying a judgement of materiality in disclosing accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to disclosures about accounting policies.

The amendments are effective for reporting periods beginning on or after 1 January 2023.

- On 12 February 2021, the IASB issued the document "Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendments clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates, relevant because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective starting from reporting periods beginning on or after 1 January 2023.

- On 31 March 2021, the IASB issued the document "Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021". The amendment increases by twelve months, from 30 June 2021 to 30 June 2022, the period of application of the practical expedient, introduced on 28 May 2020, for accounting for Covid-19-related leases. The practical expedient allows lessees not to consider lease concessions as lease amendments if they occur as a direct result of the Covid-19 pandemic and meet specified conditions.

The amendment is effective for reporting periods beginning on or after 1 April 2021.

- On 7 May 2021, the IASB issued document "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document addresses the uncertainty in practice about applying the exemption in paragraphs 15 and 24 of IAS 12 to transactions that give rise to both an asset and a liability on initial recognition and may result in temporary tax differences of the same amount. Under the proposed amendments, the exemption from initial recognition in IAS 12 would not apply to transactions that, when these occur, give rise to equal and offsetting amounts of taxable and deductible temporary differences.

The amendments are effective starting from reporting periods beginning on or after 1 January 2023.

At present, the Company is analysing the principles specified and is assessing whether their adoption will have a significant impact on the financial statements.

3

Financial
risk
management

The financial risks to which the Company is exposed are managed according to the approach and procedures defined within a specific policy. These documents establish procedures, limits and tools for monitoring and minimisation of financial risk, with the objective of preserving corporate value.

The main risks identified by the Company are:

- market risk arising from exposure to fluctuations of interest rates and exchange rates connected with the financial assets and liabilities respectively owned/originated and assumed;
- credit risk arising from the possibility that one or more counterparties might be insolvent;
- liquidity risk arising from the Company's inability to obtain the financial resources necessary to meet short-term financial commitments.

3.1 Market risk

Market risk consists of the possibility that changes in the interest and exchange rates might negatively influence the value of the assets, liabilities or expected cash flows.

When managing market risk, the Company uses the following derivative instruments:

- Interest rate swap to hedge exposure to interest rate risk;
- Options and forward currency purchases to hedge exposure to exchange risk, also on behalf of Rai Cinema.

Details of derivatives outstanding as at 30 June 2021, compared with the situation at 31 December 2020, are shown in the table below; in both periods all positions referred to derivatives on the EUR/USD exchange rate to hedge Rai Cinema contracts.

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Non-current assets | | |
| Receivables from the subsidiary Rai Cinema for currency-option derivative instruments | 12 | 56 |
| | 12 | 56 |
| Current assets | | |
| Options on currency for Rai Cinema | 68 | - |
| Forward purchase of currency for Rai Cinema | 22 | - |
| Receivables from the subsidiary Rai Cinema for currency-option derivative instruments | 28 | 214 |
| Receivables from the subsidiary Rai Cinema for forward currency purchase derivative instruments | 17 | - |
| | 135 | 214 |
| Non-current liabilities | | |
| Options on currency for Rai Cinema | 12 | 56 |
| | 12 | 56 |
| Current liabilities | | |
| Options on currency for Rai Cinema | 28 | 214 |
| Forward purchase of currency for Rai Cinema | 17 | - |
| Payables to the subsidiary Rai Cinema for currency-option derivative instruments | 68 | - |
| Payables to the subsidiary Rai Cinema for forward currency purchase derivatives | 22 | - |
| | 135 | 214 |

Based on the policy used, derivatives may be used solely to hedge financial flows; they may not be used speculatively.

Further information on the fair value measurement is provided in Note 5 "Fair value measurement".

As regards exchange rate derivatives, the change to the spot forward purchase component (that is the change to spot exchange rates) and to exchange rate options are suspended, at the financial statement date, in the cash flow hedge reserve until recognition of the right or asset being hedged. The component linked to the time of forward purchase is registered in the income statement during the hedging duration.

Interest rate risk

Interest rate risk originates from the possible increase in net financial expenses as a result of unfavourable changes in market rates on the variable rate financial positions. In order to limit this risk, corporate policy requires that the medium/long-term variable rate loans be converted to fixed rate for at least 50% by using derivative products, such as Interest Rate Swaps and options on rates.

Medium/long-term borrowings as at 30 June 2021 are entirely at fixed rate; therefore, the effects of the change in rates fall only on the short-term positions of a varying duration and sign during the year.

Sensitivity analysis

The sensitivity analysis was carried out on the unhedged financial positions (excluding lease liabilities arising from the application of IFRS16), consisting solely of short-term items, considering a shift in the interest rate curve of +/- 50 b.p. Assuming an increase in rates at 30 June 2021, there would be an increase in net income of approximately €0.5 million, as a result of significant short-term accounts receivable with third parties (at 31 December 2020, the effect was negative by €1.1 million due to higher short-term debt). If rates were reduced, the opposite would be the case for equivalent amounts.

Exchange rate risk

During the first half of 2021, Rai made payments in USD for approximately 4 million (USD 2 million in the first half of 2020) for various contracts, and further payments in Swiss Francs and British Pounds for a total value of approximately €2 million. There are also intercompany accounts denominated in USD for approximately 12 million with Rai Cinema and Rai Corporation.

Hedging transactions on the Company's own positions are not in place as at 30 June 2021 considering the limited commitments in foreign currency.

Exchange rate risk is managed starting from the date the trade commitment is signed, which may also be long-term, and has as an objective protecting the value in Euro of the commitments, as estimated at the time of the order or budget. The policy in force regulates their management in keeping with the international best practices, to minimise the risk. This is pursued through the active monitoring of exposure and implementation of hedging strategies by Rai, also on behalf of the subsidiaries and in particular of Rai Cinema. Rai Way instead has its own risk management policy and procedures. The mandates for carrying out hedging transactions are given hierarchically and progressively, with a minimum intervention percentage of 50% of the contractual amount in foreign currency.

Sensitivity analysis

The sensitivity analysis as at 30 June 2021 was carried out on credit and debit positions in foreign currencies and on amounts in foreign currencies, both consisting of items in USD and confirming the dynamics already highlighted as at 31 December 2020, so a 10% change in the EUR/USD exchange rate would have negligible economic effects.

3.2 Credit risk

The theoretical exposure to credit risk for the Company mainly refers to the book value of the financial assets and trade receivables recognised.

As for the counterparty risk, trade partner assessment procedures are adopted for managing trade receivables. The analysis is conducted periodically on the situation of the past due items and may lead to the dunning of the parties affected by solvency problems. The lists of the past due items analysed are arranged by amount and customer, updated to the analysis date and show those situations demanding greater attention.

The corporate structure of the Company appointed to collect the credit initiates kindly reminder measures with the counterparties that are debtors of amounts relating to past-due items. If these activities do not result in collection of the sums, the structure starts up the expedient actions (warning letter, injunction, etc.) aimed at collecting the credit in agreement with the legal function after sending formal dunning letters to debtors. The allocations to the provisions for write-downs are made specifically on the credit positions having peculiar risk elements.

Finally, the Company measures the expected losses on trade receivables considering their entire duration based on a weighted estimate of the probabilities that those losses could occur. For that purpose, the Company bases itself on historical experience, suitably integrated with forecasts on the expected evolution of circumstances. If the conditions exist, losses are measured as the current value of all differences between the cash flows due contractually and cash flows the Group expects to receive, discounted, at the effective interest rate of the financial asset.

Credit risk on uses of funds is limited since corporate policy requires the use of low risk financial instruments and with counterparties having high ratings for the periods of cash surplus. In the first half of 2021 and throughout 2020, only time or demand deposits with bank counterparties having investment grade *rating were used*.

3.3 Liquidity risk

On the strength of specific contracts with the subsidiaries, with the sole exception of the subsidiary Rai Way, Rai manages Group financial resources through a cash-pooling system that involves daily transfer of the bank balances of the associates to the current accounts of the Parent, which grants the intercompany credit facilities needed for the operations of these companies. Rai Way has autonomous treasury and financial resources from the listing date.

Following the early repayment in March 2021 of the loan granted in December 2012 by the European Investment Bank (hereinafter "EIB") for the residual portion of €5 million for the digital terrestrial television implementation project, the Company's medium-/long-term financial structure mainly consisted of the €300 million bond issued in December 2019 and maturing in December 2024 (for further details, see Note 10.1 "Non-current financial liabilities and current portions of non-current financial liabilities").

In consideration of the significant fluctuation of the infra-annual indebtedness connected with the periodic settlement of the licence fees by the Ministry of Economy and Finance, the Company has uncommitted bank credit facilities for about €420 million and revolving line with a pool of banks totalling €320 million maturing in December 2023.

The revolving line, unused as at 30 June 2021, requires that the following Consolidated Financial Statements parametric/equity ratio (to be calculated upon closing of the annual financial statements) be met:

- net financial debt (adjusted for receivables from the State for licence fees, financial items relating to Rai Way and liabilities resulting from application of IFRS 16 for operating leases)/Net equity ≤ 2 .

The cash situation is constantly monitored with a financial forecasting process that highlights any financial critical issues considerably in advance so that expedient measures can be taken.

The Company's objectives in managing capital are inspired by preservation of the ability to continue guaranteeing optimum capital strength also through the ongoing improvement of operational and financial efficiency. The Company pursues the objective of retaining an adequate level of capitalisation that allows it realise a return and to access outside sources of funding. The Company constantly monitors the evolution of the indebtedness level in proportion to shareholders' equity. Specifically, the ratio between equity and the total of comprehensive liabilities including Shareholders' Equity is seen in the following table:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Shareholders' equity | 731,637 | 694,317 |
| Total shareholders' equity and liabilities | 3,109,453 | 2,994,078 |
| <i>Contents</i> | 23.5% | 23.2% |

Note no. 15.2 'Net financial debt' shows the Company's net debt for the periods under analysis.

The financial instruments at fair value are made up of hedging derivatives measured with a financial model that uses the most popular and accepted market formulas (net current value for forward currency purchasing transactions and application of the Black&Scholes formula for the options), in addition to the following input data given by the provider Reuters: ECB spot exchange rates, Euribor and IRS rate curves, volatility and credit spreads of the various bank counterparties and of the securities issued by the Italian Government. The fair value of the derivative instruments represents the net position between assets and liabilities. For more information on the derivative instruments (assets and liabilities), please refer to Notes no. 7.3 "Current financial assets" and 11.2 "Current financial liabilities".

All the instruments present as at 30 June 2021 and 31 December 2020 have been valued according to the Level 2 methodology: use of parameters observable on the market (e.g. for the derivatives, the exchange rates recorded by the Bank of Italy, market rate curves, volatility provided by Reuters, credit spreads calculated on the basis of the credit default swaps, etc.) different from the Level 1 listed prices.

4

**Management
of capital
risk**

5

**Fair value
measurement**

6

Non-current assets

6.1 Property, plant and equipment

Property, plant and equipment, which amounted to €893,433 thousand (€898,970 thousand as at 31 December 2020), are broken down as follows:

| (€/’000) | Land | Buildings | Plant and machinery | Industrial and commercial equipment | Other assets | Assets under construction and payments on account | Total |
|---------------------------------------|----------------|----------------|---------------------|-------------------------------------|---------------|---|--------------------|
| Cost | 370,114 | 487,913 | 1,516,974 | 74,922 | 121,752 | 53,399 | 2,625,074 |
| Accumulated depreciation | - | (194,835) | (1,367,878) | (68,019) | (95,372) | - | (1,726,104) |
| Balance as at 31 December 2020 | 370,114 | 293,078 | 149,096 | 6,903 | 26,380 | 53,399 | 898,970 |
| Movements in the period | | | | | | | |
| Increases and capitalisation | - | 1,733 | 7,630 | 1,068 | 606 | 21,549 | 32,586 |
| Disposals ⁽¹⁾ | (5) | - | (32) | - | (15) | - | (52) |
| Reclassifications | - | 2,425 | 17,222 | 211 | 1,571 | (21,429) | - |
| Transfers ⁽²⁾ | (3,110) | (35) | (24) | (12) | - | - | (3,181) |
| Amortisation and depreciation | - | (6,473) | (23,978) | (1,136) | (3,303) | - | (34,890) |
| Balance as at 30 June 2021 | 366,999 | 290,728 | 149,914 | 7,034 | 25,239 | 53,519 | 893,433 |
| <i>broken down as follows:</i> | | | | | | | |
| Cost | 366,999 | 491,957 | 1,526,557 | 75,890 | 123,136 | 53,519 | 2,638,058 |
| Accumulated depreciation | - | (201,229) | (1,376,643) | (68,856) | (97,897) | - | (1,744,625) |
| Detail: | | | | | | | |
| (1) Cost | (5) | (52) | (15,266) | (178) | (793) | - | (16,294) |
| Accumulated depreciation | - | 52 | 15,234 | 178 | 778 | - | 16,242 |
| | (5) | - | (32) | - | (15) | - | (52) |
| (2) Cost | (3,110) | (62) | (3) | (133) | - | - | (3,308) |
| Accumulated depreciation | - | 27 | (21) | 121 | - | - | 127 |
| | (3,110) | (35) | (24) | (12) | - | - | (3,181) |

Investments in the period amounting to €32,586 thousand (€29,173 thousand in the first half of 2020) fall within the scope of the modernisation and technological development initiatives that the Company initiated.

The amount of the existing contractual commitments for the purchase of property, plant and equipment is specified in Note 13.2 “Commitments”.

6.2 Lease rights of use

Lease rights of use, which amounted to €52,761 thousand (€55,502 thousand as at 31 December 2020), are broken down as follows:

| (€/000) | Land and buildings | Other assets | Total |
|---------------------------------------|--------------------|--------------|-----------------|
| Cost | 74,331 | 8,236 | 82,567 |
| Accumulated depreciation | (22,798) | (4,267) | (27,065) |
| Balance as at 31 December 2020 | 51,533 | 3,969 | 55,502 |
| Movements in the period | | | |
| Increases | 4,642 | 637 | 5,279 |
| Reductions ⁽¹⁾ | (20) | (14) | (34) |
| Amortisation and depreciation | (6,632) | (1,354) | (7,986) |
| Balance as at 30 June 2021 | 49,523 | 3,238 | 52,761 |
| <i>broken down as follows:</i> | | | |
| Cost | 78,953 | 8,859 | 87,812 |
| Accumulated depreciation | (29,430) | (5,621) | (35,051) |
| Detail: | | | |
| (1) Cost | (20) | (14) | (34) |
| Accumulated depreciation | - | - | - |
| | (20) | (14) | (34) |

Investments during the period, amounting to €5,279 thousand, mainly refer to property rental contracts or contracts for the rental of vehicles that entered into effect during the period.

The value of costs for short-term leases and leases of low-value assets is reported in Note 12.3 "Costs for the purchase of consumables, costs for services and other costs".

No income from the subleasing of assets led to the recognition of a right of use highlighted in Note 12.2 "Other revenues and income."

During the first half of 2021, the Company did not benefit from any suspension of payments due in respect of leases granted as a direct consequence of the Covid-19 pandemic and falling within the scope of the amendment to IFRS 16 "Covid-19-Related Rent Concessions".

6.3 Intangible assets

Intangible assets, which amounted to €393,515 thousand (€377,637 thousand as at 31 December 2020), are broken down as follows:

| (€/’000) | Programmes | Software | Other rights | Assets under construction and payments on account | Total |
|---------------------------------------|-----------------|---------------|--------------|---|------------------|
| Cost | 648,945 | 27,580 | 200 | 186,314 | 863,039 |
| Accumulated depreciation | (367,465) | (11,829) | (100) | - | (379,394) |
| Provisions for write-downs | (72,396) | - | (100) | (33,512) | (106,008) |
| Balance as at 31 December 2020 | 209,084 | 15,751 | - | 152,802 | 377,637 |
| Movements in the period | | | | | |
| Increases and capitalisation | 60,713 | 1,052 | - | 56,834 | 118,599 |
| Disposals / Value recoveries | - | - | - | - | - |
| Reclassifications ⁽¹⁾ | 59,534 | 1,493 | - | (61,027) | - |
| Transfers ⁽²⁾ | - | 26 | - | - | 26 |
| Write-downs ⁽³⁾ | (30,929) | - | - | (108) | (31,037) |
| Use of provisions for write-downs | 31,112 | - | 33 | - | 31,145 |
| Amortisation and depreciation | (98,629) | (4,193) | (33) | - | (102,855) |
| Balance as at 30 June 2021 | 230,885 | 14,129 | - | 148,501 | 393,515 |
| <i>broken down as follows:</i> | | | | | |
| Cost | 769,504 | 30,237 | 200 | 181,722 | 981,663 |
| Accumulated depreciation | (466,094) | (16,108) | (133) | - | (482,335) |
| Provisions for write-downs | (72,525) | - | (67) | (33,221) | (105,813) |
| Detail: | | | | | |
| (1) Cost | 59,846 | 1,493 | - | (61,339) | - |
| Accumulated amortisation | - | - | - | - | - |
| Provisions for write-downs | (312) | - | - | 312 | - |
| | 59,534 | 1,493 | - | (61,027) | - |
| (2) Cost | - | 112 | - | - | 112 |
| Accumulated depreciation | - | (86) | - | - | (86) |
| | - | 26 | - | - | 26 |
| (3) Cost | - | - | - | (87) | (87) |
| Provisions for write-downs | (30,929) | - | - | (21) | (30,950) |
| | (30,929) | - | - | (108) | (31,037) |

Investments in the period, which amounted to €118,599 thousand (€64,486 thousand in the first half of 2020) mainly refer to dramas for €108,283 thousand and cartoons for €6,664 thousand.

The amount of assets under development and payments on account refers to programmes for €142,025 thousand, software for €5,735 thousand and other rights for €741 thousand.

The write-downs recognised during the period amounted to €31,037 thousand and were performed in order to adjust the assets to their estimated recoverable value.

The amount of the existing contractual commitments for the purchase of intangible assets is specified in Note 13.2 “Commitments”.

6.4 Equity investments

Equity investments, which amounted to €920,633 thousand (€918,831 thousand as at 31 December 2020), are broken down as follows:

Interests in subsidiaries

| (€/000) | Year ended 31 December 2020 | | | Movements in the period | Half-year ended 30 June 2021 | | |
|---|-----------------------------|----------------|-----------------|-------------------------|------------------------------|----------------|-----------------|
| | Cost | Write-downs | Carrying amount | | Cost | Write-downs | Carrying amount |
| Rai Cinema SpA | 267,848 | - | 267,848 | - | 267,848 | - | 267,848 |
| Rai Com SpA | 107,156 | - | 107,156 | - | 107,156 | - | 107,156 |
| Rai Corporation in liquidation | 2,891 | (2,891) | - | - | 2,891 | (2,891) | - |
| Rai Pubblicità SpA | 31,082 | - | 31,082 | - | 31,082 | - | 31,082 |
| Rai Way SpA | 506,260 | - | 506,260 | - | 506,260 | - | 506,260 |
| Total equity investments in subsidiaries | 915,237 | (2,891) | 912,346 | - | 915,237 | (2,891) | 912,346 |

(a) The balance sheet deficit of €4,165 thousand is covered by provisions for charges of an equal amount.

Equity investments in joint ventures and associates

| (€/000) | Year ended 31 December 2020 | | | Movements in the period | | Half-year ended 30 June 2021 | | |
|--|-----------------------------|------------------------------------|-----------------|-------------------------|---------------------------|------------------------------|------------------------------------|-----------------|
| | Cost | Adjustment to Shareholders' Equity | Carrying amount | Profit/(loss) | Decrease due to dividends | Cost | Adjustment to Shareholders' Equity | Carrying amount |
| Joint venture: | | | | | | | | |
| San Marino RTV SpA | 258 | 1,238 | 1,496 | (168) | - | 258 | 1,070 | 1,328 |
| Tivù Srl | 483 | 2,314 | 2,797 | 4,029 | (2,059) | 483 | 4,284 | 4,767 |
| Associates: | | | | | | | | |
| Audiradio Srl (in liquidation) | 1,428 | (1,428) | - | - | - | 1,428 | (1,428) | - |
| Auditel Srl | 10 | 1,099 | 1,109 | - | - | 10 | 1,099 | 1,109 |
| Euronews SA | 850 | (850) | - | - | - | 850 | (850) | - |
| Player Editori Radio Srl | 1 | 17 | 18 | - | - | 1 | 17 | 18 |
| Tavolo Editori Radio Srl | 1 | 87 | 88 | - | - | 1 | 87 | 88 |
| Total equity investments in joint ventures and associates | 3,031 | 2,477 | 5,508 | 3,861 | (2,059) | 3,031 | 4,279 | 7,310 |

(a) Valuation relating to the Financial Statements as at 31 December 2019, the latest available.

(b) Rai's balance sheet deficit of €9 thousand is covered by provisions for charges of an equal amount.

(c) Valuation relating to the Financial Statements as at 31 December 2020, the latest available.

(d) Rai's balance sheet deficit of €345 thousand is covered by provisions for charges of an equal amount.

Equity investments in others companies

| (€/000) | Year ended 31 December 2020 | | | Movements in the period | Half-year ended 30 June 2021 | | |
|---|-----------------------------|--------------|--------------------|----------------------------|------------------------------|--------------|--------------------|
| | Cost | Write-downs | Carrying amount | | Cost | Write-downs | Carrying amount |
| Almaviva SpA | 324 | - | 324 | - | 324 | - | 324 |
| Banca di Credito Cooperativo di Roma | 1 | - | 1 | - | 1 | - | 1 |
| International Multimedia University Umbria Srl in bankruptcy proceedings | 52 | (52) | - | - | 52 | (52) | - |
| Istituto della Enciclopedia Italiana Treccani SpA | 784 | (132) | 652 | - | 784 | (132) | 652 |
| Total other equity investments | 1,161 | (184) | 977 | - | 1,161 | (184) | 977 |

For detailed information on investments in subsidiaries, joint ventures and associates, please refer to the specific paragraph in the Notes to the separate financial statements of the Report and Financial Statements at 31 December 2020.

6.5 Non-current financial assets

Non-current financial assets, which amounted to €2,842 thousand (€529 thousand as at 31 December 2020), break down as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Securities | 2,480 | - |
| Other financial assets (non-current deferrals) | 308 | 421 |
| Financial receivables from employees | 42 | 52 |
| Receivables from the subsidiary Rai Cinema for derivative instruments | 12 | 56 |
| Total non-current financial assets | 2,842 | 529 |

The item Securities, equal to €2,480 thousand (zero as at 31 December 2020), was made up of government bonds maturing in June 2027, securing the Service Agreement and the special services agreement with the Government.

Other non-current financial assets of €308 thousand (€421 thousand as at 31 December 2020) refer to the deferral of the non-current portion of commission relating to a five-year revolving line with a pool of banks, maturing in December 2023, for a total of €320 million.

Expiration of the current and non-current financial assets is broken down as shown below:

| (€/’000) | Half-year ended 30 June 2021 | | | |
|---|------------------------------|-----------------------|----------------|----------------|
| | Within 12 months | Between 1 and 5 years | Beyond 5 years | Total |
| Receivables from subsidiaries - c/a transactions | 144,334 | - | - | 144,334 |
| Receivables from joint ventures - c/a San Marino RTV SpA | 1,666 | - | - | 1,666 |
| Financial receivables from other investees | 84 | - | - | 84 |
| Tied current accounts | 4,636 | - | - | 4,636 |
| Securities | - | 2,480 | - | 2,480 |
| Receivables from the subsidiary Rai Cinema for derivative instruments | 45 | 12 | - | 57 |
| Assets for derivatives taken out on behalf of Rai Cinema | 90 | - | - | 90 |
| Financial receivables from employees | 44 | 42 | - | 86 |
| Other financial assets | 383 | 308 | - | 691 |
| Total financial assets | 151,282 | 2,842 | - | 154,124 |

| (€/’000) | Year ended 31 December 2020 | | | |
|---|-----------------------------|-----------------------|----------------|----------------|
| | Within 12 months | Between 1 and 5 years | Beyond 5 years | Total |
| Receivables from subsidiaries - c/a transactions | 130,245 | - | - | 130,245 |
| Receivables from joint ventures - c/a San Marino RTV SpA | 801 | - | - | 801 |
| Tied current accounts | 4,218 | - | - | 4,218 |
| Securities | 2,261 | - | - | 2,261 |
| Receivables from the subsidiary Rai Cinema for derivative instruments | 214 | 56 | - | 270 |
| Financial receivables from employees | 50 | 52 | - | 102 |
| Other financial assets | 490 | 421 | - | 911 |
| Total financial assets | 138,279 | 529 | - | 138,808 |

The short-term portion of the Financial assets, which amounted to €151,282 thousand, is included in the current components of the statement of financial position described in Note 7.3 “Current financial assets”.

Information on risks hedged and on hedging policies is disclosed in Note 3.1 “Market risk”.

6.6 Deferred tax assets

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|------------------------------|-----------------------------|
| Deferred tax assets eligible for offset | 93,955 | 115,224 |
| Deferred tax liabilities eligible for offset | (156,647) | (157,564) |
| Net deferred tax liabilities | (62,692) | (42,340) |

As at 30 June 2021, and as at 31 December 2020, the net balance of deferred tax assets and deferred tax liabilities shows a negative amount, and is therefore recognised under liabilities in the statement of financial position. Please refer to Note 10.5 “Deferred tax liabilities” for the relevant analyses.

Income taxes are reported in Note 12.10 “Income taxes”.

6.7 Other non-current assets

Other non-current assets, which amounted to €45,152 thousand (€4,215 thousand as at 31 December 2020), are broken down as follows:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Advances for trade initiatives | 8,174 | 8,555 |
| Advances for sports events | 48,441 | 7,251 |
| Amounts committed to cautionary deposit with third parties | 1,718 | 1,635 |
| Receivables from personnel | 681 | 823 |
| – Provisions for write-down of other non-current assets | (13,862) | (14,049) |
| Total other non-current assets | 45,152 | 4,215 |

The items above basically regard non-current portions of assets described in Note 7.5 “Other current receivables and assets” to which reference is made.

The provisions for write-down of other non-current assets, which amounted to €13,862 thousand (€14,049 thousand as at 31 December 2020), is broken down below:

| (€/’000) | Balances as at 31 December 2020 | Provisions | Reclassifications | Reversals | Balances as at 30 June 2021 |
|--|------------------------------------|--------------|-------------------|-----------|--------------------------------|
| Provisions for write-down of advances for sports events | (6,129) | (40) | - | - | (6,169) |
| Provisions for write-down of advances for trade initiatives | (7,770) | (154) | 335 | 46 | (7,543) |
| Provisions for write-down of other non-current assets | (150) | - | - | - | (150) |
| Total provisions for write-down of other non-current assets | (14,049) | (194) | 335 | 46 | (13,862) |

7

7.1 Inventory

Inventory, net of its provisions for write-downs, amounted to €63 thousand (€100 thousand as at 31 December 2020), and is broken down as follows:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Inventory | 11,050 | 11,882 |
| – Provisions for write-down of inventory | (10,987) | (11,782) |
| Total inventory | 63 | 100 |

The final inventory of technical materials refers to stock and spare parts for maintenance and the use of technical capital equipment similar to consumables since their utility is depleted over a period that is usually no longer than 12 months.

Current
assets

7.2 Trade receivables

Trade receivables, which amounted to €319,156 thousand (€332,912 thousand as at 31 December 2020), are broken down as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Trade: | | |
| Government for performance of service contract obligations - Law 145/2018 | 38,462 | 38,462 |
| Italian Tax Revenue Office for services under agreement | 10,000 | 20,000 |
| Other receivables | 20,486 | 17,115 |
| – Provision for write-downs of trade receivables | (14,726) | (14,728) |
| Subsidiaries: | | |
| Receivables | 266,295 | 273,394 |
| – Provisions for write-downs for the subsidiary Rai Com SpA | (1,539) | (1,539) |
| Joint ventures and associates | 178 | 208 |
| Total trade receivables | 319,156 | 332,912 |

Receivables, excluding the provisions for write-downs, from subsidiaries and from joint ventures and associates refer to:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Subsidiaries: | | |
| Rai Cinema SpA | 1,833 | 1,644 |
| Rai Com SpA | 81,638 | 90,204 |
| Rai Pubblicità SpA | 176,505 | 176,003 |
| Rai Way SpA | 4,780 | 4,004 |
| Receivables from subsidiaries | 264,756 | 271,855 |
| Joint ventures and associates: | | |
| San Marino RTV SpA | 49 | 60 |
| Tivù Srl | 129 | 148 |
| Receivables from joint ventures and associates | 178 | 208 |

The breakdown of trade receivables by geographical area shows the predominance of the domestic market.

Receivables from the Italian Tax Revenue Office for services under agreement amounted to €10,000 thousand for the management of ordinary license fees, of which €2,000 thousand for the first half of 2021 and €8,000 thousand for the periods 2020 and 2019 (equal to €4,000 thousand for each year).

The other receivables are recognised for a nominal value of €20,486 thousand and are for the sale of rights and for services of other kinds.

Receivables from related parties are specified in Note 13.4 "Transactions with related parties".

Trade receivables are shown net of the provisions for write-downs of €16,265 thousand (€16,267 thousand as at 31 December 2020) as detailed below:

| (€/000) | Balances as at 31 December 2020 | Reversals | Balances as at 30 June 2021 |
|---|------------------------------------|-----------|--------------------------------|
| Provision for write-down - trade | (14,728) | 2 | (14,726) |
| Provisions for write-downs of trade receivables from subsidiary Rai Com | (1,539) | - | (1,539) |
| Total bad debt provisions - trade | (16,267) | 2 | (16,265) |

As at 31 December 2020, there were no receivables in a currency other than the Euro, as specified in Note 3.1 "Market risk".

7.3 Current financial assets

Current financial assets amounted to €151,282 thousand (€138,279 thousand at 31 December 2020). The breakdown of the item and the comparison with the previous year are shown below:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Receivables from subsidiaries - c/a transactions | 144,334 | 130,245 |
| Tied current accounts | 4,636 | 4,218 |
| Securities | - | 2,261 |
| Receivables from joint ventures - c/a San Marino RTV | 1,666 | 801 |
| Assets for derivatives taken out on behalf of Rai Cinema | 90 | - |
| Financial receivables from other investees | 84 | - |
| Receivables from the subsidiary Rai Cinema for derivative instruments | 45 | 214 |
| Financial receivables from employees | 44 | 50 |
| Other current financial assets | 383 | 490 |
| Total current financial assets | 151,282 | 138,279 |

The receivables from subsidiaries - c/a transactions break down as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Receivables from subsidiaries - c/a transactions: | | |
| Rai Cinema SpA | 142,220 | 122,164 |
| Rai Pubblicità SpA | 2,114 | 8,081 |
| Receivables from subsidiaries - c/a transactions | 144,334 | 130,245 |

Tied current accounts, which came to €4,636 thousand (€4,218 thousand as at 31 December 2020) refer to amounts seized on current accounts due to litigation in progress.

The item "Securities", amounting to nil (€2,261 thousand at 31 December 2020), related, for the amount of the reporting period 2020, entirely to government bonds maturing in May 2021, granted as security for the Agreement and special services under convention with the State. For securities held at 30 June 2021, maturing in June 2027, see note no. 6.5 "Non-current financial assets".

The fair value of derivative instruments was calculated considering valuation models largely used in the financial field and the market parameters as at the reporting date, as better specified in Note 5 "Fair value measurement".

Derivative instruments recognised at fair value, are broken down below as regards their assets component, including the current and non-current portions:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Assets for derivatives taken out on behalf of Rai Cinema | 90 | - |
| Receivables from the subsidiary Rai Cinema for derivative instruments | 45 | 214 |
| Total derivative financial instruments – current portion | 135 | 214 |
| Receivables from the subsidiary Rai Cinema for derivative instruments | 12 | 56 |
| Total derivative financial instruments – non-current portion | 12 | 56 |
| Total derivative financial instruments | 147 | 270 |

Financial derivative assets, recorded at fair value, as at 30 June 2021, related to the current portion of receivables from the subsidiary Rai Cinema, amounting to €45 thousand (€214 thousand as at 31 December 2020) and the current portion of derivatives from third parties amounting to €90 thousand, activated by virtue of the mandate conferred by Rai Cinema and reflected through intercompany accounts in the financial payable to the subsidiary, as illustrated in note no. 11.2 "Current financial liabilities". The non-current portion amounts to €12 thousand (€56 thousand as at 31 December 2020).

Information on risks hedged and on hedging policies is disclosed in Note 3.1 "Market risk".

7.4 Current income tax assets

Current income tax receivables, which totalled €16,824 thousand (€17,762 thousand as at 31 December 2020), are specified as follows:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| IRES requested as refund for IRAP deductibility for employee expense and similar | 16,824 | 16,824 |
| Deductions on assignments to foreign companies | 238 | 2,032 |
| – Provisions for write-downs of current income tax assets | (238) | (1,094) |
| IRES receivable | 16,824 | 17,762 |
| IRAP receivable | - | - |
| Total current income tax assets | 16,824 | 17,762 |

Current income tax assets are shown net of the provisions for write-downs of €238 thousand (€1,094 thousand as at 31 December 2020) related to withheld taxes on income risking recoverability.

| (€/’000) | Balances as at 31 December 2020 | Absorption | Balances as at 30 June 2021 |
|--|------------------------------------|------------|--------------------------------|
| Provisions for write-downs of current income tax assets | (1,094) | 856 | (238) |

The taxes are commented in Note 12.10 "Income taxes".

7.5 Other current receivables and assets

Other current receivables and assets, which totalled €204,360 thousand (€237,951 thousand as at 31 December 2020) break down as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Receivables from subsidiaries | 62,680 | 38,462 |
| Advances for sports events | 86,499 | 123,888 |
| Advances for trade initiatives | 335 | - |
| Advances to suppliers, collaborators and agents | 12,820 | 20,159 |
| Receivables from entities, companies, bodies and others | 11,264 | 11,820 |
| Receivables from personnel | 8,527 | 8,510 |
| Receivables from social security and welfare institutions | 3,873 | 3,112 |
| Other tax receivables | 518 | 506 |
| Receivables for subsidies and grants from the Government, EU and other public entities | 283 | 392 |
| Other receivables (current deferrals) | 22,190 | 35,231 |
| – Provision for write-downs of other current receivables and assets | (4,629) | (4,129) |
| Total other current receivables and assets | 204,360 | 237,951 |

The breakdown of receivables from subsidiaries is as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---------------------------------------|---------------------------------|--------------------------------|
| Receivables from subsidiaries: | | |
| Rai Cinema SpA | 8,438 | 6,685 |
| Rai Com SpA | 740 | - |
| Rai Pubblicità SpA | 21,504 | 10,637 |
| Rai Way SpA | 31,998 | 21,140 |
| Receivables from subsidiaries | 62,680 | 38,462 |

It is also specified that:

- the receivables from social security and welfare institutions refer to advances disbursed against contributions due for artistic collaborations and other reasons;
- the receivables from subsidiaries consist of the contribution of the companies to the tax consolidation and the receivables coming from the Group VAT system (please refer to Note 13.4 “Transactions with Related Parties”);
- receivables from personnel relate to various items, as detailed below:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|-----------------------------------|---------------------------------|--------------------------------|
| Travel expenses | 2,652 | 1,709 |
| Labour disputes | 2,696 | 2,538 |
| Production expense advances | 635 | 1,376 |
| Others | 2,544 | 2,887 |
| Receivables from personnel | 8,527 | 8,510 |

- other tax receivables break down as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|------------------------------------|---------------------------------|--------------------------------|
| VAT refund requested | 435 | 382 |
| Other tax receivables | 83 | 124 |
| Total other tax receivables | 518 | 506 |

The provisions for write-down of other current receivables and assets, which amounted to €4,629 thousand (€4,129 thousand as at 31 December 2020), is broken down below:

| (€/000) | Balances as at 31 December 2020 | Provisions | Reclassifications | Drawdowns | Reversals | Balances as at 30 June 2021 |
|--|---------------------------------------|--------------|-------------------|-----------|-----------|--------------------------------|
| Provision for write-downs of other current receivables and assets | (4,129) | (187) | - | 18 | 4 | (4,294) |
| Provision for write-downs of guaranteed minimums | - | - | (335) | - | - | (335) |
| Provision for write-downs of other current receivables and assets | (4,129) | (187) | (335) | 18 | 4 | (4,629) |

Considering the short period of time elapsing between when the receivable arises and its due date, it is estimated that there are no significant differences between the book value of the trade receivables, other receivables and current financial assets and their respective fair values.

7.6 Cash and cash equivalents

Cash and cash equivalents, which amounted to €106,277 thousand (€11,390 thousand as at 31 December 2020), are broken down into the following items:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Bank and postal deposits | 105,995 | 11,158 |
| Cash at bank and in hand | 282 | 232 |
| Total cash and cash equivalents | 106,277 | 11,390 |

Bank and postal deposits amounted to €105,995 thousand (€11,158 thousand as at 31 December 2020) and represent the money at-call or short-term liquid assets resulting from deposit or current accounts with banks, financial institutions and with the postal administration.

Cash at bank and in hand amounted to €282 thousand (€232 thousand as at 31 December 2020) and include the liquidity represented by cash in hand as at 30 June 2021.

8

Non-current assets held for sale

Non-current assets held for sale, valued at the lower of residual book value and sale price, amounted to €3,155 thousand (nil at 31 December 2020) and related to the property located in Turin, Via Cernaia 33, whose preliminary sale agreement was signed on 31 May 2021.

These break down as follows:

| (€/000) | Land | Buildings | Industrial and commercial equipment | Total |
|---|--------------|-----------|-------------------------------------|--------------|
| Cost | - | - | - | - |
| Accumulated amortisation | - | - | - | - |
| Balance as at 31 December 2020 | - | - | - | - |
| Movements in the period | | | | |
| Transfers from property, plant and equipment ⁽¹⁾ | 3,110 | 35 | 10 | 3,155 |
| Balance as at 30 June 2021 | 3,110 | 35 | 10 | 3,155 |
| Detail: | | | | |
| (1) Cost | 3,110 | 62 | 23 | 3,195 |
| Provisions for write-downs | - | (27) | (13) | (40) |
| | 3,110 | 35 | 10 | 3,155 |

The final sales contract is expected to be signed within the current financial year.

9

Shareholders' equity

Below is the breakdown of shareholders' equity:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Share capital | 242,518 | 242,518 |
| Legal reserve | 12,042 | 12,042 |
| IFRS first-time adoption reserve – restricted | 458,155 | 458,155 |
| IFRS first-time adoption reserve – free | 32,011 | 52,715 |
| Cash flow hedge reserve | (10,818) | (12,382) |
| Total other reserves | 479,348 | 498,488 |
| Actuarial reserves for employee benefits | (28,758) | (34,689) |
| Losses carried forward | (3,338) | (3,338) |
| Profit (loss) for the period | 29,825 | (20,704) |
| Total retained earnings (losses carried forward) | (2,271) | (58,731) |
| Total shareholders' equity | 731,637 | 694,317 |

Share capital

As at 30 June 2021, the share capital consisted of 242,518,100 ordinary shares with a unit par value of €1.00. The share capital, fully subscribed and paid up, is held by:

- the Ministry of Economy and Finance (MEF) for a total of 241,447,000 shares, equal to 99.5583%; and
- Società Italiana Autori Editori (SIAE) for a total of 1,071,100 shares, equal to 0.4417% of the share capital.

Legal reserve

The legal reserve amounted to €12,042 thousand.

Other reserves and retained earnings (losses carried forward)

Other Reserves, which amounted to €479,348 thousand (€498,488 thousand as at 31 December 2020), are broken down as follows:

- the IFRS first-time adoption reserve totalled €490,166 thousand (€510,870 thousand as at 31 December 2020) and is carried as an addition to shareholders' equity. The reserve is divided to show the amounts that have been freed since the creation of the reserve:
 - IFRS first-time adoption reserve – restricted, totalling €458,155 thousand;
 - IFRS first-time adoption reserve – free, totalling €32,011 thousand;
- the cash flow hedge reserve recognised as a reduction of shareholders' equity, for €10,818 thousand (€12,382 thousand as at 31 December 2020), refers to the portion deriving from the closure (in December 2019) of the interest rate hedges, activated in 2017, having met the condition for which they were activated, i.e. the issue of the bond loan maturing in December 2024. This reserve is charged to the income statement over the life of the loan by recognising financial interest, the effects of which are neutralized (without considering the tax component) through comprehensive income.

Losses carried forward, for €2,271 thousand (€58,731 thousand as at 31 December 2020), including the profit for the period, break down as follows:

- losses from actuarial reserves for employee benefits, recognised for €28,758 thousand; the change compared to 31 December 2020 (€34,689 thousand) had negative effects on the comprehensive income statement for €5,931 thousand;
- losses carried forward, registered in the year 2019 related to first adoption of the standards IFRS 9 and 15, amount to €3,338 thousand;
- profit for the period totalled €29,825 thousand.

10.1 Non-current financial liabilities and current portions of non-current financial liabilities

Non-current financial liabilities, including current portions, totalled €299,248 thousand (€304,184 thousand as at 31 December 2020). The figure breaks down as follows:

| (€/’000) | Half-year ended 30 June 2021 | | | Year ended 31 December 2020 | | |
|---|------------------------------|-----------------|----------------|-----------------------------|-----------------|----------------|
| | Non-current portion | Current portion | Total | Non-current portion | Current portion | Total |
| Bonds | 299,219 | - | 299,219 | 299,109 | - | 299,109 |
| M/L-term payables to banks | 10 | 7 | 17 | 13 | 5,006 | 5,019 |
| Liabilities for foreign exchange hedging derivatives for Rai Cinema | 12 | - | 12 | 56 | - | 56 |
| Total | 299,241 | 7 | 299,248 | 299,178 | 5,006 | 304,184 |

Medium/long-term payables as at 30 June 2021 mainly consisted of a debenture loan for a notional amount of €300 million, maturing in December 2024; The current portion refers to a subsidised loan of insignificant amount granted following participation in a public tender issued by the then Ministry of Education, University and Research - MIUR.

The €300,000 thousand *senior unsecured* bond issued by Rai in December 2019 and listed on Euronext Dublin, was subscribed to by Italian and international institutional investors, has a nominal rate of 1.375%, maturity in December 2024 and contains the usual covenants for issues with investment grade rating, including:

- a negative pledge prohibiting the granting of guarantees on other bond issues by the Issuer or its “significant subsidiaries”, unless the same guarantees are extended to existing bondholders;
- A cross-default provisions, whereby in the event of default on debt totalling more than €50 million by the Issuer or its “significant subsidiaries”, bondholders may declare default on the bond;

10

Non-current liabilities

- a change of control clause permitting bondholders to exercise a put option at par if the Ministry of the Economy and Finance ceases to hold the majority of voting rights exercisable at ordinary and extraordinary shareholders' meetings of Rai.

On 15 June 2021, Moody's published a credit opinion that confirmed the Long-Term Issuer Baa3 for Rai (Investment Grade), with negative outlook.

The final due date of financial liabilities held (current and non-current) is shown in the following table:

| (€/000) | Half-year ended 30 June 2021 | | | |
|--|------------------------------|-----------------------|----------------|----------------|
| | Within 12 months | Between 1 and 5 years | Beyond 5 years | Total |
| Bonds | - | 299,219 | - | 299,219 |
| Payables to subsidiaries – current account positions | 148,869 | - | - | 148,869 |
| M/L-term payables to banks | 7 | 10 | - | 17 |
| Short-term payables to banks | 39 | - | - | 39 |
| Payables to the subsidiary Rai Cinema for derivative instruments | 90 | - | - | 90 |
| Liabilities for derivatives taken out on behalf of Rai Cinema | 45 | 12 | - | 57 |
| Total | 149,050 | 299,241 | - | 448,291 |

| (€/000) | Year ended 31 December 2020 | | | |
|---|-----------------------------|-----------------------|----------------|----------------|
| | Within 12 months | Between 1 and 5 years | Beyond 5 years | Total |
| Bonds | - | 299,109 | - | 299,109 |
| Payables to subsidiaries – current account positions | 144,599 | - | - | 144,599 |
| M/L-term payables to banks | 5,006 | 13 | - | 5,019 |
| Short-term payables to banks | 227,097 | - | - | 227,097 |
| Liabilities for derivatives taken out on behalf of Rai Cinema | 214 | 56 | - | 270 |
| Total | 376,916 | 299,178 | - | 676,094 |

All medium/long-term debt is held at fixed interest rates.

In compliance with accounting standards, the fair value of significant financial liabilities not recorded in the financial statements according to this criterion was also measured, using the following parameter:

- bond issued by the Company in 2019, maturing in December 2024: the fair value as at 30 June 2021 was measured at the market price, including accrued interest, at that date, equal to €103.9076, for a countervalue of €311.7 million.

| (€/000) | Half-year ended 30 June 2021 | | Year ended 31 December 2020 | |
|---|------------------------------|------------|-----------------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Bond issue €300 million - maturity 4/12/2024 | 299,219 | 311,723 | 299,109 | 309,651 |
| EIB Loan | - | - | 5,000 | 5,054 |

10.2 Lease liabilities

Non-current financial liabilities, including current portions, totalled €53,521 thousand (€55,958 thousand as at 31 December 2020). The figure breaks down as follows:

| (€/’000) | Half-year ended 30 June 2021 | | | Year ended 31 December 2020 | | |
|-----------------------------|------------------------------|-----------------|---------------|-----------------------------|-----------------|---------------|
| | Non-current portion | Current portion | Total | Non-current portion | Current portion | Total |
| Operating lease liabilities | 37,549 | 15,972 | 53,521 | 40,014 | 15,944 | 55,958 |
| Total | 37,549 | 15,972 | 53,521 | 40,014 | 15,944 | 55,958 |

The value of current lease liabilities is represented solely by the current portion of non-current lease liabilities, as short-term asset leases are recognised in the income statement under the item costs for the purchase of consumables, costs for services and other costs.

The value of cash outflows from leases in the period was €7,669 thousand, plus interest of €372 thousand.

Interest expense accrued on lease liabilities is detailed in Note 12.8 “Financial income and expenses,” to which reference should be made.

The due dates lease liabilities (current and non-current) are shown below:

| (€/’000) | Half-year ended 30 June 2021 | | | |
|-----------------------------|------------------------------|-----------------------|----------------|---------------|
| | Within 12 months | Between 1 and 5 years | Beyond 5 years | Total |
| Operating lease liabilities | 15,972 | 32,355 | 5,194 | 53,521 |
| Total | 15,972 | 32,355 | 5,194 | 53,521 |

| (€/’000) | Year ended 31 December 2020 | | | |
|-----------------------------|-----------------------------|-----------------------|----------------|---------------|
| | Within 12 months | Between 1 and 5 years | Beyond 5 years | Total |
| Operating lease liabilities | 15,944 | 35,622 | 4,392 | 55,958 |
| Total | 15,944 | 35,622 | 4,392 | 55,958 |

10.3 Employee benefits

Employee benefits, which amounted to €352,252 thousand (€379,135 thousand as at 31 December 2020), are broken down as follows:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|------------------------------|-----------------------------|
| Provisions for employee severance pay | 171,982 | 187,027 |
| Provisions for supplementary pension benefits | 101,235 | 109,284 |
| Provisions in lieu of the former fixed indemnity for journalists | 65,300 | 68,758 |
| Health insurance fund for Rai senior managers (FASDIR) | 13,433 | 13,728 |
| Others | 302 | 338 |
| Total employee benefits | 352,252 | 379,135 |

Provisions for employee benefits measured using actuarial techniques break down as follows:

| (€/000) | Half-year ended 30 June 2021 | | | | |
|--|------------------------------|-----------------------|--|---------------|----------------|
| | Employee severance pay | Supplementary pension | Provisions in lieu of former fixed indemnity for journalists | FASDIR | Other benefits |
| Present value of the liability at start of the period | 187,027 | 109,284 | 68,758 | 13,728 | 338 |
| Current cost of defined benefit plans | - | - | - | - | 6 |
| Current cost of defined contribution plans | 19,965 | - | - | 176 | - |
| Interest expense | 154 | 134 | 49 | 76 | - |
| Actuarial (gains)/losses resulting from changes in demographic assumptions | - | - | - | - | - |
| Actuarial (gains)/losses resulting from changes in financial assumptions | (3,751) | (2,576) | (309) | - | - |
| Actuarial (gains)/losses from past experience | 1,850 | (1,109) | (36) | - | - |
| Cost of past benefits and (gains)/losses on settlement | - | - | (1,705) | - | - |
| Benefits paid | (13,310) | (4,498) | (1,457) | (547) | (42) |
| Transfers to external funds for defined contribution plans | (19,945) | - | - | - | - |
| Other movements | (8) | - | - | - | - |
| Present value of the liability at the end of the period | 171,982 | 101,235 | 65,300 | 13,433 | 302 |

Costs for employee benefits, as measured using actuarial assumptions and recognised in the income statement, break down as follows:

| (€/000) | Half-year ended 30 June 2021 | | | | |
|---|------------------------------|-----------------------|--|--------------|----------------|
| | Employee severance pay | Supplementary pension | Provisions in lieu of former fixed indemnity for journalists | FASDIR | Other benefits |
| Current cost of defined benefit plans | - | - | - | - | (6) |
| Current cost of defined contribution plans | (19,965) | - | - | (176) | - |
| Cost of past benefits and gains/ (losses) on settlement | - | - | 1,705 | - | - |
| Interest expense on the liability | (154) | (134) | (49) | (76) | - |
| Total | (20,119) | (134) | 1,656 | (252) | (6) |
| <i>of which recognised as labour cost</i> | <i>(19,965)</i> | <i>-</i> | <i>1,705</i> | <i>(176)</i> | <i>(6)</i> |
| <i>of which recognised in financial expense</i> | <i>(154)</i> | <i>(134)</i> | <i>(49)</i> | <i>(76)</i> | <i>-</i> |

Costs for defined benefit plans recognised in other comprehensive income components break down as follows:

| (€/000) | Half-year ended 30 June 2021 | | | | |
|--|------------------------------|-----------------------|--|----------|----------------|
| | Employee severance pay | Supplementary pension | Provisions in lieu of former fixed indemnity for journalists | FASDIR | Other benefits |
| Revaluations: | | | | | |
| - Actuarial gains/(losses) resulting from changes in demographic assumptions | - | - | - | - | - |
| - Actuarial gains/(losses) resulting from changes in financial assumptions | 3,751 | 2,576 | 309 | - | - |
| - Actuarial gains/(losses) from past experience | (1,850) | 1,109 | 36 | - | - |
| Total | 1,901 | 3,685 | 345 | - | - |

The main actuarial assumptions adopted are reported below:

| | Half-year ended 30 June 2021 |
|--|---------------------------------|
| Financial assumptions | |
| Average discount rate (1): | |
| – Provisions for employee severance pay | 0.45% |
| – Provisions for supplementary pension benefits for former employees | 0.53% |
| – Provisions for supplementary pension benefits for former senior managers | 0.57% |
| – Provisions in lieu of the former fixed indemnity for journalists | 0.35% |
| Inflation rate: | |
| – Provisions for employee severance pay | 0.80% |
| – Provisions for supplementary pension benefits | 0.80% |
| – Provisions in lieu of the former fixed indemnity for journalists | 0.80% |
| Expected rate of growth in remuneration/benefits (2): | |
| – Provisions for employee severance pay | 2.10% |
| – Provisions for supplementary pension benefits | 0.64% |
| – Provisions in lieu of the former fixed indemnity for journalists | 2.30% |
| Demographic assumptions | |
| Maximum retirement age: | |
| – Provisions for employee severance pay | As per law |
| – Provisions for supplementary pension benefits | - |
| – Provisions in lieu of the former fixed indemnity for journalists | As per law |
| Mortality tables: | |
| – Provisions for employee severance pay | SI 2016 revised |
| – Provisions for supplementary pension benefits | AS62 |
| – Provisions in lieu of the former fixed indemnity for journalists | SI 2016 revised |
| Disability tables: | |
| – Provisions for employee severance pay | INPS tables by age and gender |
| – Provisions for supplementary pension benefits | - |
| – Provisions in lieu of the former fixed indemnity for journalists | - |
| Average annual employee leaving rate: | |
| – Provisions for employee severance pay | 8.71% |
| – Provisions for supplementary pension benefits | - |
| – Provisions in lieu of the former fixed indemnity for journalists | 8.00% |
| Annual probability of advance requests: | |
| – Provisions for employee severance pay | 1.50% |
| – Provisions for supplementary pension benefits | - |
| – Provisions in lieu of the former fixed indemnity for journalists | - |

(1) Measured as the weighted average of Eur Composite AA 2021 interest rate curve June 2021 for 30 June 2021.

(2) Including inflation.

10.4 Provisions for non-current risks and charges

Provisions for non-current risks and charges, which amounted to €185,379 thousand (€183,289 thousand as at 31 December 2020), are broken down as follows:

| (€/000) | Balances as at 31 December 2020 | Provisions | Drawdowns | Reversals | Balances as at 30 June 2021 |
|--|------------------------------------|--------------|----------------|----------------|--------------------------------|
| Provisions for legal disputes | 56,700 | 614 | (3,447) | (2,267) | 51,600 |
| Provisions for building renovation and refurbishment | 24,000 | - | (233) | - | 23,767 |
| Provisions for accrued remuneration costs | 33,977 | 2,599 | - | - | 36,576 |
| Provision for user rights to digital television frequencies contributions | 10,210 | 5,105 | - | - | 15,315 |
| Provisions for the risk of recourse on bad debts by the concessionaires Rai Pubblicità and Rai Com | 5,425 | - | (107) | (105) | 5,213 |
| Provision for write-downs of surplus investments | 4,371 | 148 | - | - | 4,519 |
| Provisions for dismantling and restoration costs | 4,200 | 3 | - | - | 4,203 |
| ISC and ICM provisions Agents | 709 | 8 | (6) | (12) | 699 |
| Other provisions | 43,697 | 838 | (748) | (300) | 43,487 |
| Total provisions for risks and charges | 183,289 | 9,315 | (4,541) | (2,684) | 185,379 |

Provisions for legal disputes, totalling €51,600 thousand, show the prudential, forecasted estimate of charges for pending lawsuits in which the Company is involved in various ways. Specifically, the figure includes €31,100 thousand in provisions for civil, administrative and criminal litigation (including legal costs) and €20,500 thousand in provisions for labour law disputes.

Provisions for building renovation and refurbishment, totalling €23,767 thousand, include the estimated costs the Company expects to incur primarily in relation to the removal of asbestos containing materials present in buildings owned. The constructive obligation to proceed with the refurbishment and renovation of the buildings is connected with Company's expression of intent to perform such work, as expressed on several occasions in negotiations with trade unions.

Provisions for accrued remuneration costs, totalling €36,576 thousand, include the overall costs estimated in relation to employment contracts in place.

The provision for user rights to digital television frequencies contributions, amounting to €15,315 thousand, was set aside pending the issue of the decree that will determine the amount to be paid for the periods 2020 and 2021.

Provisions for the risk of recourse on bad debts by the concessionaires Rai Pubblicità and Rai Com, totalling €5,213 thousand, refer to the charges associated with the retrocession of income already recognised by the Company in the event that the concessionaires do not collect on the related receivables.

The provision for write-down of the surplus investment refers almost all to the capital deficit recognised in the financial statements of Rai Corporation in liquidation.

Provisions for dismantling and restoration costs, totalling €4,203 thousand, include the estimated costs for the dismantling and removal of installations and modifications and the restoration of premises rented by the Company under operating leases which require the lessee to restore the rented premises to their original condition at the end of the lease (where the lease will not be renewed).

ISC (supplementary customer indemnities) and ICM (meritocratic customer indemnities) provisions for agents, totalling €699 thousand, refer to amounts payable to agents upon termination of agency agreements for reasons not attributable to the agent. The provisions are based on estimates that take into consideration

the historic data of the Company and growth in the customer portfolio or in business volumes with customers already in portfolio.

Other provisions comprise numerous provisions, set aside to cover specific liabilities related to existing situations whose existence is certain, whose amount or date of occurrence is uncertain, or whose occurrence is contingent on future events whose occurrence is considered probable.

10.5 Deferred tax liabilities

Deferred tax liabilities of €62,692 thousand are shown net of deferred tax assets eligible for offset amounting to €93,955 thousand. The net balance as at 31 December 2020 recorded deferred tax liabilities of €42,340 thousand.

The nature of the temporary differences that gave rise to deferred tax liabilities and the deferred tax assets eligible for offset is reported in the table below:

| (€/’000) | Balances as at 31 December 2020 | Changes | | Balances as at 30 June 2021 |
|--|------------------------------------|------------------|-----------------|--------------------------------|
| | | Income statement | Balance sheet | |
| Statutory/tax differences on property, plant and equipment | (150,866) | 933 | - | (149,933) |
| Neutralisation currency valuations | (6) | 6 | - | - |
| Taxable difference equity investments | (6,692) | (22) | - | (6,714) |
| Deferred tax liabilities eligible for offset | (157,564) | 917 | - | (156,647) |
| Negative taxable income | 115,224 | 6,706 | (27,975) | 93,955 |
| Deferred tax assets eligible for offset | 115,224 | 6,706 | (27,975) | 93,955 |
| Net deferred tax liabilities | (42,340) | 7,623 | (27,975) | (62,692) |

Deferred tax assets were recognised when their future recoverability was considered reasonably certain.

Deferred tax assets on tax losses carried forward totalled €93,955 thousand. It is probable that they will be used to offset the taxable earnings of Group companies that participate in the tax consolidation arrangement and the deferred tax liability carried through to the income statement.

10.6 Other non-current payables and liabilities

Other non-current payables and liabilities, entirely relating to items denominated in Euros, amounted to €1,726 thousand (€1,878 thousand as at 31 December 2020), referred entirely to deferred income related to the contribution recognised as an economic measure of a compensatory nature for the release of radio links in the 3.6-3.8 GHz bands. Please refer to note no. 11.1 "Trade payables and other current payables and liabilities" for further information regarding this contribution.

Payables to related parties are reported in Note 13.4 "Transactions with related parties".

11.1 Trade payables and other current payables and liabilities

Trade payables and other current payables and liabilities amounted to a total €1,259,859 thousand (€931,982 thousand as at 31 December 2020). The figure breaks down as follows:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Trade payables | 451,210 | 454,340 |
| Trade payables to subsidiaries | 85,519 | 83,185 |
| Trade payables from joint ventures and associates | 465 | 756 |
| Total trade payables | 537,194 | 538,281 |
| Payables to personnel | 188,265 | 171,614 |
| Payables to social security and welfare institutions | 57,841 | 73,120 |
| Other tax payables | 43,845 | 40,835 |
| Other payables from subsidiaries | 4,029 | 5,757 |
| Other payables accruing for assessments | 2,875 | 5,306 |
| Other payables | 7,118 | 4,950 |
| Advances: | | |
| – Ordinary licence fees | 80,364 | 87,181 |
| – Other advances | 1,252 | 1,210 |
| Accruals for fees and interest | 2,429 | 329 |
| Deferrals: | | |
| – Adjustment to advertising revenues | 1,253 | 1,848 |
| – Licence fees | 332,791 | 621 |
| – Grants for the switch-over to digital terrestrial | 274 | 549 |
| – Grants for release of radio links | 308 | 312 |
| – Other deferrals | 21 | 69 |
| Total other current payables and liabilities | 722,665 | 393,701 |
| Total trade payables and other current payables and liabilities | 1,259,859 | 931,982 |

The breakdown of trade payables and other payables to subsidiaries, joint ventures and associates is shown in the table below:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---------------------------------------|---------------------------------|--------------------------------|
| Subsidiaries: | | |
| Rai Cinema SpA | 23,162 | 16,311 |
| Rai Com SpA | 5,739 | 11,124 |
| Rai Pubblicità SpA | 170 | 143 |
| Rai Way SpA | 56,448 | 55,607 |
| Trade payables to subsidiaries | 85,519 | 83,185 |

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Joint ventures and associates: | | |
| Auditel Srl | 50 | 353 |
| Player Editori Radio Srl | 18 | - |
| Tivù Srl | 397 | 403 |
| Trade payables from joint ventures and associates | 465 | 756 |

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Subsidiaries: | | |
| Rai Cinema SpA | 445 | 1,429 |
| Rai Com SpA | - | 650 |
| Rai Pubblicità SpA | 1,128 | 1,128 |
| Rai Way SpA | 2,456 | 2,550 |
| Other payables from subsidiaries | 4,029 | 5,757 |

Payables to personnel totalled €188,265 thousand (€171,614 thousand as at 31 December 2020). The figure breaks down as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|------------------------------|---------------------------------|--------------------------------|
| Untaken paid annual leave | 82,434 | 60,268 |
| Untaken time in lieu | 44,892 | 47,261 |
| Wage and salary assessment | 48,627 | 46,422 |
| Redundancy incentives | 11,675 | 16,064 |
| Others | 637 | 1,599 |
| Payables to personnel | 188,265 | 171,614 |

Payables to social security and welfare institutions totalled €57,841 thousand (€73,120 thousand as at 31 December 2020). The figure breaks down as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Payables to supplementary pension funds for personnel | 12,010 | 24,345 |
| Payables to INPGI | 11,484 | 13,902 |
| Payables to INPS | 23,844 | 24,416 |
| Payables to CASAGIT | 1,167 | 1,489 |
| Contributions on assessed wages and salaries | 8,956 | 8,636 |
| Other payables | 380 | 332 |
| Payables to social security and welfare institutions | 57,841 | 73,120 |

Other tax payables amounted to €43,845 thousand (€40,835 thousand as at 31 December 2020) and included the component of payables to tax authorities not related to current income taxes. These break down as follows:

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Group VAT payables | 17,571 | 7,768 |
| Suspended VAT payables | 998 | 998 |
| Withholding tax on wages and salaries for employees and contractors, substitution tax and other withholdings | 25,276 | 32,069 |
| Total other tax payables | 43,845 | 40,835 |

Deferrals include:

- the grants for the switch-over to digital terrestrial, in the amount of €274 thousand, related to the grant from the then Ministry of Communications from 2007 to 2011 to support the initiatives to expedite the transition process to digital terrestrial technology. These initiatives consisted in works on systems and infrastructure adjustments of sites for the extension of the areas with digital coverage and the improvement of reception homogeneity and of the quality of service to users. The task of carrying out these types of investments has been entrusted to the subsidiary Rai Way, which is responsible, inter alia, for the design, installation, maintenance, implementation, development and management of telecommunications networks. The grant was recognised in the income statement for each year in which a depreciation charge would have been recognised if the investment had been made by Rai, considering the ratio between the amount of the grant received and investments made to complete the relative projects;
- the grant for the release of radio links, recognised for €308 thousand, related to the economic compensation measure granted to Rai in 2020, pursuant to the MISE-MEF interministerial decree of 4 September 2019, for the investment expenses made by the subsidiary Rai Way, remunerated under the service agreement, for the release of radio links in the 3.6-3.8 GHz bands. The grant was recognised in profit or loss of each financial year in relation to the portion of amortisation that would have been recorded if the investment had been made by Rai, taking as reference the amortisation plan provided by Rai Way.

Payables to related parties are reported in Note 13.4 "Transactions with related parties".

11.2 Current financial liabilities

Current financial liabilities totalled €149,050 thousand (€376,916 thousand as at 31 December 2020). The breakdown is shown in the table below:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Payables to subsidiaries – current account positions | 148,869 | 144,599 |
| Short-term payables to banks | 39 | 227,097 |
| M/L-term payables to banks (current portion) | 7 | 5,006 |
| Liabilities for derivatives taken out on behalf of Rai Cinema | 45 | 214 |
| Payables to the subsidiary Rai Cinema for derivative instruments | 90 | - |
| Total current financial liabilities | 149,050 | 376,916 |

Short-term payables to banks amounted to €39 thousand (€227,097 thousand as at 31 December 2020) and consisted of uncommitted bank loans.

The breakdown by company of payables to subsidiaries - current account positions is shown in the following table:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Subsidiaries: | | |
| Rai Cinema SpA | 7,160 | 4,943 |
| Rai Com SpA | 138,276 | 136,252 |
| Rai Corporation in liquidation | 3,050 | 2,954 |
| Rai Way SpA | 383 | 450 |
| Payables to subsidiaries – current account positions | 148,869 | 144,599 |

The current portion of non-current financial liabilities is reported and explained in Note 10.1 "Non-current financial liabilities and current positions of non-current financial liabilities".

Derivative instruments recognised at fair value, are broken down below in the liability component, including the current and non-current portions:

| (€/’000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Liabilities for derivatives taken out on behalf of Rai Cinema | 45 | 214 |
| Payables to the subsidiary Rai Cinema for derivative instruments | 90 | - |
| Total derivative financial instruments – current portion | 135 | 214 |
| Liabilities for derivatives taken out on behalf of Rai Cinema | 12 | 56 |
| Total derivative financial instruments – non-current portion | 12 | 56 |
| Total derivative financial instruments | 147 | 270 |

Financial derivative liabilities, recorded at fair value, as at 30 June 2021, related to the current portion of payable to the subsidiary Rai Cinema, amounting to €90 thousand (nil as at 31 December 2020) and the current portion of derivatives payable to third parties amounting to €45 thousand (€214 thousand as at 31 December 2020), activated by virtue of the mandate conferred by Rai Cinema and reflected through intercompany accounts in the financial receivable from the subsidiary, as illustrated in note no. 7.3 "Current financial assets". The non-current portion amounts to €12 thousand (€56 thousand as at 31 December 2020).

Information on risks hedged and on hedging policies is disclosed in Note 3.1 "Market risk".

11.3 Current income tax liabilities

Current income tax liabilities totalled €14,096 thousand (€29,085 thousand as at 31 December 2020), and refer entirely to payables for IRES from the Group's tax consolidation.

On this point please note that the Company has opted for a Group taxation scheme under which the obligations connected with the settlement and payment of IRES tax on companies scoped into the tax consolidation arrangement have been transferred to the Group. Procedures for consolidating Group taxable income are governed by a specific agreement between the Parent Company and its subsidiaries, as described in Note 13.4 "Transactions with related parties - Tax consolidation".

Income taxes are reported in Note 12.10 "Income taxes".

12.1 Revenue from sales and services

The main items are analysed below:

| (€/’000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| TV licence fees | 923,561 | 869,900 |
| Advertising | 312,411 | 240,760 |
| Other revenue | 32,413 | 51,151 |
| Total revenue from sales and services | 1,268,385 | 1,161,811 |

The breakdown of revenue by geographical area shows that most revenue is from the domestic market.

TV licence fees

Licence fees, amounting to €923,561 thousand (€869,900 thousand in the first half of 2020), break down as follows:

| (€/’000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Licence fees for the period - household licences | 862,900 | 817,000 |
| Licence fees for the period - special licences | 42,600 | 35,500 |
| Licence fees collected by enforcement order | 4,500 | 6,000 |
| Contingencies on ordinary licence fees | 13,561 | 11,400 |
| Total TV licence fees | 923,561 | 869,900 |

In determining the amount of the licence fees for the period for private users, the information and data made available with reference to the current collection methods were used, taking into account the provisions of Law no. 178 of 30 December 2020 "State Budget estimates for the financial year 2021 and multi-year budget for the three-year period 2021-2023" published in the Official Gazette no. 322 of 30 December 2020.

This law repealed the 5% reduction in the amounts to be paid to RAI to cover the cost of providing the Public Service, and the so-called "extra revenue", to be paid to RAI in the amount of 67% for 2016 and 50% for the years from 2017 to 2020, determined by any additional revenue with respect to the amount provided for in the State Budget for 2016.

It also provided that the revenue from the radio and TV licence fee, as from 1 January 2021, should be used for the following purposes:

- €110 million per year to the Fund for pluralism and innovation in information set up in the budget of the Ministry of Economy and Finance;
- for the remainder, to RAI, without prejudice to the amounts of licence fee revenue already allocated by current legislation for specific purposes.

The current collection methods were introduced by Law 208 of 28 December 2015 (the "2016 Stability Law"), which provided, in Article 1 (152 et seq.), for TV licence fees for household licences to be charged, as of 1 January 2016, directly in power bills issued by electricity companies, under a separately detailed item.

That law introduced, in an effort to overcome evasion, the mechanism by which if a household has a utility account for power supply to a registered home address, then it can be presumed that the household is in possession of a television set. That presumption of the possession of a television set may only be overturned by a statutory declaration made in accordance with the Consolidation Law as per Presidential Decree 445 of 28 December 2000. False statements are punishable by law and may entail criminal liability.

Law No. 145 of 30 December 2018 confirmed the amount of €90 due for the Rai licence fee for private use on a permanent basis.

In determining the amount of the fees for the period for special utilities, the provisions of Decree-Law no. 41 of 22 March 2021, which established full exemption from payment for the year 2021 of the special radio and television licence fee for accommodation facilities and the serving and consumption of beverages on public premises or premises open to the public, including similar activities carried out by third sector entities, were also taken into account.

To cover the cost of the exemption, a special account no. 1778 in the name of: "Agenzia delle Entrate - Fondi di bilancio" was assigned the amount of €83 million to grant a tax credit equal to 100% of the possible payment of the licence fee prior to the entry into force of the present decree, or to provide for the transfer to Rai of the amounts corresponding to the lower revenue deriving from the present article requested by the aforementioned company.

In relation to the amounts reported above:

- TV licence fees collected by enforcement order refer to licence fees, levied under an enforcement order addressed to households with overdue payments;
- licence fees for prior years – household licences related to 2020 fees which became known in the year 2021, as they were paid to the State during the year and determined in relation to the procedures in force in the previous period (extra revenue).

The separate annual accounts, designed to ensure proportionality between the costs incurred by Rai for the performance of the Public Service activities entrusted to it and the resources from licence fees and certified by an auditor chosen on the basis of a public procedure supervised by the Regulatory Authority, show a lack of public funding for the period 2005-2019 amounting to approximately €2.5 billion. The separate annual accounts for 2020 are being prepared.

Advertising

Advertising revenues, for €312,411 thousand (€240,760 thousand in the first half of 2020), break down as follows:

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Television advertising on general-interest channels: | | |
| – commercial | 161,484 | 132,270 |
| – promotions, sponsorships and special initiatives | 102,367 | 68,606 |
| – product placement and branded content | 3,152 | 2,683 |
| Television advertising on specialist channels | 28,745 | 23,689 |
| Radio advertising | 9,707 | 9,501 |
| Web advertising | 7,786 | 4,926 |
| Other advertising | 8 | 54 |
| Share due to third parties | (1,063) | (828) |
| Contingencies | 225 | (141) |
| Total advertising | 312,411 | 240,760 |

Other revenue

Other revenue from sales and services, for €32,414 thousand (€51,151 thousand in the first half of 2020), break down as follows:

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Grant for the development of digital programming under article 1 (paragraph 101) of Law 145/18 | - | 19,231 |
| Special services under agreement | 19,474 | 18,942 |
| Sale of rights | 1,231 | 4,022 |
| Distribution and sale of channels | 5,466 | 5,690 |
| Sundry services, mainly for institutional purposes | 5,201 | 1,472 |
| Transfer of patent rights of use | 270 | 397 |
| Production and facility services | 210 | 37 |
| Home video distribution | 84 | 149 |
| Broadcasting by digital terrestrial technology signal | 24 | 6 |
| Other | 31 | 962 |
| Share due to third parties | (46) | (240) |
| Contingencies | 469 | 483 |
| Total other revenue | 32,414 | 51,151 |

12.2 Other revenue and income

Other revenue and income, for €12,273 thousand (€11,375 thousand in the first half of 2020) break down as follows:

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Other income from investees | 8,522 | 8,825 |
| Income from operating subleasing from Group companies | 880 | 887 |
| Operating grants | 602 | 422 |
| Cost recoveries and expense refunds | 308 | 274 |
| Income from programme production | 1,169 | 208 |
| Compensation for damages | 94 | 100 |
| Income from real estate investments | 117 | 101 |
| Other | 581 | 560 |
| Contingencies | - | (2) |
| Total other revenue and income | 12,273 | 11,375 |

12.3 Costs for the purchase of consumables, costs for services and other costs

Costs for the purchase of consumables, costs for services and other costs totalled €705,499 thousand (€599,995 thousand in the first half of 2020). The figure breaks down as follows:

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Purchases of consumables | 5,116 | 4,647 |
| Costs for services | 678,320 | 573,807 |
| Other costs | 22,063 | 21,541 |
| Total costs for the purchase of consumables, services and other costs | 705,499 | 599,995 |

The breakdown of costs for services is shown in the table below. The item totalled €678,320 thousand (€573,807 thousand in the first half of 2020), net of discounts and rebates obtained. It includes, inter alia, emoluments, indemnities of office and expense refunds paid to Directors, for a total of €469 thousand, and to Statutory Auditors, for a total of €77 thousand.

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Recording rights | 144,782 | 50,555 |
| Purchase of showings | 107,845 | 124,139 |
| Signal broadcast and transmission – Rai Way | 106,039 | 104,981 |
| Programme production services | 96,407 | 81,228 |
| Freelance services | 59,270 | 59,262 |
| Rights of use | 53,652 | 53,980 |
| IT system documentation and assistance services | 26,415 | 25,928 |
| Rentals, leases and service component of lease contracts | 12,409 | 10,742 |
| Maintenance, repairs, transport and similar | 18,552 | 16,418 |
| Daily allowances, travel expenses and accessory costs for personnel | 13,932 | 10,058 |
| Other outsourced services | 40,169 | 37,282 |
| Recovery of expenses | (1,069) | (1,049) |
| Contingencies | (83) | 283 |
| Costs for services | 678,320 | 573,807 |

In accordance with Article 2427, no. 16-*bis*, of the Civil Code, please note that fees accruing to the period ended 30 June 2021 for services provided by the Independent Auditor for the annual auditing of accounts, for other auditing services, including auditing of the half-year financial report and for non-auditing services amounted to €86 thousand, €24 thousand and €37 thousand, respectively.

12.4 HR expenses

HR expenses, which amounted to €474,697 thousand (€464,125 thousand in the first half of 2020), are broken down as follows:

| (€/’000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Wages, salaries and social security costs | 457,901 | 439,223 |
| Employee severance pay | 19,965 | 19,848 |
| Pensions and similar obligations | 6,396 | 6,413 |
| Others | 1,594 | 6,302 |
| HR expenses | 485,856 | 471,786 |
| Costs for redundancy incentives | - | 470 |
| Recovery of expenses | (2,502) | (2,386) |
| Capitalised HR expenses | (7,215) | (5,361) |
| Other HR expenses | (9,717) | (7,277) |
| Contingencies and releases of provisions | (1,442) | (384) |
| Total HR expenses | 474,697 | 464,125 |

The item includes €20,147 thousand of charges for defined contribution plans and €1,705 thousand of income from defined benefit plans, net of past benefits, as reported in Note 10.3 “Employee benefits”.

The Company applies four Collective Bargaining Agreements, respectively the CCL for labour for middle managers, office staff and workers, the CCL for orchestra musicians, the national Bargaining Agreements for Journalists, applied in Rai in compliance with the method in a “Convention extended the CNLG to Rai” and the relative Addendum Agreement with Usigrai for journalist personnel, the CCNL for managers of companies producing goods and services and the relative Addendum Agreement between Rai and ADRai.

With respect to those agreements, we report that:

- the collective bargaining agreement for middle managers, office staff and workers was renewed, by agreement made on 28 February 2018, for the period 2014–2018 and, on an exceptional basis, for 2016 and 2017;
- the collective bargaining agreement for orchestra musicians was renewed, by agreement on 28 June 2018, for the three-year period 2014-2016 and, on an exceptional basis, for 2017 and 2018;
- for journalist staff, on 13 March 2018 Rai and Unindustria Roma signed a Agreement for the Extension of the National Collective Bargaining Agreement for Journalists to Rai, with the Rai journalists trade union, Usigrai and the National Press Federation, FNSI. the Rai–Usigrai Addendum Agreement expired on 31 December 2013;
- for personnel employed as senior managers, the collective bargaining agreement for the period 1 January 2019 - 31 December 2023 is still in force, while the Rai–ADRAi Addendum Agreement for the three-year period 2017-2019 was renewed on 6 July 2018.

The average number of Company employees is shown below by employment category:

| | Half-year ended 30 June 2021 | | | Half-year ended 30 June 2020 | | |
|--------------------------------|--|-----------------------------------|---------------|--|-----------------------------------|---------------|
| | Permanent employees (average no.) ⁽¹⁾ | Temporary employees (average no.) | Total | Permanent employees (average no.) ⁽¹⁾ | Temporary employees (average no.) | Total |
| Senior managers ⁽²⁾ | 248 | - | 248 | 255 | - | 255 |
| Middle managers | 1,279 | - | 1,279 | 1,324 | - | 1,324 |
| Journalists ⁽³⁾ | 1,888 | 141 | 2,029 | 1,818 | 20 | 1,838 |
| Office staff ⁽⁴⁾ | 6,962 | 30 | 6,992 | 6,986 | 55 | 7,041 |
| Workers | 824 | 3 | 827 | 872 | 4 | 876 |
| Orchestra players | 119 | - | 119 | 114 | 2 | 116 |
| Total | 11,320 | 174 | 11,494 | 11,369 | 81 | 11,450 |

(1) Of which apprentices 460

310

(2) Of which senior staff with temporary contracts 4

4

(3) Including executive staff

(4) Administrative, technical, editorial and production personnel; this category includes outpatient general practitioners

The average number of employees was calculated as the arithmetic mean of the daily number of employees over the reporting period, weighted to account for part-time employees. The average number of employees includes personnel on permanent and fixed-term employees.

12.5 Impairment of financial assets

This item recognises impairment losses (including recoveries) of financial assets, which include all assets of a contractual origin that give right to receiving cash flows (including trade receivables).

This item recorded a positive economic effect as at 30 June 2021 of €2 thousand (€108 thousand in the first half of 2020), determined by the absorption of the provision for write-down - trade described in Note 7.2 "Trade receivables", to which reference should be made.

12.6 Depreciation, amortisation and other write-downs

Depreciation, amortisation and other write-downs totalled €145,250 thousand (€144,779 thousand in the first half of 2020). The figure breaks down as follow:

| (€/’000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Amortisation and depreciation | | |
| Property, plant and equipment | | |
| Buildings | 6,473 | 6,185 |
| Plant and machinery | 23,977 | 22,975 |
| Industrial and commercial equipment | 1,136 | 1,011 |
| Other assets | 3,304 | 3,092 |
| Total depreciation of property, plant and equipment | 34,890 | 33,263 |
| Lease rights of use | | |
| Buildings | 6,632 | 6,676 |
| Other assets | 1,354 | 1,456 |
| Total depreciation of lease rights of use | 7,986 | 8,132 |
| Intangible assets | | |
| Programmes | 67,517 | 70,712 |
| Software | 4,193 | 3,549 |
| Trademarks | - | 1 |
| Total amortisation of intangible assets | 71,710 | 74,262 |
| Total amortisation and depreciation | 114,586 | 115,657 |
| Other write-downs | | |
| Programmes under amortisation | 30,929 | 29,099 |
| Programmes in progress | 108 | 556 |
| Equity investments recognised at cost | 148 | 9 |
| Other non-current receivables and assets | 148 | 30 |
| Current income tax receivables | (857) | (575) |
| Other current receivables and assets | 188 | 3 |
| Total other write-downs | 30,664 | 29,122 |
| Total depreciation, amortisation and other write-downs | 145,250 | 144,779 |

12.7 Provisions

The item, recognising provisions for risks and charges and any risks not classifiable under specific income statement items, shows net provisions for €15 thousand (€2,205 thousand in the first half of 2020), caused by provisions for €1,129 thousand, offset by releases for €1,114 thousand.

12.8 Financial income and expenses

Net financial income, which amounted to €63,142 thousand (€63,576 thousand in the first half of 2020), are broken down as follows:

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Financial income: | | |
| Dividends from subsidiaries | 67,839 | 70,404 |
| Dividends from other companies - Almagora SpA | 84 | - |
| Interest income from subsidiaries | 1,228 | 2,228 |
| Gains from currency valuation | 11 | 14 |
| Foreign exchange gains/(losses) realised | (13) | 47 |
| Interest income from joint ventures – San Marino RTV | 14 | 11 |
| Interest income from banks | 4 | 22 |
| Interest on securities | 2 | 2 |
| Others | 4 | 15 |
| Total financial income | 69,173 | 72,743 |
| Financial expense: | | |
| Interest expense on bonds | (3,719) | (6,228) |
| Interest on employee benefit liabilities | (413) | (1,222) |
| Interest expense on lease contracts | (368) | (399) |
| Interest expense due to banks | (305) | (167) |
| Foreign exchange gains/(losses) realised | (34) | 57 |
| Foreign exchange losses | (58) | (21) |
| Interest expense due to subsidiaries | - | (9) |
| Charges on derivatives - interest rates | - | - |
| Others | (1,134) | (1,178) |
| Total financial expense | (6,031) | (9,167) |
| Net financial income (expense) | 63,142 | 63,576 |

Breakdown of dividends:

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Rai Cinema SpA | 18,356 | 14,008 |
| Rai Com SpA | 3,444 | 7,191 |
| Rai Pubblicità SpA | 3,891 | 8,047 |
| Rai Way SpA | 42,148 | 41,158 |
| Total dividends from subsidiaries | 67,839 | 70,404 |

12.9 Earnings from investments recognised at equity

Earnings from investments recognised at equity recorded an income of €3,861 thousand (expense of €155 thousand in the first half of 2020), broken down as follows:

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Euronews SA | - | (368) |
| San Marino RTV SpA | (168) | (214) |
| Tivù Srl | 4,029 | 427 |
| Total effect of recognition under the equity method | 3,861 | (155) |

The breakdown of the change in equity investments recognised under the equity method is reported in Note 6.4 "Equity investments".

12.10 Income tax

Income taxes payable totalled a positive €7,623 thousand (€7,374 thousand in the first half of 2020) due to the effect of deferred taxes. The figure breaks down as follows:

| (€/000) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| IRES | - | - |
| IRAP | - | - |
| Total current taxes | - | - |
| Deferred tax liabilities | 917 | 960 |
| Deferred tax assets | 6,706 | 6,414 |
| Total deferred taxes | 7,623 | 7,374 |
| Direct taxes from previous years | - | - |
| Total income taxes | 7,623 | 7,374 |

For IRES purposes, in the first half of 2021, as well as in the first half of 2020, the Company recognised tax losses for which deferred tax assets have been allocated and which have had a positive effect on profit or loss.

13.1 Guarantees

Guarantees given, which amounted to €20,240 thousand (€20,502 thousand as at 31 December 2020), break down as follows:

| (€/000) | Half-year ended 30 June 2021 | | |
|--------------|---------------------------------|--------------|---------------|
| | Personal guarantees Sureties | Collateral | Total |
| Subsidiaries | 18,006 | - | 18,006 |
| Others | - | 2,234 | 2,234 |
| Total | 18,006 | 2,234 | 20,240 |

13

Other
information

| (€/000) | Year ended 31 December 2020 | | |
|--------------|---------------------------------|--------------|---------------|
| | Personal guarantees Sureties | Collateral | Total |
| Subsidiaries | 18,268 | - | 18,268 |
| Others | - | 2,234 | 2,234 |
| Total | 18,268 | 2,234 | 20,502 |

Guarantees given included the assumption of payment obligations to the Tax Authorities, as security for the early repayment of the VAT surplus of €16,980 thousand (€17,157 thousand as at 31 December 2020) in favour of subsidiaries.

The Company also recognised €72,203 thousand of guarantees provided by third parties (€71,823 thousand as at 31 December 2020) on own commercial and financial obligations; the most significant include:

- guarantee in favour of the EIB to secure the medium/long-term loan;
- guarantee in favour of the Ministry of Economic Development to secure prize competitions;
- guarantee for the acquisition of the broadcasting rights to the 2021 Olympic Games;
- guarantees in connection with the acquisition of the broadcasting rights for the qualification and final stages of the 2022 Football World Cup.

Guarantees received from banks and various insurance companies for a total amount of €201,580 thousand (€225,023 thousand as at 31 December 2020), mainly related to the purchase of goods and services and to the fulfilment of contracts for radio and television productions, were also present.

13.2 Commitments

The main commitments, including long-term commitments, connected with products or with technological development and modernisation initiatives and in place at the reporting date are reported in the table below:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Sports broadcasting rights | 176.1 | 122.3 |
| Investments in drama and cartoons | 87.7 | 127.6 |
| Rights and services for the production of programmes | 10.5 | 34.8 |
| Technical investments | 69.0 | 56.9 |
| Total commitments | 343.3 | 341.6 |

13.3 Contingent liabilities

The Company is a party to civil, administrative, labour law and social security lawsuits connected with its ordinary business activities.

Civil and administrative litigation involving the Company is primarily connected with the production and public broadcasting of radio and television programmes. Almost all civil litigation concerns claims for damages, mostly related to defamation and infringement of personality rights and violation of copyright law. As part of administrative proceedings, damages are usually claimed in procurement disputes where, however, the claim for damages in kind is only made in the alternative, the main claim being for the annulment of the tender documents and in some cases the taking over of the contract.

In relation to labour law and social security matters, the Company is a party to a certain number of lawsuits, mainly concerning claims for reinstatement, applications for investigations into the alleged use of fictitious intermediaries in the procurement of labour, applications for higher level employment grades and categories, compensation claims for alleged demotion and alleged non-fulfilment of social security obligations under employment contracts or collective bargaining agreements.

If, on the basis of analyses conducted on such kinds of litigation:

- information is available, at the time of preparation of the financial statements, suggesting it is likely that a liability will arise;
- and the amount of the liability can be reasonably estimated, considering the petition made by the applicant, then a relative liability is recognised through the allocation of provisions for legal disputes.

Note 10.4 “Provisions for non-current risks and charges” details provisions made for that occurrence.

On the basis of information currently available, the Company believes that provisions for risks are adequate.

13.4 Transactions with related parties

Transactions between the Company and related parties are reported below; as identified on the basis of the criteria provided by IAS 24 “*Related Party Disclosures*”.

The Company has dealings mainly of a commercial and financial nature with the following related parties:

- Rai Cinema;
- Rai Com;
- Rai Corporation;
- Rai Pubblicità;
- Rai Way;
- Key management personnel (“Senior Management”);
- other associates and joint ventures with which the Company has an interest as indicated in Note 6.4 “Equity investments”; companies under the control or joint control of Senior Management and bodies that manage benefit plans after the work relationship ends and solely for Rai Group employees (“Other related parties”).

Although related party transactions are conducted at arm's length, there is no guarantee that if those transactions were negotiated and pursued with or between third parties, the relative contracts, and the transactions themselves, would stipulate the same terms and conditions.

“Senior management” means key management personnel with the power and direct or indirect responsibility for the planning, management and control of Company business, including therein the members of the Board of Directors of the Company. For information on emoluments paid to statutory auditors, see Note 12.3 “Costs for the purchase of consumables, costs for services and other costs.”

The following table details the balance sheet totals as at 30 June 2021 and 31 December 2020 of the transactions between the Company and related parties in the years ended 30 June 2021 and 31 December 2020:

| (€/000) | Subsidiaries | Senior Management | Other related parties | Total |
|---|--------------|-------------------|-----------------------|------------------|
| Lease rights of use | | | | |
| As at 30 June 2021 | 412 | - | - | 412 |
| As at 31 December 2020 | 444 | - | - | 444 |
| Non-current financial assets | | | | |
| As at 30 June 2021 | 12 | - | - | 12 |
| As at 31 December 2020 | 56 | - | - | 56 |
| Current financial assets | | | | |
| As at 30 June 2021 | 144,379 | - | 1,666 | 146,045 |
| As at 31 December 2020 | 130,460 | - | 801 | 131,261 |
| Trade receivables | | | | |
| As at 30 June 2021 | 266,154 | - | 178 | 266,332 |
| As at 31 December 2020 | 271,856 | - | 209 | 272,065 |
| Other current receivables and assets | | | | |
| As at 30 June 2021 | 65,362 | - | 110 | 65,472 |
| As at 31 December 2020 | 38,461 | - | - | 38,461 |
| Non-current lease liabilities | | | | |
| As at 30 June 2021 | (355) | - | - | (355) |
| As at 31 December 2020 | (387) | - | - | (387) |
| Employee benefits | | | | |
| As at 30 June 2021 | - | (4,370) | (13,433) | (17,803) |
| As at 31 December 2020 | - | (4,354) | (13,728) | (18,082) |
| Current financial liabilities | | | | |
| As at 30 June 2021 | (148,959) | - | - | (148,959) |
| As at 31 December 2020 | (144,599) | - | - | (144,599) |
| Current lease liabilities | | | | |
| As at 30 June 2021 | (72) | - | - | (72) |
| As at 31 December 2020 | (71) | - | - | (71) |
| Trade payables | | | | |
| As at 30 June 2021 | (85,519) | - | (465) | (85,984) |
| As at 31 December 2020 | (83,186) | - | (756) | (83,942) |
| Other current payables and liabilities | | | | |
| As at 30 June 2021 | (5,628) | (7,103) | (7,591) | (20,322) |
| As at 31 December 2020 | (8,700) | (6,630) | (15,407) | (30,737) |

The following table details the income effects of transactions between the Company and related parties in the periods ended 30 June 2021 and 30 June 2020:

| (€/000) | Subsidiaries | Senior Management | Other related parties | Total |
|---|--------------|-------------------|-----------------------|------------------|
| Revenue from sales and services | | | | |
| As at 30 June 2021 | 340,299 | - | 320 | 340,619 |
| As at 30 June 2020 | 269,433 | - | 305 | 269,738 |
| Other revenue and income | | | | |
| As at 30 June 2021 | 9,761 | - | 13 | 9,774 |
| As at 30 June 2020 | 10,074 | - | 13 | 10,087 |
| Costs for services | | | | |
| As at 30 June 2021 | (217,819) | (569) | (5,922) | (224,310) |
| As at 30 June 2020 | (233,827) | (570) | (5,787) | (240,184) |
| Other costs | | | | |
| As at 30 June 2021 | (155) | - | - | (155) |
| As at 30 June 2020 | (168) | - | - | (168) |
| HR expenses | | | | |
| As at 30 June 2021 | 2,184 | (9,240) | (5,624) | (12,680) |
| As at 30 June 2020 | 2,369 | (8,627) | (6,314) | (12,572) |
| Depreciation, amortisation and other write-downs | | | | |
| As at 30 June 2021 | (33) | - | - | (33) |
| As at 30 June 2020 | (16) | - | - | (16) |
| Financial income | | | | |
| As at 30 June 2021 | 69,067 | - | 14 | 69,081 |
| As at 30 June 2020 | 72,632 | - | 11 | 72,643 |
| Financial expense | | | | |
| As at 30 June 2021 | (4) | - | - | (4) |
| As at 30 June 2020 | (10) | - | 1 | (9) |

With regard to the description of the main agreements in place between the Rai and the subsidiaries, associated companies and joint ventures identified above, reference should be made to the specific paragraph in the Notes to the Separate Financial Statements of the Report and Financial Statements as at 31 December 2020, with the exception of the following paragraphs.

Tax consolidation arrangement

The Rai Group has a national tax consolidation arrangement in place for IRES tax purposes, as permitted under Articles 117 et seq. of the Italian Income Tax Code and governed by Ministerial Decree of 9 June 2004.

As of the 2017 tax year, the option to join the arrangement will be tacitly renewed without the need for notification.

The tax and equity arrangements between the participating companies are governed by a specific agreement made between the parties, which is updated in the light of relative legislative amendments applicable under the agreement.

As a result of the national tax consolidation arrangement, Rai held a credit from the participating companies totalling €44,042 thousand as at 30 June 2021.

Group VAT offsetting

The Company has adopted the procedure contemplated by Ministerial Decree of 13 December 1979, providing implementing rules for the provisions of Article 73, last paragraph, of Presidential Decree 633 of 26 October 1972, for the offsetting of Group VAT.

The option to apply the Group VAT procedure is valid for one year and was exercised by Rai and all its Italian subsidiaries until 31 December 2021. Statutory and financial relationships under the procedure are governed by a specific agreement between the parties.



14

**Subsequent
events**

No relevant event to report.

15.1 Equity investments held by Rai in subsidiaries, joint ventures and associates

15

Appendix

The following table sums up information on Companies Rai has investments in.

| (Values as at 30 June 2021) | Registered office | No. shares/ units held | Nominal value (Euro) | Share capital (in €/'000) | Shareholders' equity (in €/'000) | Profit (loss) (in €/'000) | Equity interest held % | Carrying amount (in €/'000) |
|--------------------------------------|-------------------|---------------------------|-------------------------|------------------------------|--|---------------------------------|------------------------------|-----------------------------------|
| Subsidiaries | | | | | | | | |
| Rai Cinema SpA | Rome | 38,759,690 | 5.16 | 200,000 | 271,161 | 7,456 | 100.00% | 267,848 |
| Rai Com SpA | Rome | 2,000,000 | 5.16 | 10,320 | 108,351 | 2,133 | 100.00% | 107,156 |
| Rai Corporation in liquidation | New York (USA) | 50,000 | 10.00 ⁽¹⁾ | 500 ⁽²⁾ | (4,166) ⁽³⁾ | (17) ⁽⁴⁾ | 100.00% | - ⁽⁵⁾ |
| Rai Pubblicità SpA | Turin | 100,000 | 100.00 | 10,000 | 35,857 | 6,237 | 100.00% | 31,082 |
| Rai Way SpA | Rome | 176,721,110 | - ⁽⁶⁾ | 70,176 | 134,070 | 33,171 | 64.971% | 506,260 |
| | | | | | | | | 912,346 |
| Joint ventures and associates | | | | | | | | |
| Audiradio Srl in liquidation | Milan | 69,660 | 1.00 | 258 | (33) ⁽⁷⁾ | - ⁽⁷⁾ | 27.00% | - ⁽⁷⁾ ⁽⁸⁾ |
| Auditel Srl | Milan | 99,000 | 1.00 | 300 | 3,360 ⁽⁹⁾ | 643 ⁽⁹⁾ | 33.00% | 1,109 ⁽⁹⁾ |
| Euronews SA | Lyon (F) | 55,271 | 15.00 | 32,860 | (13,677) ⁽⁹⁾ | (17,618) ⁽⁹⁾ | 2.52% | - ⁽⁹⁾ ⁽¹⁰⁾ |
| Player Editori Radio Srl | Milan | 1,390 | 1.00 | 10 | 130 ⁽⁹⁾ | 97 ⁽⁹⁾ | 13.90% | 18 ⁽⁹⁾ |
| San Marino RTV SpA | San Marino (RSM) | 500 | 516.46 | 516 | 2,656 | (336) | 50.00% | 1,328 |
| Tavolo Editori Radio Srl | Milan | 1 | 1,580.00 | 160 | 636 ⁽⁹⁾ | 203 ⁽⁹⁾ | 13.90% | 88 ⁽⁹⁾ |
| Tivù Srl | Rome | 1 | 482,500.00 | 1,002 | 9,897 | 8,366 | 48.16% | 4,767 |
| | | | | | | | | 7,310 |

(1) Values in USD.

(2) Values in USD/'000.

(3) USD -4,950,331 at the exchange rate of 30 June 2021 of Euro/USD 1.1884.

(4) USD -20,473 at the exchange rate of 30 June 2021 of Euro/USD 1.1884.

(5) The balance sheet deficit of €4,166 thousand is covered by provisions for charges of an equal amount.

(6) Ordinary shares with no stated par value.

(7) As per financial statements as at 31 December 2019, the last available.

(8) Rai's balance sheet deficit of €9 thousand is covered by provisions for charges of an equal amount.

(9) As per financial statements as at 31 December 2020, the last available.

(10) Rai's balance sheet deficit of €345 thousand is covered by provisions for charges of an equal amount.

15.2 Net financial debt

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 of 4 March 2021 (guidelines on disclosure requirements under EU Regulation 2017/1129, so called "Prospectus Regulation").

| (€/000) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| A. Cash on hand | 106,277 | 11,390 |
| B. Cash equivalents | - | - |
| C. Other current financial assets | 151,282 | 138,278 |
| D. Liquidity (A + B + C) | 257,559 | 149,668 |
| E. Current financial debt | (165,015) | (387,853) |
| F. Current portion of non-current financial debt | (6) | (5,006) |
| G. Current financial debt (E + F) | (165,021) | (392,859) |
| H. Net current financial debt (G - D) | 92,538 | (243,191) |
| I. Non-current financial debt | (37,571) | (40,083) |
| J. Debt instruments | (299,220) | (299,110) |
| K. Trade payables and other non-current payables | - | - |
| L. Non-current financial debt (I + J + K) | (336,791) | (339,193) |
| M. Total financial debt (H + L) | (244,253) | (582,384) |
| Of which operating lease liabilities | (53,521) | (55,959) |
| Net financial position excluding operating lease liabilities | (190,732) | (526,425) |

Certification pursuant to article 154-*bis* of Italian Legislative Decree 58/98

The undersigned Carlo Fuortes, in the capacity as Chief Executive Officer, and Marco Brancadoro, in the capacity as Manager in charge of drawing up the corporate accounting documents of RAI Radiotelevisione italiana SpA, also taking into account the provisions of Article 154-*bis*, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998, hereby attest:

- the adequacy in relation to the characteristics of the Company, and
- the actual application

of administrative and accounting procedures in preparing the Separate Interim Financial Statements as at 30 June 2021 during the first half of 2021.

The administrative and accounting procedures and operating practices in place have been applied in a manner consistent with the internal administrative and accounting control system to ensure the achievement of the objectives required by the applicable regulatory framework.

It is also attested that:

- the Separate Interim Financial Statements as at 30 June 2021 of RAI Radiotelevisione italiana SpA:
 - a) have been prepared in accordance with International Financial Reporting Standards endorsed by the European Union pursuant to EC Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the entries in the books and accounting records;
 - c) are suitable to provide a true and fair representation of the equity, economic and financial position of the issuer.
- the Report on Operations includes a reliable analysis of the trends and results of operations, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 27 October 2021

Marco Brancadoro

*Manager in charge of drawing up
the corporate accounting documents*

Carlo Fuortes

Chief Executive Officer

Independent Auditor's Report

REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Board of Directors of RAI – Radiotelevisione italiana SpA

Foreword

We have reviewed the accompanying interim financial statements of RAI – Radiotelevisione italiana SpA, which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related explanatory notes as of 30 June 2021. The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of the interim financial statements that give a true and fair view in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of RAI – Radiotelevisione italiana SpA as of 30 June 2021 do not give a true and fair view of the financial position, the result of operations and cash flows of RAI – Radiotelevisione italiana SpA, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

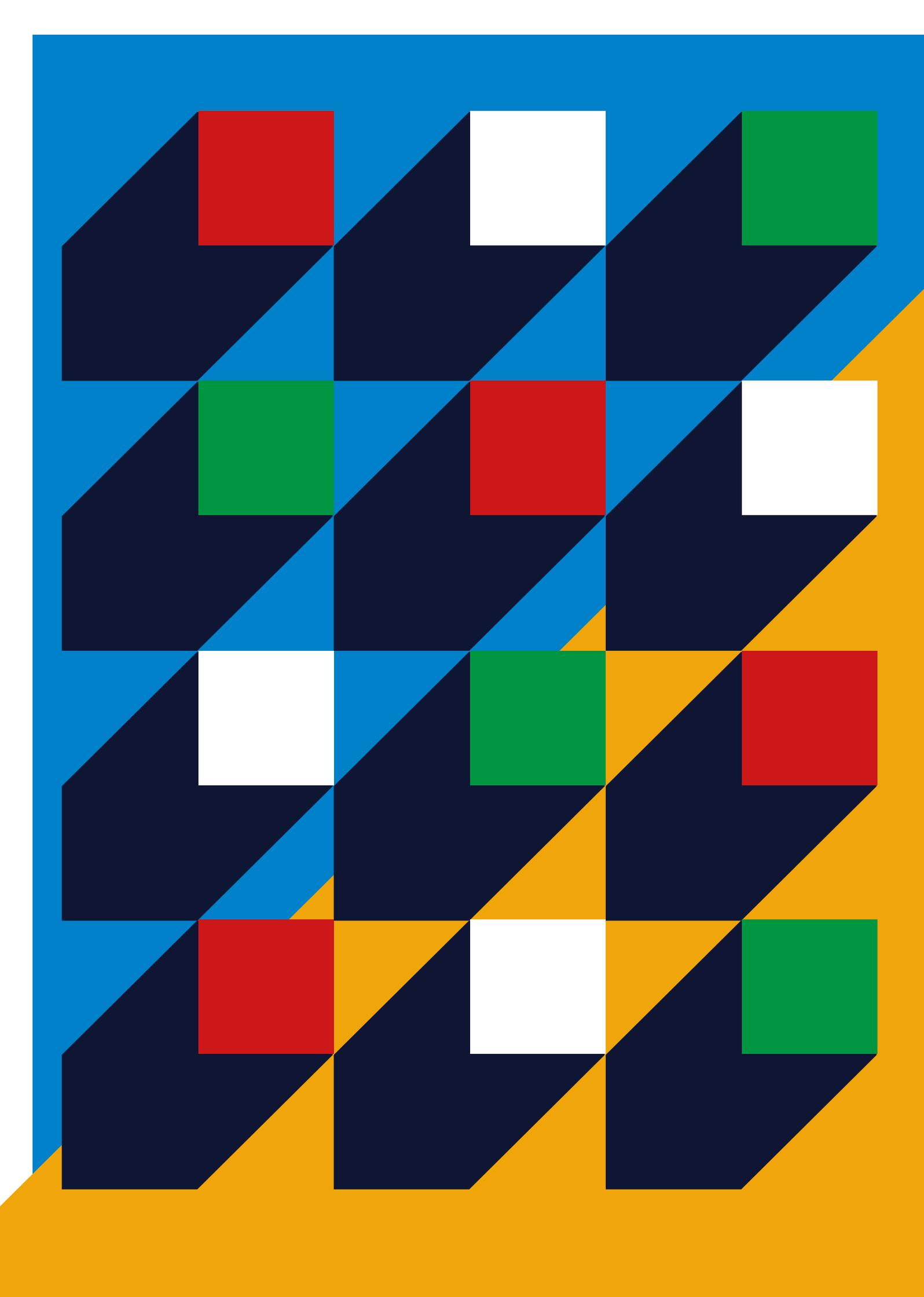
Rome, 5 November 2021

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.



**Interim
Consolidated
Financial
Statements
as at 30 June 2021**

Analysis of the consolidated results and performance of economic and financial management of the first half of 2021

Reclassified statements

Income statement

| (€/million) | June 2021 | June 2020 | Change |
|---|----------------|----------------|----------------|
| Revenue | 1,359.2 | 1,245.4 | 113.8 |
| External costs net of major sports events | (485.0) | (425.6) | (59.4) |
| Major sports events | (61.7) | 0.0 | (61.7) |
| External costs | (546.7) | (425.6) | (121.1) |
| HR expenses | (524.8) | (513.1) | (11.7) |
| EBITDA | 287.7 | 306.7 | (19.0) |
| Depreciation, amortisation and write-downs | (266.4) | (281.1) | 14.7 |
| Provisions | 0.1 | (2.2) | 2.3 |
| EBIT | 21.4 | 23.4 | (2.0) |
| Net financial expenses | (6.7) | (9.2) | 2.5 |
| Equity investments measured using the equity method | 3.8 | (0.2) | 4.0 |
| Pre-tax profit/(loss) | 18.5 | 14.0 | 4.5 |
| Income tax | (8.8) | (9.2) | 0.4 |
| Profit/(loss) for the period | 9.7 | 4.8 | 4.9 |
| <i>of which attributable to minority interests</i> | <i>11.4</i> | <i>11.6</i> | <i>(0.2)</i> |
| Other comprehensive income | 7.6 | 5.2 | 2.4 |
| Total profit/(loss) for the period | 17.3 | 10.0 | 7.3 |
| <i>of which attributable to minority interests</i> | <i>11.4</i> | <i>11.6</i> | <i>(0.2)</i> |

Capital structure

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|--|--------------|------------------|----------------|
| Fixed assets | 2,097.9 | 2,061.5 | 36.4 |
| Net working capital | (820.9) | (467.3) | (353.6) |
| Provisions for risks and charges | (222.0) | (217.7) | (4.3) |
| Employee benefits | (370.5) | (398.4) | 27.9 |
| Net invested capital | 684.5 | 978.1 | (293.6) |
| Equity | 367.2 | 371.7 | (4.5) |
| Net financial debt excluding operating lease liabilities | 236.7 | 523.4 | (286.7) |
| Operating lease liabilities | 80.6 | 83.0 | (2.4) |
| Net financial debt | 317.3 | 606.4 | (289.1) |
| Total | 684.5 | 978.1 | (293.6) |

The consolidated financial statements for the first half of 2021 show a net profit of €9.7 million, improving on the result for the same period of 2020 (profit of €4.8 million).

Some summary information on the main items of the income statement and capital structure is provided below, along with the reasons for the most significant variances compared to the figures of the previous period.

Income statement

Revenue

This is made up of licence fees, advertising proceeds and other trade revenue, totalling €1,359.2 million, up by €113.8 million (+9.1%).

Revenue

| (€/million) | June 2021 | June 2020 | Change |
|-----------------|----------------|----------------|--------------|
| TV licence fees | 923.6 | 869.9 | 53.7 |
| Advertising | 359.6 | 278.0 | 81.6 |
| Other revenue | 76.0 | 97.5 | (21.5) |
| Total | 1,359.2 | 1,245.4 | 113.8 |

TV licence fees

Licence fees of €923.6 million, detailed in the table below, increased by €53.7 million (+6.2%) compared with the first half of 2020.

TV licence fees

| (€/million) | June 2021 | June 2020 | Change |
|---|--------------|--------------|--------------|
| Licence fees for the year – household licences | 857.6 | 812.2 | 45.4 |
| Ordinary licence fee exemptions | 5.3 | 4.8 | 0.5 |
| Licence fees for the year – ordinary | 862.9 | 817.0 | 45.9 |
| Licence fees for the year – special licences | 42.4 | 35.5 | 6.9 |
| Special licence fee exemptions | 0.2 | 0.0 | 0.2 |
| Licence fees for the year – special | 42.6 | 35.5 | 7.1 |
| Licence fees collected by enforcement order - ordinary licence fees collected by the Government in the period | 3.5 | 4.5 | (1.0) |
| Licence fees collected by enforcement order – special licences | 1.0 | 1.5 | (0.5) |
| Licence fees collected by enforcement order | 4.5 | 6.0 | (1.5) |
| Contingencies on ordinary licence fees | 13.6 | 11.4 | 2.2 |
| Total | 923.6 | 869.9 | 53.7 |

The increase in this item, which mainly relates to the licence fees for the period from private customers (+€45.4 million) and, to a lesser extent, to the special licence fees for the period (+€6.9 million), was largely due to the entry into force of the following regulatory measures.

For licence fees for the period, Law No. 178 of 30 December 2020 provided, with effect from 1 January 2021:

- the abrogation of the 5% reduction in the amounts to be paid to RAI to cover the cost of providing the Public Service and of the so-called 'extra revenue', determined by the higher revenues with respect to those provided for in the State Budget for 2016;

- that €110 million per year of the revenue paid for radio and TV licence fees be allocated to the Fund for pluralism and innovation in information, set up in the budget of the Ministry for the Economy and Finance, and the remainder to RAI, without prejudice to the sums of licence fee revenue already allocated by current legislation for specific purposes.

For special licences for the period, Decree-Law No. 41 of 22 March 2021 established:

- full exemption from payment of the special radio and television licence fees for 2021 for accommodation facilities as well as for the supply and consumption of beverages in public establishments or premises open to the public, including similar activities carried out by third sector entities;
- the allocation of a sum equal to €83 million in order to grant to the interested parties a tax credit equal to 100% of any payment of the licence fee made before the entry into force of the decree, or to provide for the transfer to RAI of the sums corresponding to the lower revenues claimed by the Company.

Advertising

After a 2020 marked by the pandemic that from March brought the entire economy to a standstill until May, only to gradually reopen in the following months, 2021 has shown good growth prospects. The advertising market also felt these effects and as a result 2021 started with a downturn in the first two months before reversing the trend with strong growth in the lockdown months from March onwards.

In the period January-June 2021, the overall advertising market (net of OTT) registered an increase in investments of 26.7% compared to the first half of 2020, with TV growing by 33.2%, Radio by 22.0% and internet (Digital) by 29.3% (Source: Nielsen).

In this context, the Rai Group's advertising revenues, equal to €359.6 million, detailed in the table below, also thanks to the contribution of the European Football Championship ratings, increased by €81.6 million compared to the first half of 2020 (+29.4%).

Advertising

| (€/million) | June 2021 | June 2020 | Change |
|---|--------------|--------------|-------------|
| Television advertising on general-interest channels: | | | |
| – commercial | 183.9 | 149.8 | 34.1 |
| – promotions, sponsorships, branded content and other initiatives | 120.2 | 80.8 | 39.4 |
| | 304.1 | 230.6 | 73.5 |
| Television advertising on specialist channels | 32.7 | 26.8 | 5.9 |
| Radio advertising | 11.0 | 10.8 | 0.2 |
| Cinema advertising | 0.1 | 1.1 | (1.0) |
| Web advertising | 12.9 | 9.1 | 3.8 |
| Other advertising | 0.1 | 1.3 | (1.2) |
| Share due to third parties | (1.6) | (1.5) | (0.1) |
| Contingencies | 0.3 | (0.2) | 0.5 |
| Total | 359.6 | 278.0 | 81.6 |

Other revenue

It amounted to €76.0 million, down compared to the reference period by €21.5 million (-22.1%) due to the absence of the contribution granted by the government for the fulfilment of obligations under the Service Agreement including those for the development of digital programming, established for the years 2019 and 2020 by Law no. 145 of 30 December 2018, amounting to €19.2 million in the first half of 2020.

A breakdown of this item is shown in the table below.

Other revenue

| (€/million) | June 2021 | June 2020 | Change |
|---|-------------|-------------|---------------|
| Special services under agreement | 22.6 | 22.0 | 0.6 |
| Fulfilment of service contract obligations and digital programming development - Law 145/2018 | 0.0 | 19.2 | (19.2) |
| Sale of music rights and editions | 19.4 | 26.2 | (6.8) |
| Film and home video distribution | 1.1 | 10.2 | (9.1) |
| Distribution and sale of channels | 6.5 | 6.7 | (0.2) |
| Sale of patents and trademarks | 0.5 | 0.7 | (0.2) |
| Fees for hosting plant and equipment | 14.4 | 14.6 | (0.2) |
| Sundry services, mainly for institutional purposes | 5.8 | 1.7 | 4.1 |
| Signal diffusion services, rental of circuits, radio links and connections | 1.3 | 1.5 | (0.2) |
| Operating grants | 5.7 | 1.1 | 4.6 |
| Other | 5.6 | 5.3 | 0.3 |
| Share of sales due to third parties | (8.6) | (12.9) | 4.3 |
| Contingencies | 1.7 | 1.2 | 0.5 |
| Total | 76.0 | 97.5 | (21.5) |

The other more significant changes refer to the item Sale of music rights and editions (-€6.8 million), due in part to the presence in the first half of 2020 of an agreement for the sale of a library to a football team, and to the item Sundry services, mainly for institutional purposes (+€4.1 million) to be ascribed to the resumption of activities related to institutional communication agreements.

As a result of the above trends, advertising as a percentage of total revenue increased by 4.2 percentage points compared with the first half of 2020, to the detriment of licence fees (-2.0 percentage points) and other revenue (-2.2 percentage points), as shown in the table below.

Percent of revenue

| | June 2021 | June 2020 |
|-----------------|---------------|---------------|
| TV licence fees | 67.9% | 69.9% |
| Advertising | 26.5% | 22.3% |
| Other revenue | 5.6% | 7.8% |
| Total | 100.0% | 100.0% |

Operating costs

These are made up of external costs and HR expenses, meaning both internal and external costs pertaining to the Group's ordinary business except for those concerning financial management.

The item totalled €1,071.5 million, up by €132.8 million (+14.1%) compared to the first half of 2020. The reasons for this are illustrated below.

External costs

These amounted to €546.7 million and included the purchases of goods and the supply of services necessary to produce programmes of immediate use (purchases of consumables, external services, artistic collaboration agreements, etc.), the sports event recording rights, copyrights, operating costs and other management-related costs (indirect taxes, contributions payable to the control authorities, etc.).

This item increased by €121.1 million (+28.5%) due to the resumption of production activities, which in the first half of 2020 were severely limited by regulatory measures to contain the health emergency caused by Covid-19, and the European Football Championship, which recorded costs of €61.4 million.

The table below shows that the majority of this increase related to recording rights (+€94.8 million compared to the first half of 2020). Of these, €59.3 million were recorded by the European Football Championship, €16.5 million by the friendly and qualifying matches for the 2022 World Cup of the Italia national football team, €6.7 million by the Football Championship in relation to the different distribution of matches in the two periods, €7.5 million by cycling for the presence in the first half of 2021 of the Giro d'Italia and part of the Tour de France in 2020 held in the second half and €2.6 million by winter sports for the presence in 2021 of the Alpine and Nordic skiing world championship events.

External costs

| (€/million) | June 2021 | June 2020 | Change |
|--|--------------|--------------|--------------|
| Purchases of materials | 6.0 | 5.3 | 0.7 |
| Costs for services | | | |
| Freelance services | 60.7 | 61.0 | (0.3) |
| Services for programme acquisition and production | 100.6 | 86.2 | 14.4 |
| Daily allowances, travel expenses and accessory costs for personnel | 15.0 | 10.9 | 4.1 |
| Maintenance, repairs, transport and similar | 22.1 | 19.6 | 2.5 |
| IT system documentation and assistance services | 28.3 | 27.6 | 0.7 |
| Other outsourced services (telephony, supply services, cleaning, postal, insurance etc.) | 64.8 | 64.2 | 0.6 |
| Leases and rentals | 25.4 | 25.7 | (0.3) |
| Recording rights (mainly sports broadcasting rights) | 145.5 | 50.7 | 94.8 |
| Rights of use | 54.2 | 53.7 | 0.5 |
| Recovery of expenses | (1.8) | (3.0) | 1.2 |
| Contingencies | 1.4 | (0.1) | 1.5 |
| | 516.3 | 396.5 | 119.8 |
| Other costs | 24.4 | 23.8 | 0.6 |
| Total | 546.7 | 425.6 | 121.1 |

HR expenses

This item amounted to €524.8 million, up by €11.7 million (+2.3%) compared to the first half of 2020.

HR expenses

| (€/million) | June 2021 | June 2020 | Change |
|---|---------------|--------------|--------------|
| Wages, salaries and social security costs | 504.4 | 484.4 | 20.0 |
| Employee severance pay provisions | 22.1 | 22.0 | 0.1 |
| Pensions and similar obligations | 7.3 | 7.3 | 0.0 |
| Others | 2.3 | 6.0 | (3.7) |
| | 536.1 | 519.7 | 16.4 |
| Redundancy incentives | 0.0 | 1.5 | (1.5) |
| Recovery of expenses | (0.3) | (0.2) | (0.1) |
| Capitalised HR expenses | (9.4) | (7.4) | (2.0) |
| Contingencies | (1.6) | (0.5) | (1.1) |
| | (11.3) | (6.6) | (4.7) |
| Total | 524.8 | 513.1 | 11.7 |

In detail, there was an increase of €20.0 million (+4.1%) in wages, salaries and social security costs. This change was not only the result of the physiological growth linked to automatic contractual mechanisms, but also from the variable component of labour cost (overtime and raises), which in the first half of 2020 had shown a contraction linked to the effects of measures to combat the pandemic (remote working, review of production models, etc.), the stabilisation of irregular staff as part of trade union agreements on active policies and less recoveries for sick leave and unpaid absences. The incremental impacts related to these phenomena were only partially offset by the positive effects of management actions aimed at containing cost dynamics.

The decrease in Other (-€3.7 million) is due to lower charges for labour disputes.

The **average number of employees** in service during the period, including temporary staff, was 12,711, up by 34 compared to 30 June 2020; in detail, there was an increase of 89 units in permanent staff and a decrease of 55 units in temporary staff.

The **workforce** as at 30 June 2021 consisted of 12,519 units in headcount (including, in addition to employees on a permanent contract, 4 units of senior management hired with temporary contracts and 508 units of personnel hired with apprenticeship contracts) and 250 units of employees with a temporary contract.

The decrease of 130 units in the headcount compared to 31 December 2020 was due to the exit of 335 employees, of whom 198 with incentives, and the hiring of 205 employees, of whom 28 due to the stabilisation of employees with fixed-term contracts, 93 due to the stabilisation of contractors already used by the Parent Company and found eligible by the relative internal evaluation for so-called Irregular Personnel (pursuant to the Framework Agreement on Active Policies of 13/12/2018), 61 due to new apprenticeship contracts, and 2 due to disputes.

EBITDA

In connection with the changes stated above, EBITDA was positive and totalled €287.7 million, down €19.0 million compared to 30 June 2020.

Depreciation, amortisation and write-downs

The balance of the item amounted to €266.4 million, down €14.7 million (-5.2%) compared to the first half of 2020 and refers to depreciation, amortisation and write-downs of current and non-current assets as shown in the table below.

Depreciation, amortisation and write-downs

| (€/million) | June 2021 | June 2020 | Change |
|---|--------------|--------------|---------------|
| Amortisation and depreciation | | | |
| Amortisation of programmes | | | |
| Drama | 107.5 | 125.3 | (17.8) |
| Film | 44.9 | 47.0 | (2.1) |
| Cartoons | 7.9 | 7.6 | 0.3 |
| Others | 2.7 | 2.6 | 0.1 |
| | 163.0 | 182.5 | (19.5) |
| Of property, plant and equipment | | | |
| Buildings | 7.1 | 6.8 | 0.3 |
| Plant and machinery | 40.4 | 37.4 | 3.0 |
| Industrial and commercial equipment | 1.7 | 1.6 | 0.1 |
| Other assets | 3.5 | 3.3 | 0.2 |
| | 52.7 | 49.1 | 3.6 |
| Of real estate investments | 0.1 | 0.1 | 0.0 |
| Of intangible assets | | | |
| Software | 6.4 | 5.1 | 1.3 |
| Other rights | 0.1 | 0.1 | 0.0 |
| | 6.5 | 5.2 | 1.3 |
| Lease rights of use | | | |
| Land and buildings | 10.3 | 10.3 | 0.0 |
| Other assets | 1.7 | 1.8 | (0.1) |
| | 12.0 | 12.1 | (0.1) |
| Total amortisation and depreciation | 234.3 | 249.0 | (14.7) |
| Write-downs (write-backs) | | | |
| Of intangible assets | | | |
| Programmes under amortisation | 31.4 | 29.6 | 1.8 |
| Programmes in progress | 0.6 | 0.6 | 0.0 |
| | 32.0 | 30.2 | 1.8 |
| Of other non-current assets | 0.5 | 0.2 | 0.3 |
| Of trade receivables and other current assets | | | |
| Trade receivables | 0.3 | 2.3 | (2.0) |
| Current income tax receivables | (0.9) | (0.6) | (0.3) |
| Other receivables | 0.2 | 0.0 | 0.2 |
| | (0.4) | 1.7 | (2.1) |
| Total write-downs | 32.1 | 32.1 | 0.0 |
| Total depreciation, amortisation and write-downs | 266.4 | 281.1 | (14.7) |

Provisions

The item, which recognises the provisions for risks and charges and any uses not classifiable in specific items of profit or loss, shows a positive balance of €0.1 million (negative for €2.2 million in the first half of 2020) due to provisions for €1.8 million and uses of provisions allocated in previous years and now in excess by €1.9 million.

EBIT

The trends in revenues and costs illustrated above resulted in a positive EBIT of €21.4 million, down €2.0 million compared to the first half of 2020.

Net financial expenses

The item, as detailed in the following table, was negative by €6.7 million (€9.2 million in the first half of 2020) and shows the economic effects arising from recognition of the actuarial interest for employee benefits, the effects of financial management, such interest income/expense from banks and bondholders, exchange rate charges/gains and interest expense on lease contracts as a result of the adoption of the accounting standard IFRS 16.

Financial income and expenses

| (€/million) | June 2021 | June 2020 | Change |
|---|--------------|--------------|------------|
| Dividends | 0.1 | 0.0 | 0.1 |
| Net interest expense net with banks and other lenders | (0.4) | (0.2) | (0.2) |
| Interest expense on bonds | (3.7) | (6.2) | 2.5 |
| Interest on employee benefit liabilities | (0.4) | (1.3) | 0.9 |
| Interest expense on lease contracts | (0.6) | (0.5) | (0.1) |
| Net exchange rate gains (losses) | (0.2) | 0.3 | (0.5) |
| Others | (1.5) | (1.3) | (0.2) |
| Net financial expenses | (6.7) | (9.2) | 2.5 |

The most significant deviation compared to the first half of 2020 was related to lower interest on bonds of €2.5 million, due to the simultaneous presence in the first half of 2020 of the new bond issue on 4 December 2019 with the 2015 issue redeemed in May 2020.

The average cost of financing, consisting of uncommitted credit lines, revolving and term lines and the bond maturing in December 2024, was 2.0%, in line with the first half of 2020.

Earnings from equity investments recognised at equity

The item, resulting from the valuation of associates and joint ventures using the equity method, recorded a positive balance of €3.8 million, an improvement compared to the first half of 2020 (negative balance of €0.2 million) determined by the investment in Tivù Srl.

Income tax

This item presented a negative value of €8.8 million (€9.2 million in the first half of 2020) and is due to the balance between current and deferred taxes, as itemised in the following table:

Income tax

| (€/million) | June 2021 | June 2020 | Change |
|---|--------------|--------------|------------|
| IRES | (14.9) | (12.5) | (2.4) |
| IRAP | (2.9) | (2.4) | (0.5) |
| Deferred tax liabilities | 0.9 | 0.9 | 0.0 |
| Deferred tax assets | 7.1 | 4.3 | 2.8 |
| Direct taxes of previous years, substitution tax and others | 1.0 | 0.5 | 0.5 |
| Total | (8.8) | (9.2) | 0.4 |

Earnings performance in the first half of the year resulted in taxable results for Group companies, for which a total of €14.9 million for IRES and €2.9 million for IRAP was set aside.

Deferred tax liabilities had a positive effect on the income statement of €0.9 million due to the re-entry of the temporary differences recognised in the previous years.

Deferred tax assets had a positive effect on income of €7.1 million due mainly to the recognition of the tax loss of the Parent Company in the period, which was offset by the income brought in by the Group companies during tax consolidation.

Capital structure

Fixed assets

This item amounted to €2,097.9 million, up by €36.4 million compared to 31 December 2020.

A breakdown of this item is shown in the table below:

Fixed assets

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|-------------------------------|----------------|------------------|-------------|
| Property, plant and equipment | 1,114.0 | 1,105.9 | 8.1 |
| Lease rights of use | 80.6 | 82.8 | (2.2) |
| Assets in programmes | 853.0 | 825.3 | 27.7 |
| Long-term investments | 11.9 | 7.8 | 4.1 |
| Others | 38.4 | 39.7 | (1.3) |
| Total | 2,097.9 | 2,061.5 | 36.4 |

Property, plant and equipment, explained in detail in the table below, increased by €8.1 million.

Property, plant and equipment

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|--|----------------|------------------|------------|
| Land | 379.2 | 382.1 | (2.9) |
| Buildings | 320.1 | 319.3 | 0.8 |
| Plant and machinery | 288.3 | 290.2 | (1.9) |
| Industrial and commercial equipment | 11.1 | 11.3 | (0.2) |
| Other assets | 26.2 | 27.2 | (1.0) |
| Assets under development and payments on account | 89.1 | 75.8 | 13.3 |
| Total | 1,114.0 | 1,105.9 | 8.1 |

Lease rights of use amounted to €80.6 million, down €2.2 million compared to 31 December 2020.

Lease rights of use

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|--------------------|--------------|------------------|--------------|
| Land and buildings | 76.3 | 77.6 | (1.3) |
| Other assets | 4.3 | 5.2 | (0.9) |
| Total | 80.6 | 82.8 | (2.2) |

Assets in programmes, up €27.7 million compared to 31 December 2020 and explained in detail in the table below, mostly refer to the Drama and Film genres, on which, as shown below, most investments in the period were concentrated.

Assets in programmes

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|-----------------------|--------------|------------------|-------------|
| Drama | 449.5 | 408.2 | 41.3 |
| Film | 287.5 | 298.6 | (11.1) |
| Cartoons | 48.4 | 48.3 | 0.1 |
| Rights of library use | 57.7 | 58.9 | (1.2) |
| Other | 9.9 | 11.3 | (1.4) |
| Total | 853.0 | 825.3 | 27.7 |

The **Long-term investments**, consisting of investments in companies and other financial assets falling due beyond 12 months, increased by €4.1 million mostly due to the purchase of fixed-income securities held as collateral for corporate bonds maturing beyond 12 months and the change in the value of associates accounted for using the equity method.

The item is broken down in detail in the table below.

Long-term investments

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|--|--------------|------------------|------------|
| Equity investments in non-consolidated subsidiaries | | | |
| Sogepotel Srl in liquidation | 0.5 | 0.5 | 0.0 |
| | 0.5 | 0.5 | 0.0 |
| Equity investments in associates and joint ventures | | | |
| Auditel Srl | 1.1 | 1.1 | 0.0 |
| San Marino RTV SpA | 1.3 | 1.5 | (0.2) |
| Tavolo Editori Radio Srl | 0.1 | 0.1 | 0.0 |
| Tivù Srl | 4.8 | 2.8 | 2.0 |
| | 7.3 | 5.5 | 1.8 |
| Other equity investments | 1.0 | 1.0 | 0.0 |
| Fixed-income securities | 2.5 | 0.0 | 2.5 |
| Other | 0.6 | 0.8 | (0.2) |
| Total | 11.9 | 7.8 | 4.1 |

Other fixed assets, detailed in the schedule below, recorded a decrease of €1.3 million referring to the software and partly offset by the recognition of goodwill following the acquisition, by Rai Way, of a business unit operating in the provision of infrastructure services at a transmission station.

Other fixed assets

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|---------------------------------------|--------------|------------------|--------------|
| Software | 29.4 | 31.3 | (1.9) |
| Goodwill | 5.8 | 5.1 | 0.7 |
| Sud Engineering customer portfolio | 2.5 | 2.6 | (0.1) |
| Commercial rights with football clubs | 0.7 | 0.7 | 0.0 |
| Total | 38.4 | 39.7 | (1.3) |

Investments for the period amounted to €299.6 million, up €58.3 million (+24.2%) compared to the first half of 2020.

In detail, the following table shows:

- greater investments in programmes for €56.7 million (+34.1%) mainly referring to the drama genre;
- higher technical investments of €16.0 million (+31.7%), of which 13.9 refer to Property, plant and equipment, €1.4 million for software and €0.7 million for the aforementioned goodwill;
- lower investments in lease rights of use for €14.4 million (-59.0%), which in the first half of 2020 were more substantial in relation to the renewal of lease contracts for certain company premises located in Rome.

Technical

| (€/million) | June 2021 | June 2020 | Change |
|---|--------------|--------------|---------------|
| Drama | 181.1 | 130.4 | 50.7 |
| Film | 33.0 | 28.4 | 4.6 |
| Other programmes | 9.1 | 7.7 | 1.4 |
| Total investments in programmes | 223.2 | 166.5 | 56.7 |
| Property, plant and equipment | 61.2 | 47.3 | 13.9 |
| Software | 4.5 | 3.1 | 1.4 |
| Others | 0.7 | 0.0 | 0.7 |
| Total technical investments | 66.4 | 50.4 | 16.0 |
| Investments in lease rights of use | 10.0 | 24.4 | (14.4) |
| Total investments | 299.6 | 241.3 | 58.3 |

Net working capital

Net working capital

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|------------------------------|----------------|------------------|----------------|
| Inventories | 1.6 | 1.7 | (0.1) |
| Trade receivables | 418.1 | 422.3 | (4.2) |
| Other receivables | 227.3 | 241.7 | (14.4) |
| Trade payables | (648.5) | (653.0) | 4.5 |
| Other payables | (767.5) | (448.2) | (319.3) |
| Net deferred tax liabilities | (51.9) | (31.8) | (20.1) |
| Total | (820.9) | (467.3) | (353.6) |

The most significant changes compared to 31 December 2020 regard the following items:

- **other receivables** down by €14.4 million due to lower prepayments relating to the Football Championship and the Coppa Italia;
- **other payables**, up by €319.3 million, due to deferrals on subscription fees originating from the difference between the amounts paid in the first half of the year by the Ministry of Economy and Finance compared to the relevant economic value, the repayment of which is expected in the second half of the year;
- **Net deferred tax liabilities** up by €20.1 million due to lower deferred tax assets.

Provisions for risks and charges

Provisions for risks and charges, amounting to €222.0 million, increased by €4.3 million compared to 31 December 2020 mainly due to the provision for the contribution for the rights of use of television digital technology frequencies for the year 2021, allocated pending the issuance of the decree that will determine the amount to be paid and for provisions related to personnel management, whose effects were offset in part by the decrease in provisions for litigation.

Employee benefits

Employee benefits, amounting to €370.5 million, decreased by €27.9 million compared to 31 December 2020 due to payments to beneficiaries and to actuarial valuation elements related to financial and demographic assumptions detailed in the specific paragraph of the Notes to the consolidated financial statements.

The table below shows the details of the provisions and relevant changes compared to 31 December 2020.

Employee benefits

| (€/million) | 30 June 2021 | 31 December 2020 | Change |
|--|----------------|------------------|-------------|
| Employee severance pay | (189.1) | (205.0) | 15.9 |
| Supplementary company pension provisions | (101.7) | (109.8) | 8.1 |
| Provisions in lieu of the former fixed indemnity for journalists | (65.3) | (68.8) | 3.5 |
| FASDIR assistance provision for the retired | (13.5) | (13.8) | 0.3 |
| Other | (0.9) | (1.0) | 0.1 |
| Total | (370.5) | (398.4) | 27.9 |

Net financial position

The net financial position determined in accordance with the criteria established by ESMA, summarised in the table below, was negative at €317.3 million, an improvement of €289.1 million compared to 31 December 2020.

Net of liabilities for operating leases, financial debt amounted to €236.7 million, an improvement of €286.7 million compared to 31 December 2020.

Net financial position

| (€/million) | 30 June 2021 | 31 December 2020 | Change 30 June 2021/ 31 December 2020 | 30 June 2020 |
|---|----------------|------------------|---|----------------|
| Cash and cash equivalents | 112.0 | 15.5 | 96.5 | 137.2 |
| Other current financial assets | | | | |
| Securities | 0.0 | 2.3 | (2.3) | 2.3 |
| Blocked bank deposits | 4.6 | 4.2 | 0.4 | 4.3 |
| Receivables from associates | 1.7 | 0.8 | 0.9 | 1.4 |
| Derivative hedging instruments | 0.1 | 0.0 | 0.1 | 0.2 |
| Other financial receivables | 0.7 | 0.7 | 0.0 | 0.6 |
| | 7.1 | 8.0 | (0.9) | 8.8 |
| Current financial debt | | | | |
| Due to banks | (0.1) | (232.2) | 232.1 | (10.1) |
| Payables to other lenders | (0.1) | (0.1) | 0.0 | (0.1) |
| Derivative hedging instruments | 0.0 | (0.2) | 0.2 | 0.0 |
| Lease liabilities | (22.5) | (23.0) | 0.5 | (30.3) |
| Other financial debt | (0.4) | (0.1) | (0.3) | (22.3) |
| | (23.1) | (255.6) | 232.5 | (62.8) |
| Non-current financial debt | | | | |
| Bond issues | (299.2) | (299.1) | (0.1) | (299.0) |
| Due to banks | (56.0) | (15.1) | (40.9) | (0.1) |
| Payables to other lenders | 0.0 | 0.0 | 0.0 | (0.1) |
| Derivative hedging instruments | 0.0 | (0.1) | 0.1 | 0.0 |
| Lease liabilities | (58.1) | (60.0) | 1.9 | (59.9) |
| | (413.3) | (374.3) | (39.0) | (359.1) |
| Net financial debt | (317.3) | (606.4) | 289.1 | (275.9) |
| <i>Of which operating lease liabilities</i> | <i>(80.6)</i> | <i>(83.0)</i> | <i>2.4</i> | <i>(84.5)</i> |
| Financial debt excluding operating lease liabilities | (236.7) | (523.4) | 286.7 | (191.4) |

The reduction in debt compared to 31 December 2020 is due to ordinary cash flows in the first half of the year, characterised by the settlement of ordinary instalments on account of approximately €1,250 million (around 70% of the annual value). In detail, flows in the half-year period showed compared to the same period of 2020:

- higher revenue from ordinary licence fees as a result of the regulatory changes introduced by Law no. 178 of 30 December 2020;
- growing advertising flows (albeit to a reduced extent compared to the income statement for the usual collection times);
- increased expenditure in operating expenses and investments of the Parent Company related to the resumption of production;
- higher outlays for the Summer Olympics postponed in 2021 as a result of the lockdown and for advance payments for the 2022 World Cup.

With regard to the most significant changes in non-current financial debt compared to 31 December 2020, it is worth noting the change in debt to banks resulting from the use for €56 million (€15.0 million as at 31 December 2020) of the financing lines signed by Rai Way in October 2020 for €170 million, in relation to the needs related to the investments needed for the refarming of digital terrestrial frequencies.

The average financial position (excluding liabilities for operating leases and assets/liabilities for derivatives) was a negative €276 million (-€242 million in the first half of 2020); the worsening is due to Rai Way's increased exposure.

On 15 June 2021, Moody's published a credit opinion that confirmed the Long-Term Issuer Baa3 for Rai (Investment Grade), with negative outlook.

The financial risks to which the Group is exposed are monitored with appropriate IT and statistical tools. A policy regulates financial management according to best practices, with the aim of preserving the Group's value through a stance adverse to risk, pursued with active monitoring of exposure and implementation of expedient hedging strategies.

Detailed information on the financial risks is provided in the specific section of the Notes to the Interim Consolidated Financial Statements, to which the reader is referred.

Financial statements of the Rai Group

Consolidated statement of financial position

| (€/million) | Note | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|------|---------------------------------|--------------------------------|
| Property, plant and equipment | 7.1 | 1,108.2 | 1,103.2 |
| Real estate investments | 7.2 | 2.6 | 2.7 |
| Lease rights of use | 7.3 | 80.6 | 82.8 |
| Intangible assets | 7.4 | 891.4 | 865.0 |
| Equity investments | 7.5 | 8.8 | 7.0 |
| Non-current financial assets | 7.6 | 3.1 | 0.8 |
| Deferred tax assets | 7.7 | - | - |
| Other non-current assets | 7.8 | 52.1 | 13.8 |
| Total non-current assets | | 2,146.8 | 2,075.3 |
| Inventory | 8.1 | 1.6 | 1.7 |
| Trade receivables | 8.2 | 415.9 | 417.9 |
| Current financial assets | 8.3 | 7.1 | 8.0 |
| Current income tax assets | 8.4 | 18.1 | 18.1 |
| Other current receivables and assets | 8.5 | 159.3 | 214.2 |
| Cash and cash equivalents | 8.6 | 112.0 | 15.5 |
| Total current assets | | 714.0 | 675.4 |
| Assets held for sale | 9 | 3.2 | - |
| Total assets | | 2,864.0 | 2,750.7 |
| Share capital | | 242.5 | 242.5 |
| Reserves | | 114.2 | 134.5 |
| Retained earnings (losses) | | (35.6) | (61.9) |
| Total Group shareholders' equity | | 321.1 | 315.1 |
| Third-party capital and reserves | | 34.8 | 34.7 |
| Retained earnings (losses) attributable to minority interests carried forward | | 11.3 | 21.9 |
| Total shareholders' equity attributable to minority interests | | 46.1 | 56.6 |
| Total shareholders' equity | 10 | 367.2 | 371.7 |
| Non-current financial liabilities | 11.1 | 355.2 | 314.3 |
| Non-current lease liabilities | 11.2 | 58.1 | 60.0 |
| Employee benefits | 11.3 | 370.5 | 398.4 |
| Provisions for non-current risks and charges | 11.4 | 221.9 | 217.6 |
| Deferred tax liabilities | 11.5 | 51.9 | 31.8 |
| Other non-current payables and liabilities | 11.6 | 1.7 | 1.9 |
| Total non-current liabilities | | 1,059.3 | 1,024.0 |
| Trade payables | 12.1 | 648.5 | 653.0 |
| Provisions for current risks and charges | | 0.1 | 0.1 |
| Current financial liabilities | 12.2 | 0.6 | 232.6 |
| Current lease liabilities | 11.2 | 22.5 | 23.0 |
| Current income tax liabilities | 12.3 | 14.8 | 30.0 |
| Other current payables and liabilities | 12.1 | 751.0 | 416.3 |
| Total current liabilities | | 1,437.5 | 1,355.0 |
| Total liabilities | | 2,469.8 | 2,379.0 |
| Total shareholders' equity and liabilities | | 2,864.0 | 2,750.7 |

Consolidated income statement

| (€/million) | Note | Half-year ended at | |
|---|-------|--------------------|------------------|
| | | 30 June 2021 | 30 June 2020 |
| Revenue from sales and services | 13.1 | 1,351.1 | 1,242.0 |
| Other revenue and income | 13.2 | 8.1 | 3.4 |
| Total revenue | | 1,359.2 | 1,245.4 |
| Costs for the purchase of consumables | 13.3 | (6.0) | (5.3) |
| Costs for services | 13.3 | (516.3) | (396.5) |
| Other costs | 13.3 | (24.4) | (23.8) |
| HR expenses | 13.4 | (524.8) | (513.1) |
| Impairment of financial assets | 13.5 | (0.3) | (2.3) |
| Depreciation, amortisation and other write-downs | 13.6 | (266.1) | (278.8) |
| Provisions | 13.7 | 0.1 | (2.2) |
| Total costs | | (1,337.8) | (1,222.0) |
| EBIT | | 21.4 | 23.4 |
| Financial income | 13.8 | 0.2 | 0.6 |
| Financial expense | 13.8 | (6.9) | (9.8) |
| Earnings from equity investments recognised at equity | 13.9 | 3.8 | (0.2) |
| Pre-tax profit/(loss) | | 18.5 | 14.0 |
| Income tax | 13.10 | (8.8) | (9.2) |
| Net profit (loss) for the period | | 9.7 | 4.8 |
| <i>of which attributable:</i> | | | |
| – to the Group | | (1.7) | (6.8) |
| – to minority interests | | 11.4 | 11.6 |

Consolidated statement of comprehensive income

(€/million)

| | Half-year ended at | |
|---|--------------------|--------------|
| | 30 June 2021 | 30 June 2020 |
| Net profit (loss) for the period | 9.7 | 4.8 |
| Items that can be reclassified to the income statement: | | |
| Profit/(loss) on cash flow hedge | 1.8 | 1.5 |
| Conversion of financial statements using a reporting currency other than the Euro | (0.1) | - |
| Tax effect | (0.1) | - |
| Total | 1.6 | 1.5 |
| Items that cannot be reclassified to the income statement: | | |
| Recalculation of defined-benefit plans | 6.0 | 3.7 |
| Total | 6.0 | 3.7 |
| Total profit (loss) for the period | 17.3 | 10.0 |
| <i>of which attributable:</i> | | |
| - to the Group | 5.9 | (1.6) |
| - to minority interests | 11.4 | 11.6 |

Consolidated Cash Flow Statement

| (€/million) | Note | Half-year ended at | |
|--|-------------|--------------------|----------------|
| | | 30 June 2021 | 30 June 2020 |
| Profit (loss) before tax | | 18.5 | 14.0 |
| Adjustments for: | | | |
| Depreciation, amortisation and write-downs | 13.5 - 13.6 | 266.4 | 281.1 |
| Provisions and (issues) to personnel provisions and other provisions | 13.7 | 30.9 | 33.0 |
| Net financial expense (income) | 13.8 | 6.7 | 9.2 |
| Earnings from equity investments recognised at equity | 13.9 | (3.8) | 0.2 |
| Other non-monetary items | | 0.1 | 0.1 |
| Cash flow generated by operating activities before changes in net working capital | | 318.8 | 337.6 |
| Change in inventory | 8.1 | 0.1 | (0.1) |
| Change in trade receivables | 8.2 | 1.7 | 37.7 |
| Change in trade payables | 12.1 | (4.5) | (101.5) |
| Change in other assets/liabilities | | 346.4 | 278.4 |
| Use of provisions for risks | 11.4 | (6.2) | (11.8) |
| Payment of employee benefits | 11.3 | (43.0) | (31.2) |
| Taxes paid | | (2.5) | (0.4) |
| Net cash flow generated by operating activities | | 610.8 | 508.7 |
| Investments in property, plant and equipment and real estate investments | 7.1 - 7.2 | (61.2) | (47.3) |
| Disposal of property, plant and equipment and real estate investments | 7.1 - 7.2 | 0.2 | - |
| Investments in intangible assets | 7.4 | (228.4) | (169.6) |
| Disposal of intangible assets | 7.4 | 0.5 | 0.6 |
| Equity investments | 7.5 | - | (0.1) |
| Dividends collected | | 2.0 | 1.7 |
| Interest collected | | 0.1 | 0.1 |
| Change in financial assets | 7.6 - 8.3 | (1.6) | (0.8) |
| Net cash flow generated by investing activities | | (288.4) | (215.4) |
| Long-term loans taken out | 11.1 | 41.0 | - |
| Long-term loan repayments | 11.1 | (5.1) | (355.1) |
| Repayments of liabilities for leases | 11.2 | (12.0) | (11.5) |
| (Decrease)/increase in short-term loans and other financial liabilities | 12.2 | (226.9) | 22.3 |
| Interest paid ⁽¹⁾ | | (1.2) | (6.4) |
| Dividends distributed ⁽²⁾ | | (21.7) | - |
| Net cash flow generated by financing activities | | (225.9) | (350.7) |
| Change in cash and cash equivalents | | 96.5 | (57.4) |
| Cash and cash equivalents at the beginning of the period | 8.6 | 15.5 | 194.6 |
| Cash and cash equivalents at the end of the period | 8.6 | 112.0 | 137.2 |

(1) Referring to financial interest.

(2) In 2020, the payment of the dividend to third parties by Rai Way for €22.1 million was made in July.

Statement of changes in consolidated equity

| (€/million) | Share capital | Legal reserve | Other reserves | Retained earnings (losses) | Group shareholders' equity | Non-controlling interests | Total Shareholders' equity (note 10) |
|--|---------------|---------------|----------------|----------------------------|----------------------------|---------------------------|--------------------------------------|
| Balances as at 1 January 2020 | 242.5 | 12.0 | 153.4 | (60.8) | 347.1 | 64.6 | 411.7 |
| Allocation of profit/loss | - | - | (22.1) | 22.1 | - | - | - |
| Distribution of dividends | - | - | - | - | - | (22.1) | (22.1) |
| Transactions with shareholders | - | - | - | - | - | (22.1) | (22.1) |
| Profit/(loss) for the period | - | - | - | (6.8) | (6.8) | 11.6 | 4.8 |
| Statement of comprehensive income components | - | - | 1.5 | 3.7 | 5.2 | - | 5.2 |
| Total profit/(loss) for the period | - | - | 1.5 | (3.1) | (1.6) | 11.6 | 10.0 |
| Balances as at 30 June 2020 | 242.5 | 12.0 | 132.8 | (41.8) | 345.5 | 54.1 | 399.6 |
| Balances as at 1 January 2021 | 242.5 | 12.0 | 122.5 | (61.9) | 315.1 | 56.6 | 371.7 |
| Allocation of profit/loss | - | - | (22.0) | 22.0 | - | - | - |
| Distribution of dividends | - | - | - | - | - | (21.9) | (21.9) |
| Reserve for share-based payments (1) | - | - | 0.1 | - | 0.1 | - | 0.1 |
| Transactions with shareholders | - | - | 0.1 | - | 0.1 | (21.9) | (21.8) |
| Profit/(loss) for the period | - | - | - | (1.7) | (1.7) | 11.4 | 9.7 |
| Statement of comprehensive income components | - | - | 1.6 | 6.0 | 7.6 | - | 7.6 |
| Total profit/(loss) for the period | - | - | 1.6 | 4.3 | 5.9 | 11.4 | 17.3 |
| Balances as at 30 June 2021 | 242.5 | 12.0 | 102.2 | (35.6) | 321.1 | 46.1 | 367.2 |

(1) Reserve set up by Rai Way for the long-term incentive plan concerning the free award to strategic managers of the company's ordinary shares upon reaching certain performance targets.

Notes to the Interim Consolidated Financial Statements as at 30 June 2021

1

General information

Rai Radiotelevisione italiana SpA (hereinafter “Rai”, the “Company” or the “Parent Company”) is a joint-stock company formed and domiciled in Italy, with registered office in Rome at Viale Mazzini 14, organised according to Italian law.

With Prime Ministerial Decree of 28 April 2017 containing “Assignment of the radio, televisions and multimedia Public Service concession and approval of the annexed draft agreement” (hereinafter “Public Service”), Rai was established as the concessionaire of the radio, television and multimedia Public Service on an exclusive basis for a decade, starting from 30 April 2017. That role is performed by the Company and its subsidiaries (jointly the “Group”).

On the strength of specific Italian and EU regulatory sources, the Parent Company is required to meet precise programming quality and quantity obligations that are described in detail in the Service Agreement (hereinafter the “Agreement”) drawn up with the Ministry of Economic Development for the period 2018-2022, published in the Official Gazette on 7 March 2018.

The Agreement relates to the activity that Rai performs in order to carry out the public service and, in particular, the radio, television and multimedia services broadcast through the various platforms in all modes, the use of the necessary transmission capacity, the creation of editorial content, the provision of technological services for the production and transmission of the signal using analogue and digital technology, and the preparation and management of control and monitoring systems.

The capital of the Company is respectively held by:

- the Ministry of Economy and Finance (99.5583%)
- SIAE Società Italiana Autori Editori (0.4417%)

The review of the interim Consolidated Financial Statements (hereinafter the “Consolidated Financial Statements”) as at 30 June 2021 is conducted by PricewaterhouseCoopers SpA (hereinafter the “Independent Auditor”) to which the Rai Ordinary General Meeting of Shareholders, upon the proposal put forward by the Board of Statutory Auditors, assigned the appointment for the financial years until 2023 on 10 March 2016, in consideration of Rai’s acquisition of status as a Public Interest Entity.

2

Criteria for the preparation, measurement and use of estimates

The Consolidated Financial Statements, as described below, have been prepared in accordance with the provisions of IAS 34 - *Interim Financial Reporting, which is part of the International Financial Reporting Standards* (“IFRS”).

As regards the criteria for the preparation, measurement and use of estimates used to prepare the Consolidated Financial Statements, reference should be made to the specific paragraphs in the Notes to the Consolidated Financial Statements in the Report and Financial Statements as at 31 December 2020, as the criteria are unchanged.

Accounting standards approved by the European Union but still not mandatorily applicable

- Regulation 2021/1080 issued by the European Commission on 28 June 2021 endorsed the documents “Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the 2018-2020 Annual Improvement Cycle”. The documents contain changes limited to three standards as well as annual improvements and clarify the wording or correct oversights or conflicts between the requirements of the standards. The amendments to IFRS 3 “Business Combinations” update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments to IAS 16

"Property, Plant and Equipment" prohibit a company from deducting from the cost of property, plant and equipment income from the sale of items produced while the company is preparing the asset for its intended use. Income from sales and related costs shall be charged to the income statement. The amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" specify which costs should be included in measuring whether a contract is a loss. The annual improvements make minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and the illustrative examples in IFRS 16 "Leases".

All the amendments are effective starting from the years beginning on or after 1 January 2022.

The Group assessed that above changes will have no significant impacts on the Consolidated Financial Statements.

Accounting principles not yet approved by the European Union

- On 18 May 2017, the IASB issued IFRS 17 "Insurance Contracts", which was subsequently amended by "Amendments to IFRS 17" issued on 25 June 2020. The standard addresses the accounting treatment of insurance contracts issued and reinsurance contracts held.

The provisions of IFRS 17 are effective starting from years beginning on or after 1 January 2023.

- On 23 January 2020 and 15 July 2020, respectively, the IASB issued the documents "Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current" and "Classification of Liabilities as Current or Non-current - Deferral of Effective Date" to clarify the requirements for classifying liabilities as current or non-current. More specifically:
 - the amendments specify that the conditions existing at the end of the reporting period are those that must be used to determine whether there is a right to defer the settlement of a liability;
 - management's expectations regarding events after the reporting period, for example in the event of a breach of a covenant or in the event of early settlement, are not material;
 - the amendments clarify situations that are considered as the payment of a liability.

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

- On 12 February 2021, the IASB issued the document "Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies". The objective of the amendments is to provide guidance and examples to assist entities in applying a judgement of materiality in disclosing accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to disclosures about accounting policies.

The amendments are effective for reporting periods beginning on or after 1 January 2023.

- On 12 February 2021, the IASB issued the document "Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendments clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates, relevant because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective starting from reporting periods beginning on or after 1 January 2023.

- On 31 March 2021, the IASB issued the document "Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021". The amendment increases by twelve months, from 30 June 2021 to 30 June 2022, the period of application of the practical expedient, introduced on 28 May 2020, for accounting for Covid-19-related leases. The practical expedient allows lessees not to consider lease concessions as lease amendments if they occur as a direct result of the Covid-19 pandemic and meet specified conditions.

The amendment is effective for reporting periods beginning on or after 1 April 2021.

- On 7 May 2021, the IASB issued document “*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*”. The document addresses the uncertainty in practice about applying the exemption in paragraphs 15 and 24 of IAS 12 to transactions that give rise to both an asset and a liability on initial recognition and may result in temporary tax differences of the same amount. Under the proposed amendments, the exemption from initial recognition in IAS 12 would not apply to transactions that, when these occur, give rise to equal and offsetting amounts of taxable and deductible temporary differences.

The amendments are effective starting from reporting periods beginning on or after 1 January 2023.

At present, the Group is analysing the principles specified and is assessing whether their adoption will have a significant impact on its consolidated financial statements.

3

Principles of consolidation

The Consolidated Financial Statements were prepared using the interim financial statements as at 30 June 2021 of the Company and its subsidiaries drafted in compliance with the IFRS. Please note that all Group companies close their financial years as at 31 December.

Regarding the consolidation principles used for the preparation of the Consolidated Financial Statements, please refer to the specific paragraphs in the Notes to the Consolidated Financial Statements of the Reports and Financial Statements as at 31 December 2020, as the principles are unchanged.

The companies included in the scope of consolidation as at 30 June 2021 are unchanged from 31 December 2020. They are listed in Note 17 “Appendix”.

4

Management of financial risks

The financial risks to which the Group is exposed are managed according to the approach and the procedures defined within a specific policy issued by the Parent Company and also applied to subsidiaries, except for Rai Way SpA (hereinafter “Rai Way”) which, following listing, adopted its own policy which is however similar to Rai’s. Those documents establish procedures, limits and tools for the monitoring and minimisation of financial risk to preserve the corporate value of the Group and of entities belonging to it.

The main risks identified by the Group are:

- market risk arising from exposure to fluctuations of interest rates and exchange rates connected with the financial assets and liabilities respectively owned/originated and assumed;
- credit risk arising from the possibility that one or more counterparties might be insolvent;
- liquidity risk arising from the Group’s inability to obtain the financial resources needed to meet short-term financial commitments.

4.1 Market risk

Market risk consists of the possibility that changes in the interest and exchange rates might negatively influence the value of the assets, liabilities or expected cash flows.

When managing market risk, the Group uses the following derivative instruments:

- Interest rate swap to hedge exposure to interest rate risk;
- Forward currency purchase options to hedge exposure to the exchange risk.

Details of derivatives outstanding as at 30 June 2021, compared with the situation at 31 December 2020, are shown in the table below; in both periods all positions referred to derivatives on the EUR/USD exchange rate to hedge contracts stipulated by Rai Cinema SpA (hereinafter Rai Cinema).

| (€/million) | Half-year ended 30 June 2021 | Year ended as at 31 December 2020 |
|--------------------------------|---------------------------------|--------------------------------------|
| Current assets | | |
| Options on currencies | 0.1 | - |
| | 0.1 | - |
| Non-current liabilities | | |
| Options on currencies | - | 0.1 |
| | - | 0.1 |
| Current liabilities | | |
| Options on currencies | - | 0.2 |
| | - | 0.2 |

Based on the policies adopted, derivatives may be used solely to hedge financial flows; use for speculative purposes is not permitted.

Further information on the fair value measurement of derivative instruments is provided in Note 6 "Fair value measurement".

As regards exchange rate derivatives, the change to the spot forward purchase component (that is the change to spot exchange rates) and to exchange rate options are suspended, at the financial statement date, in the cash flow hedge reserve until recognition of the right or asset being hedged. The component linked to the time of forward purchase is registered in the income statement during the hedging duration.

Interest rate risk

Interest rate risk originates from the possible increase in net financial expenses as a result of unfavourable changes in market rates on the variable rate financial positions. In order to limit this risk, corporate policies require that the medium/long-term variable rate loans be converted to fixed rate for at least 50% by using derivative products, such as interest rate swaps and options on rates.

As at 30 June 2021, the medium/long-term borrowings of the Parent Company are all at fixed rates; therefore, the effects of the change in rates affect only the short-term positions of a varying duration and sign during the year.

In October 2020, the associate Rai Way concluded a new loan contract for a total of €170 million (€120 million for the Term Line and €50 million for the Revolving Line) of the duration of 3 years, at a floating rate, usable also in several tranches. As at 30 June 2021, the amount used was equal to €56 million, at a floating rate, not yet covered.

Sensitivity analysis

The sensitivity analysis was carried out on the unhedged and floating rate financial positions (excluding lease liabilities arising from the application of IFRS16), outstanding at 30 June, considering a shift in the curve of +/- 50 b.p.

In the event of an increase in rates, as at 30 June 2021, there was higher net income of approximately €0.3 million as a result of significant short-term accounts receivable positions with third parties (as at 31 December 2020, the effect was negative by €1.1 million due to the Parent Company's higher short-term debt). If rates were reduced, the opposite would be the case for equivalent amounts.

Exchange rate risk

The Group's exchange risk mainly consists of exposure in USD originating from the purchase of film and TV rights by Rai Cinema. In the first half of 2021, these commitments generated payments of approximately USD 53 million (USD 68 million in the first half of 2020). Further exposure currencies, with split disbursements and of a modest amount all in all, are to the Swiss Franc and British Sterling totalling approximately €2 million.

As at 30 June 2021 hedging transactions referred only to Rai Cinema.

Exchange rate risk is managed starting from the date the trade commitment is signed, which may also be long-term, and has as an objective protecting the value in Euro of the commitments, as estimated at the time of the order (or budget). The policy in force governs exchange risk management in keeping with international best practices, for minimisation of risk. This is pursued through the active monitoring of exposure and implementation of hedging strategies by Rai, also on behalf of the subsidiaries and in particular Rai Cinema (except for Rai Way, which has an autonomous risk policy and management). The mandates for carrying out hedging transactions are given hierarchically and progressively, with a minimum intervention percentage of 50% of the contractual amount in foreign currency.

Below is a table summing up the financial effects of hedging instruments in place as at 30 June 2021, for invoices, assessments or binding commitments of Rai Cinema:

| (€/million) | Half-year ended 30 June 2021 | | Year ended 31 December 2020 | |
|---|------------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Options on currencies | Forward purchases of currency | Options on currencies | Forward purchases of currency |
| Book value | 0.1 | - | (0.3) | - |
| Notional amount in USD | 9.8 | 3.9 | 6.0 | - |
| Maturity of transactions | Aug. 21-Oct. 22 | Jul. 21-Mar. 22 | Mar. 20-Dec. 20 | - |
| Hedge ratio | 1:1 | 1:1 | 1:1 | - |
| Change in fair value of the hedging instruments (*) | - | - | (0.3) | - |
| Change in value of the hedged item | - | - | 0.3 | - |
| Average weighted exchange rate for the year | 1.19 | 1.19 | 1.16 | - |

(*) Intrinsic value for options on currencies and the spot component for forward purchases.

Sensitivity analysis

As explained above, exposure to the exchange rate risk is significant only for the EUR/USD exchange rate. Therefore, sensitivity was analysed on 30 June 2021 and 31 December 2020 on credit and debt positions in currency, non-hedged credit and debt positions, derivatives hedging commitments for contracts already signed and available cash in foreign currency. A symmetrical change of 10% of the exchange rate compared to the value present as at the reporting date, all other conditions being equal, was simulated. The effects on the economic result are determined by the net positions which are hedged for exchange risk; whereas the cash flow hedge reserve includes the effective portion of hedging on commitments already undertaken but with no impact on equity in the Consolidated Financial Statements, and refers solely to the subsidiary Rai Cinema.

In particular, as at 30 June 2021, a 10% depreciation of the Euro had a negative economic effect on the net unhedged debt position of approximately €1.4 million (€0.2 million as at 31 December 2020), while an appreciation of the Euro of the same amount would result in lower charges of approximately €1.2 million (€0.1 million as at 31 December 2020).

The cash flow hedge reserve as at 30 June 2021, similarly to 31 December 2020, increased by €0.6 million due to a 10% depreciation of the Euro as a result of the higher value of the hedges and, in the opposite case, decreased by approximately €0.4 million.

4.2 Credit risk

The theoretical exposure to the credit risk for the Group mainly refers to the book value of the financial assets and trade receivables recognised in the Consolidated Financial Statements.

As for the counterparty risk, trade partner assessment procedures are adopted for managing trade receivables. The analysis is conducted periodically on the situation of the past due items and may lead to the dunning of the parties affected by solvency problems. The lists of the past due items analysed are arranged by amount and customer, updated to the analysis date and show those situations demanding greater attention.

The corporate functions of the single companies in charge of debt collection start with polite reminders with the counterparties that are debtors of amounts relating to past-due items. If these activities do not result in collection of the sums, the functions start in agreement with the respective legal functions (warning letter, injunction, etc.) actions to collect the credit after sending formal dunning letters to debtors. The allocations to the provisions for write-downs are made specifically on the credit positions having peculiar risk elements.

Moreover, the Group measures the expected losses on trade receivables considering their entire duration based on a weighted estimate of the probabilities that those losses could occur. To this end, the Group uses historical experience, suitably integrated with forecasts on the expected evolution of circumstances. If the conditions exist, losses are measured as the current value of all differences between the cash flows due contractually and cash flows the Group expects to receive discounted, at the effective interest rate of the financial asset.

Credit risk on uses of funds is limited since corporate policy requires the use of low risk financial instruments and with counterparties having high ratings for the periods of cash surplus. In the first half of 2021 and throughout 2020, only time or demand deposits with bank counterparties having investment grade rating were used.

4.3 Liquidity risk

Rai manages the Group's financial resources (with the sole exception of the subsidiary Rai Way which has its own resources) on the basis of a centralised treasury agreement through a cash-pooling system that involves daily transfer of the bank balances of the associates to the Parent Company current accounts, which grants the intercompany credit facilities necessary for the operations of these companies.

Following the early repayment by the Parent Company in March 2021 of the remaining €5 million of the loan granted in December 2012 by the European Investment Bank (hereinafter the "EIB") for the implementation of digital terrestrial technology, the Group's financial structure for the medium to long term as at 30 June was mainly composed of:

- a €300 million 5-year bond issued in December 2019 (for further details, see Note 11.1 "Non-current financial liabilities and current portions of non-current financial liabilities")
- Rai Way 3-year €170 million syndicated loan signed in October 2020, divided into a term credit line, of a maximum of €120 million and a revolving credit line of €50 million, usable in multiple tranches. As at 30 June 2021 the loan was used for €56 million from the term credit line.

In consideration of the significant fluctuation of the infra-annual indebtedness connected with the periodic settlement of the licence fees by the Ministry of Economy and Finance, the Parent Company has uncommitted bank credit facilities for about €420 million and revolving line with a pool of banks totalling €320 million maturing in December 2023.

Rai's revolving line, unused as at 30 June 2021, requires that the following Consolidated Financial Statements parametric/equity ratio (to be calculated upon closing of the annual financial statements) be met:

- net financial debt (adjusted for receivables from the Government for licence fees, financial items relating to Rai Way and liabilities resulting from application of IFRS 16 for operating leases)/net equity ≤ 2 .

The financial covenant provided for by Rai Way's loan contract, based on the financial statements of the subsidiary (ratio between Net Financial Position and EBITDA ≤ 3.75) is largely met.

The cash situation is constantly monitored with a financial forecasting process that highlights any financial critical issues considerably in advance so that appropriate corrective measures can be taken.

5

Management of capital risk

The Group capital management objectives are inspired by preservation of the ability to continue guaranteeing optimum capital strength, including through the ongoing improvement of operational and financial efficiency. The Group pursues the objective of retaining an adequate level of capitalisation that allows it to realise a profit and to access external sources of funding. The Group constantly monitors the evolution of the indebtedness level related to Shareholders' Equity. Specifically, the ratio between equity and the total of comprehensive liabilities including Shareholders' Equity is seen in the following table:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Shareholders' equity | 367.2 | 371.7 |
| Total shareholders' equity and liabilities | 2,864.0 | 2,750.7 |
| <i>Contents</i> | 12.8% | 13.5% |

Note no. 17.2 "Consolidated net financial debt" reports the Group's net financial debt for the periods under analysis.

6

Fair value measurement

The financial instruments at fair value are made up of hedging derivatives measured with a financial model that uses the most popular and accepted market formulas (net current value for forward currency purchasing transactions and application of the Black&Scholes formula for the options), in addition to the following input data given by the provider Reuters: ECB spot exchange rates, Euribor and IRS rate curves, volatility and credit spreads of the various bank counterparties and, for Rai, of the securities issued by the Italian Government. The fair value of the derivative instruments represents the net position between assets and liabilities. For more information on the derivative instruments (assets and liabilities), please refer to Notes no. 8.3 "Current financial assets" and 12.2 "Current financial liabilities".

All the instruments present as at 30 June 2021 and 31 December 2020 have been valued according to the Level 2 methodology: use of parameters observable on the market (e.g. for the derivatives, the exchange rates recorded by the Bank of Italy, market rate curves, volatility provided by Reuters, credit spreads calculated on the basis of the credit default swaps, etc.) different from the Level 1 listed prices.

7.1 Property, plant and equipment

Property, plant and equipment, which amounted to €1,108.2 million (€1,103.2 million as at 31 December 2020), are broken down as follows:

| (€/million) | Land | Buildings | Plant and machinery | Industrial and commercial equipment | Other assets | Assets under construction and payments on account | Total |
|---------------------------------------|--------------|--------------|---------------------|-------------------------------------|--------------|---|------------------|
| Cost | 382.1 | 614.4 | 2,300.1 | 105.8 | 128.7 | 75.8 | 3,606.9 |
| Accumulated depreciation | - | (297.8) | (2,009.9) | (94.5) | (101.5) | - | (2,503.7) |
| Balance as at 31 December 2020 | 382.1 | 316.6 | 290.2 | 11.3 | 27.2 | 75.8 | 1,103.2 |
| Movements in the period | | | | | | | |
| Increases and capitalisation | 0.2 | 2.2 | 13.7 | 1.1 | 0.6 | 43.4 | 61.2 |
| Disposals (1) | - | (0.1) | - | - | - | (0.2) | (0.3) |
| Reclassifications (2) | (3.1) | 2.7 | 24.8 | 0.4 | 1.9 | (29.9) | (3.2) |
| Amortisation and depreciation | - | (7.1) | (40.4) | (1.7) | (3.5) | - | (52.7) |
| Balance as at 30 June 2021 | 379.2 | 314.3 | 288.3 | 11.1 | 26.2 | 89.1 | 1,108.2 |

broken down as follows:

| | | | | | | | |
|--------------------------|-------|---------|-----------|--------|---------|------|------------------|
| Cost | 379.2 | 619.1 | 2,321.1 | 107.1 | 130.3 | 89.1 | 3,645.9 |
| Accumulated depreciation | - | (304.8) | (2,032.8) | (96.0) | (104.1) | - | (2,537.7) |

Detail:

| | | | | | | | |
|---|--------------|--------------|-------------|------------|------------|---------------|---------------|
| (1) Cost | - | (0.2) | (17.5) | (0.2) | (0.9) | (0.2) | (19.0) |
| Accumulated depreciation | - | 0.1 | 17.5 | 0.2 | 0.9 | - | 18.7 |
| | - | (0.1) | - | - | - | (0.2) | (0.3) |
| (2) Reclassifications broken down as follows. The residual value was reclassified under Assets held for sale: | | | | | | | |
| Cost | (3.1) | 2.7 | 24.8 | 0.4 | 1.9 | (29.9) | (3.2) |
| | (3.1) | 2.7 | 24.8 | 0.4 | 1.9 | (29.9) | (3.2) |

Investments for the period, which amounted to €61.2 million (€47.3 million in the first half of 2020), fall within the scope of the modernisation and technological development initiatives that the Group implemented.

The amount of the existing contractual commitments for the purchase of property, plant and equipment is specified in Note 14.2 "Commitments".

7

Non-current assets

7.2 Real estate investments

Real estate investments amount to €2.6 million (€2.7 million as at 31 December 2020) and concern some property, owned by Rai Pubblicità SpA (hereinafter "Rai Pubblicità"), leased to third parties, for which rent was received totalling €0.9 million (€0.8 million in the first half of 2020). Real estate investments break down as follows:

| (€/million) | Buildings |
|---------------------------------------|------------------|
| Cost | 7.2 |
| Accumulated depreciation | (4.5) |
| Balance as at 31 December 2020 | 2.7 |
| Movements in the period | |
| Amortisation and depreciation | (0.1) |
| Balance as at 30 June 2021 | 2.6 |
| <i>broken down as follows:</i> | |
| Cost | 7.2 |
| Accumulated depreciation | (4.6) |

During the first half of 2021 no investments or disposals took place; the change in the period therefore refers to the entire depreciation charge.

7.3 Lease rights of use

Lease rights of use totalled €80.6 million (€82.8 million as at 31 December 2020). The figure breaks down as follows:

| (€/million) | Land and buildings | Other assets | Total |
|---------------------------------------|---------------------------|---------------------|---------------|
| Cost | 113.7 | 10.7 | 124.4 |
| Accumulated depreciation | (36.1) | (5.5) | (41.6) |
| Balance as at 31 December 2020 | 77.6 | 5.2 | 82.8 |
| Movements in the period | | | |
| Increases | 9.2 | 0.8 | 10.0 |
| Terminations (1) | (0.2) | - | (0.2) |
| Depreciation | (10.3) | (1.7) | (12.0) |
| Balance as at 30 June 2021 | 76.3 | 4.3 | 80.6 |
| <i>broken down as follows:</i> | | | |
| Cost | 122.7 | 11.5 | 134.2 |
| Accumulated depreciation | (46.4) | (7.2) | (53.6) |
| Detail: | | | |
| (1) of which: | | | |
| Cost | (0.2) | - | (0.2) |
| | (0.2) | - | (0.2) |

Investments during the period, amounting to €10.0 million, mainly refer to property rental contracts or contracts for the rental of vehicles that entered into effect during the period.

The value of costs for short-term leases and leases of low-value assets is reported in Note 13.3 "Costs for the purchase of consumables, costs for services and other costs".

No income was recorded from the subleasing of assets that led to the recognition of a right of use in the first half of 2021.

During the first half of 2021, the Group did not benefit from any suspension of payments due in respect of leases granted as a direct consequence of the Covid-19 pandemic and falling within the scope of the amendment to IFRS 16 "Covid-19-Related Rent Concessions".

7.4 Intangible assets

Intangible assets, which amounted to €891.4 million (€865.0 million as at 31 December 2020), are broken down as follows:

| (€/million) | Programmes | Software | Goodwill | Other intangible assets | Assets under construction and payments on account | Total |
|---|--------------|-------------|------------|-------------------------|---|----------------|
| Cost | 1,370.8 | 40.4 | 5.1 | 3.5 | 317.1 | 1,736.9 |
| Provisions for write-downs | (82.7) | - | - | (0.1) | (35.2) | (118.0) |
| Accumulated depreciation | (737.2) | (15.8) | - | (0.9) | - | (753.9) |
| Balance as at 31 December 2020 | 550.9 | 24.6 | 5.1 | 2.5 | 281.9 | 865.0 |
| Increases and capitalisation | 153.0 | 1.1 | 0.7 | - | 73.6 | 228.4 |
| Disposals ⁽¹⁾ | - | - | - | - | (0.5) | (0.5) |
| Reclassifications ⁽²⁾ | 82.4 | 2.6 | - | - | (85.0) | - |
| Write-downs | (31.4) | - | - | - | (0.6) | (32.0) |
| Amortisation ⁽³⁾ | (163.0) | (6.4) | - | (0.1) | - | (169.5) |
| Balance as at 30 June 2021 | 591.9 | 21.9 | 5.8 | 2.4 | 269.4 | 891.4 |
| <i>broken down as follows:</i> | | | | | | |
| Cost | 1,606.5 | 44.2 | 5.8 | 3.5 | 303.1 | 1,963.1 |
| Provisions for write-downs | (77.6) | - | - | (0.1) | (33.7) | (111.4) |
| Accumulated depreciation | (937.0) | (22.3) | - | (1.0) | - | (960.3) |
| Detail: | | | | | | |
| (1) Cost | - | - | - | - | (0.5) | (0.5) |
| | - | - | - | - | (0.5) | (0.5) |
| (2) Reclassifications broken down as follows: | | | | | | |
| Cost | 82.7 | 2.7 | - | - | (87.1) | (1.7) |
| Provisions for write-downs | (0.3) | - | - | - | 2.1 | 1.8 |
| Accumulated depreciation | - | (0.1) | - | - | - | (0.1) |
| | 82.4 | 2.6 | - | - | (85.0) | - |
| (3) Net of use of the provisions for write-downs for: | | | | | | |
| Provisions for write-downs | 36.8 | - | - | - | - | 36.8 |
| Accumulated depreciation | (36.8) | - | - | - | - | (36.8) |
| | - | - | - | - | - | - |

Investments, which amounted to €228.4 million (€169.6 million in the first half of 2020) mainly refer to Dramas for €181.1 million and films for €33.0 million.

The amount of assets under development and payments on account refers to programmes for €261.1 million, software for €7.5 million and other rights for €0.8 million.

The write-downs recognised during the period amounted to €32.0 million and were performed in order to adjust the assets to their estimated recoverable value.

The amount of the existing contractual commitments for the purchase of intangible assets is specified in Note 14.2 "Commitments".

7.5 Equity investments

Equity investments, which amounted to €8.8 million (€7.0 million as at 31 December 2020), are broken down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Equity investments in non-consolidated subsidiaries | 0.5 | 0.5 |
| Joint ventures | 6.1 | 4.3 |
| Associates | 1.2 | 1.2 |
| Equity investments in associates and joint ventures | 7.3 | 5.5 |
| Equity investments in other companies | 1.0 | 1.0 |
| Total equity investments | 8.8 | 7.0 |

Here below are the movements of investments measured using the equity method:

| (€/million) | Year ended 31 December 2020 | | | Movements in the period | | | Half-year ended 30 June 2021 | | |
|--|-----------------------------|------------------------------------|-----------------|-------------------------|---------------|---------------------------|------------------------------|------------------------------------|-----------------|
| | Cost | Adjustment to shareholders' equity | Carrying amount | Acquisitions/ Transfers | Profit/(loss) | Decrease due to dividends | Cost | Adjustment to shareholders' equity | Carrying amount |
| Joint venture: | | | | | | | | | |
| San Marino RTV SpA | 0.3 | 1.2 | 1.5 | - | (0.2) | - | 0.3 | 1.0 | 1.3 |
| Tivù Srl | 0.5 | 2.3 | 2.8 | - | 4.0 | (2.0) | 0.5 | 4.3 | 4.8 |
| Associates: | | | | | | | | | |
| Audiradio Srl (in liquidation) | 1.4 | (1.4) | - | - | - | - | 1.4 | (1.4) | - (a) (b) |
| Auditel Srl | - | 1.1 | 1.1 | - | - | - | - | 1.1 | 1.1 (c) |
| Euronews SA | 0.9 | (0.9) | - | - | - | - | 0.9 | (0.9) | - (c) (d) |
| Player Editori Radio Srl | - | - | - | - | - | - | - | - | - (c) |
| Tavolo Editori Radio Srl | - | 0.1 | 0.1 | - | - | - | - | 0.1 | 0.1 (c) |
| Total equity investments in joint ventures and associates | 3.1 | 2.4 | 5.5 | - | 3.8 | (2.0) | 3.1 | 4.2 | 7.3 |

(a) Figure from the Financial Statements as at 31.12.2019, the latest available.

(b) The balance sheet deficit of the Group, equal to an insignificant value in millions of Euros, is covered by provisions for charges of an equal amount.

(c) Figure from the Financial Statements as at 31.12.2020, the latest available.

(d) The balance sheet deficit of the Group, of €0.3 million, is covered by provisions for charges of an equal amount.

The breakdown of the equity investments in other companies follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Almaviva SpA | 0.3 | 0.3 |
| Istituto dell'Enciclopedia Italiana Treccani SpA | 0.8 | 0.8 |
| Others (1) | 0.1 | 0.1 |
| Gross value | 1.2 | 1.2 |
| Provisions for the write-down of equity investments in other companies | (0.2) | (0.2) |
| Total equity investments in other companies | 1.0 | 1.0 |

(1) Banca di Credito Cooperativo di Roma Scpa, International Multimedia University Umbria Srl in fallimento and Immobiliare Editori Giornali Srl.

For detailed information on investments in subsidiaries, joint ventures and associates, please refer to the specific paragraph in the Notes to the Consolidated Financial Statements of the Report and Financial Statements as at 31 December 2020.

7.6 Non-current financial assets

Non-current financial assets, which amounted to €3.1 million (€0.8 million as at 31 December 2020), break down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Securities | 2.5 | - |
| Other non-current financial assets | 0.6 | 0.8 |
| Total non-current financial assets | 3.1 | 0.8 |

The item Securities, equal to €2.5 million (nil as at 31 December 2020), was entirely made up of government bonds maturing in June 2027, securing the Service Agreement and the special services agreement with the Government.

Other non-current financial assets amounting to €0.6 million (€0.8 million as at 31 December 2020) refer to the deferrals of non-current shares of fees related to credit lines signed by Rai and Rai Way.

Expiration of the current and non-current financial assets is broken down as shown below:

| (€/million) | Half-year ended 30 June 2021 | | | |
|---|------------------------------|------------|------------|-------------|
| | <1 year | 1-5 years | >5 years | Total |
| Securities | - | - | 2.5 | 2.5 |
| Receivables from joint ventures and associates | 1.7 | - | - | 1.7 |
| Derivative financial instruments | 0.1 | - | - | 0.1 |
| Blocked bank deposits | 4.6 | - | - | 4.6 |
| Other financial assets | 0.7 | 0.6 | - | 1.3 |
| Total current and non-current financial assets | 7.1 | 0.6 | 2.5 | 10.2 |

| (€/million) | Year ended 31 December 2020 | | | |
|---|-----------------------------|------------|----------|------------|
| | <1 year | 1-5 years | >5 years | Total |
| Securities | 2.3 | - | - | 2.3 |
| Receivables from joint ventures and associates | 0.8 | - | - | 0.8 |
| Blocked bank deposits | 4.2 | - | - | 4.2 |
| Other financial assets | 0.7 | 0.8 | - | 1.5 |
| Total current and non-current financial assets | 8.0 | 0.8 | - | 8.8 |

The short-term portion of the financial assets, which amounted to €7.1 million, is included in the current components described in Note 8.3 "Current financial assets".

Information on risks hedged and on hedging policies is disclosed in Note 4.1 "Market risk".

7.7 Deferred tax assets

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Deferred tax assets eligible for offset | 100.9 | 121.9 |
| Deferred tax liabilities eligible for offset | (152.8) | (153.7) |
| Net deferred tax liabilities | (51.9) | (31.8) |

As at 30 June 2021, at 31 December 2020 the net balance of deferred tax assets and deferred tax liabilities shows a negative amount, and is therefore recognised under liabilities in the consolidated statement of financial position. Please refer to Note 11.5 "Deferred tax liabilities" for the relevant analyses.

Income taxes are reported in Note 13.10 "Income tax".

7.8 Other non-current assets

Other non-current assets, which amounted to €52.1 million (€13.8 million as at 31 December 2020), break down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Advances for sports events | 48.4 | 7.2 |
| Advances for trade initiatives | 18.4 | 18.1 |
| Non-current portion of trade receivables | 2.2 | 4.4 |
| Receivables from personnel | 0.7 | 0.8 |
| Amounts committed to cautionary deposit with third parties | 2.3 | 2.3 |
| Other non-current receivables | 0.9 | 1.6 |
| – Provisions for write-down of other non-current assets | (20.8) | (20.6) |
| Total other non-current assets | 52.1 | 13.8 |

The items above basically regard non-current portions of assets described in Note 8.5 “Other current receivables and assets” to which reference is made.

Advances for sports events mainly refer to sums paid for the acquisition of rights to future sports' events.

Other non-current receivables refer to the non-current portion of the substitute tax arising from tax relief for the merger deficit generated by the merger through incorporation of the company Sud Engineering into Rai Way in 2017. The current portion equal to €0.1 million was recognised under the current income tax receivables as explained in Note 8.4. “Current income tax assets”.

The provisions for write-down of other non-current assets, which amounted to €20.8 million (€20.6 million as at 31 December 2020), is broken down below:

| (€/million) | Year ended 31 December 2020 | Provisions | Reclassifications | Half-year ended 30 June 2021 |
|--|--------------------------------|--------------|-------------------|---------------------------------|
| Provisions for write-down of advances for trade initiatives | (14.3) | (0.5) | 0.3 | (14.5) |
| Provision for write-down of advances for sports events | (6.1) | - | - | (6.1) |
| Provisions for write-down of other non-current assets | (0.2) | - | - | (0.2) |
| Total provisions for write-down of other non-current assets | (20.6) | (0.5) | 0.3 | (20.8) |

8

Current assets

8.1 Inventory

Inventory, net of its provisions for write-downs, amounted to €1.6 million (€1.7 million as at 31 December 2020), and is broken down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Technical materials | 11.7 | 12.5 |
| – Provisions for write-down of technical materials | (11.0) | (11.8) |
| Contract work in progress | 0.2 | 0.2 |
| Finished products and goods | 0.7 | 0.8 |
| Total inventory | 1.6 | 1.7 |

The final inventory of technical materials, equal to €0.7 million net of the provision for write-down (€0.7 million as at 31 December 2020), refers to stock and spare parts for maintenance and the use of technical capital equipment similar to consumables since their utility is depleted over a period that usually is no longer than 12 months.

Contract work in progress, equal to €0.2 million (unvaried compared to 31 December 2020), refers to costs sustained to develop the Isoradio network, entered in the financial statements of the subsidiary Rai Way.

Final inventory of finished products and goods, equal to €0.7 million (€0.8 million as at 31 December 2020), mainly concern inventories related to magazines and books and home video distribution.

8.2 Trade receivables

Trade receivables, which amounted to €415.9 million (€417.9 million as at 31 December 2020), are broken down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Trade: | | |
| Government and other public bodies for services under the agreement | 63.8 | 71.3 |
| Government for performance of service agreement obligations - Law 145/2018 | 38.5 | 38.5 |
| Other receivables | 366.7 | 361.2 |
| – Provision for write-downs of trade receivables | (53.4) | (53.4) |
| Joint ventures and associates | 0.3 | 0.3 |
| Total trade receivables | 415.9 | 417.9 |

Receivables from joint ventures and associates refer to:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| San Marino RTV SpA | 0.1 | 0.1 |
| Tivù Srl | 0.2 | 0.2 |
| Total trade receivables from joint ventures and associates | 0.3 | 0.3 |

The breakdown of trade receivables by geographical area shows the predominance of the domestic market.

The nominal value of receivables from the Government and other public bodies for services under agreement, equal to €63.8 million (€71.3 million as at 31 December 2020), refers to:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Prime Minister's Office: | | |
| Operating grants to be paid to San Marino RTV | 4.3 | 2.9 |
| Radio, television and multimedia offer for abroad | 10.1 | 6.7 |
| Broadcasts from Trieste in Slovenian | 17.4 | 11.5 |
| Radio and TV broadcasts in French for the Valle d'Aosta Autonomous Region | 3.2 | 2.1 |
| Radio and television broadcasts in Sardinian for the Autonomous Region of Sardinia | 0.6 | 0.3 |
| Revenue Office: | | |
| Management of ordinary TV licence fees | 10.0 | 20.0 |
| Regions and Provinces: | | |
| Autonomous Province of Bolzano: broadcast of radio and TV programs in German and Ladin in the autonomous province of Bolzano | 9.6 | 19.2 |
| Autonomous Region of Valle d'Aosta: management of equipment for the TV reception of programmes from the French cultural area | 8.6 | 8.6 |
| Total receivables from the Government and other public bodies for services under the agreement | 63.8 | 71.3 |

Receivables from related parties are specified in Note 14.4 "Transactions with Related Parties".

Trade receivables are shown net of the provisions for write-downs of €53.4 million (unchanged from 31 December 2020), with movements itemised below:

| (€/million) | Year ended 31 December 2020 | Provisions | Drawdowns | Reversals | Half-year ended 30 June 2021 |
|--|--------------------------------|--------------|------------|------------|---------------------------------|
| Provisions for write-downs of trade receivables | (53.4) | (0.8) | 0.3 | 0.5 | (53.4) |

8.3 Current financial assets

Current financial assets amounted to €7.1 million (€8.0 million at 31 December 2020). The breakdown of the item and the comparison with the previous year are shown below:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---------------------------------------|---------------------------------|--------------------------------|
| Joint ventures and associates | 1.7 | 0.8 |
| Securities | - | 2.3 |
| Derivative financial instruments | 0.1 | - |
| Blocked bank deposits | 4.6 | 4.2 |
| Other current financial assets | 0.7 | 0.7 |
| Total current financial assets | 7.1 | 8.0 |

Receivables from joint ventures and associated companies refer to San Marino RTV for both periods.

The item "Securities", amounting to nil (€2.3 million as at 31 December 2020), related, for the amount of the reporting period 2020, entirely to government bonds maturing in May 2021, granted as security for the Agreement and special services under convention with the State. For securities maturing in June 2027, reference is made to the note 7.6 'Non-current financial assets'.

Blocked bank deposits, which came to €4.6 million (€4.2 million as at 31 December 2020) refer to amounts seized on current accounts due to litigation in progress.

Derivative instruments recognised at fair value, are broken down below as regards their assets component, including the current and non-current portions:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Currency hedging derivatives | 0.1 | - |
| Total derivative financial instruments – current portion | 0.1 | - |
| Total derivative financial instruments – non-current portion | - | - |
| Total derivative financial instruments | 0.1 | - |

The fair value of derivative instruments was calculated considering valuation models largely used in the financial field and the market parameters as at the reporting date, as better specified in Note 6 “Fair value measurement”.

Cash flow hedging on exchange rates for €0.1 million (nil as at 31 December 2020) refer to the hedging of contracts for the acquisition of TV and film rights of Rai Cinema in USD, adopted by the Parent Company under a specific mandate of the subsidiary. No non-current portions are recognised.

Information on risks hedged and on hedging policies is disclosed in Note 4.1 “Market risk”.

8.4 Current income tax assets

Current income tax assets, which amounted to €18.1 million (€18.1 million as at 31 December 2020), break down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| IRES refund requested | 16.8 | 16.8 |
| Withheld taxes | 0.7 | 2.1 |
| Total IRES | 17.5 | 18.9 |
| IRAP | 0.7 | 0.2 |
| Advance for substitute tax on goodwill | 0.1 | 0.1 |
| Provisions for write-downs of current income tax assets | (0.2) | (1.1) |
| Total current income tax assets | 18.1 | 18.1 |

Current income tax receivables are shown net of the provision for write-downs of €0.2 million (€1.1 million as at 31 December 2020) related to withheld taxes on income risking recoverability, with changes detailed below.

| (€/’000) | Year ended 31 December 2020 | Reversals | Half-year ended 30 June 2021 |
|--|--------------------------------|------------|---------------------------------|
| Provisions for write-downs of current income tax assets | (1.1) | 0.9 | (0.2) |

The IRAP receivable, equal to €0.7 million (€0.2 million as at 31 December 2020) refers to the IRAP advances paid to tax authorities in previous periods.

The advance on the substitute tax for goodwill refers to the recognition of the current portion of the substitute tax arising from tax relief for the merger deficit generated by the merger through incorporation of the company Sud Engineering into Rai Way in 2017. The non-current portion equal to €0.9 million was recognised under other non-current assets as explained in Note 7.8. “Other non-current assets”.

The taxes are commented in Note 13.10 “Income taxes”.

8.5 Other current receivables and assets

Other current receivables and assets, which totalled €159.3 million (€214.2 million as at 31 December 2020) break down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Advances for sports events | 86.5 | 123.9 |
| Advances for trade initiatives | 0.4 | - |
| Advances to suppliers, collaborators and agents | 16.0 | 23.0 |
| Receivables from social security and welfare institutions | 3.9 | 3.4 |
| Other tax receivables | 1.1 | 1.2 |
| Receivables from personnel | 8.8 | 8.9 |
| Receivables from entities, companies, bodies and others | 22.1 | 20.2 |
| Receivables for subsidies and grants from the Government, EU and other public entities | 0.3 | 0.4 |
| Other receivables | 25.0 | 37.6 |
| - Provision for write-downs of other current receivables and assets | (4.8) | (4.4) |
| Total other current receivables and assets | 159.3 | 214.2 |

It is also specified that:

- the receivables from social security and welfare institutions refer to advances disbursed against contributions due for artistic collaborations and other reasons;
- receivables from personnel are mainly referred to receivables from labour disputes, to advances for travel expenses and for production expenses. The item includes receivables from application of Law 89/2014.

Other tax receivables break down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|------------------------------------|---------------------------------|--------------------------------|
| VAT refund requested | 0.9 | 0.8 |
| Other | 0.2 | 0.4 |
| Total other tax receivables | 1.1 | 1.2 |

The provisions for write-downs of other current receivables and assets, which amounted to €4.8 million (€4.4 million as at 31 December 2020), is broken down below:

| (€/million) | Year ended 31 December 2020 | Provisions | Drawdowns | Reversals | Half-year ended 30 June 2021 |
|--|--------------------------------|--------------|------------|--------------|---------------------------------|
| Provision for write-downs of other current receivables and assets | (4.4) | (0.2) | 0.1 | (0.3) | (4.8) |

Considering the short period of time elapsing between when the receivable arises and its due date, it is not believed there are significant differences between the book value of the trade receivables, other receivables and current financial assets and their respective fair values.

8.6 Cash and cash equivalents

Cash and cash equivalents, which amounted to €112.0 million (€15.5 million as at 31 December 2020), are broken down into the following items:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Bank and postal deposits | 111.7 | 15.2 |
| Cash at bank and in hand | 0.3 | 0.3 |
| Total cash and cash equivalents | 112.0 | 15.5 |

Bank and postal deposits amounted to €111.7 million (€15.2 million as at 31 December 2020) and represent the money at-call or short-term liquid assets resulting from deposit or current accounts with banks, financial institutions and with the postal administration.

Cash at bank and in hand amounted to €0.3 million (unvaried as at 31 December 2020) and include the liquidity represented by cash in hand as at 30 June 2021.

9

Non-current
assets held
for sale

Non-current assets held for sale, valued at the lower of residual book value and sale price, amounted to €3.2 million (nil at 31 December 2020) and related to the property located in Turin, Via Cernaia 33, whose preliminary sale agreement was signed on 31 May 2021. The final sales contract is expected to be signed within the current financial year.

10

Shareholders'
equity

Reported below is the breakdown of shareholders' equity, attributable to the Group and minority interests:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Share capital | 242.5 | 242.5 |
| Legal reserve | 12.0 | 12.0 |
| IFRS first-time adoption reserve | (139.0) | (118.3) |
| Translation difference reserve | 0.8 | 0.9 |
| Cash flow hedge reserve | (10.8) | (12.5) |
| Reserve for share-based payments | 0.1 | - |
| Other reserves | 251.1 | 252.4 |
| Total other reserves | 102.2 | 122.5 |
| Actuarial reserves for employee benefits | (30.6) | (36.6) |
| Retained earnings (losses) | (3.3) | (3.3) |
| Profit (loss) for the period | (1.7) | (22.0) |
| Total retained earnings (losses carried forward) | (35.6) | (61.9) |
| Total Group shareholders' equity | 321.1 | 315.1 |
| Third-party capital and reserves | 34.8 | 34.7 |
| Retained earnings (losses) attributable to minority interests carried forward | 11.3 | 21.9 |
| Total shareholders' equity attributable to minority interests | 46.1 | 56.6 |
| Total shareholders' equity | 367.2 | 371.7 |

Third-party equity interests

The profit/(loss) for the period and the shareholders' equity of third-party equity interests refer to the subsidiary Rai Way, with Rai holding a 64.971% share.

Share capital

As at 30 June 2021, the share capital of the Parent Company consisted of 242,518,100 ordinary shares with a unit par value of €1.00. The share capital, fully subscribed and paid up, is held by:

- the Ministry of Economy and Finance (MEF) which holds 241,447,000 shares, equal to 99.5583% of the share capital; and
- Società Italiana Autori Editori (SIAE) which holds 1,071,100 shares, equal to 0.4417% of the share capital.

Legal reserve

The legal reserve amounts to €12.0 million.

Other reserves and retained earnings (losses carried forward)

The other reserves, for €102.2 million (€122.5 million as at 31 December 2020) and losses carried forward, for €35.6 million (€61.9 million as at 31 December 2020) are broken down as shown below.

The Reserve for Share-based Payments, equal to €0.1 million, is made up of reserves earmarked for the long-term incentive plan for the free award to Rai Way's strategic executives of the company's ordinary shares to achieve certain performance targets. This reserve is established in accordance with the provisions of IFRS 2, which provides that the options to subscribe and purchase shares attributed by the company to employees and directors give rise to the recognition of a charge, measured at fair value on the date of award, recognised in HR expenses with a corresponding increase in equity.

11.1 Non-current financial liabilities and current portions of non-current financial liabilities

Non-current financial liabilities, including current portions, total €355.4 million (€319.5 million as at 31 December 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | | | Year ended 31 December 2020 | | |
|--|------------------------------|-----------------|--------------|-----------------------------|-----------------|--------------|
| | Non-current portion | Current portion | Total | Non-current portion | Current portion | Total |
| Bonds | 299.2 | - | 299.2 | 299.1 | - | 299.1 |
| M/L-term payables to banks | 56.0 | 0.1 | 56.1 | 15.1 | 5.1 | 20.2 |
| Derivative financial instruments | - | - | - | 0.1 | - | 0.1 |
| M/L-term payables to other lenders | - | 0.1 | 0.1 | - | 0.1 | 0.1 |
| Total non-current financial liabilities and current portions of non-current financial liabilities | 355.2 | 0.2 | 355.4 | 314.3 | 5.2 | 319.5 |

Non-current financial liabilities, including current portions, were up €35.9 million compared with 31 December 2020, mainly due to the use of an additional €41 million from the Term bank credit line by Rai Way; on the other hand, there was the repayment of the EIB amortising loan, for €5 million, granted to Rai for the development of the digital terrestrial infrastructure and repaid in advance as at 31 March 2021.

11

Non-current liabilities

Non-current financial liabilities, including current portions, are mainly made up of:

- Rai bond issue with a notional amount of €300 million maturing in December 2024;
- Term credit line granted to Rai Way by a syndicate of banks and used for €56 million;
- medium-long term credit lines granted to Rai Way by Mediocredito Centrale and Cassa Depositi e Prestiti for a total amount of €0.2 million;
- subsidised loan of insignificant amount granted to Rai in January 2020, following participation in a public tender issued by the then Ministry of Education, University and Research - MIUR.

The new senior unsecured bond issued by Rai in December 2019 and listed on Euronext Dublin, is fully subscribed to by national and international institutional investors, has a nominal rate of 1.375%, maturity in December 2024 and contains the usual covenants for issues with investment grade rating, including:

- a negative pledge prohibiting the granting of guarantees on other bond issues by the Issuer or its “significant subsidiaries”, unless the same guarantees are extended to existing bondholders;
- A cross-default provisions, whereby in the event of default on debt totalling more than €50 million by the Issuer or its “significant subsidiaries”, bondholders may declare default on the bond;
- Change of Control clause permitting bondholders to exercise a put option at par if the Ministry of Economy and Finance ceases to hold the majority of voting rights exercisable at Ordinary and Extraordinary Shareholders’ Meetings of Rai.

On 15 June 2021, Moody’s published a credit opinion that confirmed the Long-Term Issuer Baa3 for Rai (Investment Grade), with negative outlook.

Derivative financial instruments, recognised at fair value, in the liability component, including the current and non-current portion, have an insignificant value in millions of Euros.

The final due date of financial liabilities held (current and non-current) is shown in the following table:

| (€/million) | Half-year ended 30 June 2021 | | | |
|--|------------------------------|--------------|----------|--------------|
| | < 1 year | 1-5 years | >5 years | Total |
| Bonds | - | 299.2 | - | 299.2 |
| M/L-term payables to banks | 0.1 | 56.0 | - | 56.1 |
| M/L-term payables to other lenders | 0.1 | - | - | 0.1 |
| Other financial liabilities | 0.4 | - | - | 0.4 |
| Total current and non-current financial liabilities | 0.6 | 355.2 | - | 355.8 |

| (€/million) | Year ended 31 December 2020 | | | |
|--|-----------------------------|--------------|----------|--------------|
| | < 1 year | 1-5 years | >5 years | Total |
| Bonds | - | 299.1 | - | 299.1 |
| M/L-term payables to banks | 5.1 | 15.1 | - | 20.2 |
| Short-term payables to banks | 227.1 | - | - | 227.1 |
| M/L-term payables to other lenders | 0.1 | - | - | 0.1 |
| Derivative financial instruments | 0.2 | 0.1 | - | 0.3 |
| Other financial liabilities | 0.1 | - | - | 0.1 |
| Total current and non-current financial liabilities | 232.6 | 314.3 | - | 546.9 |

In compliance with accounting standards, the fair value of significant financial liabilities not recorded in the financial statements according to this criterion was also measured, using the following parameters:

- bond issued by the Company in 2019, maturing in December 2024: the fair value as at 30 June 2021 was measured at the market price, including accrued interest, at that date, equal to €103.9076, for a value of €311.7 million;
- Rai Way loan: the fair value of the portion used at 30 June was estimated to be close to the nominal value.

11.2 Lease liabilities

Non-current financial liabilities, including current portions, total €80.6 million (€83.0 million as at 31 December 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | | | Year ended 31 December 2020 | | |
|---|------------------------------|-----------------|-------------|-----------------------------|-----------------|-------------|
| | Non-current portion | Current portion | Total | Non-current portion | Current portion | Total |
| Liabilities for operating lease contracts | 58.1 | 22.5 | 80.6 | 60.0 | 23.0 | 83.0 |
| Total lease liabilities | 58.1 | 22.5 | 80.6 | 60.0 | 23.0 | 83.0 |

The value of current lease liabilities is represented solely by the current portion of non-current lease liabilities, as short-term asset leases are recognised in the income statement under the item costs for the purchase of consumables, costs for services and other costs.

The total value of cash outflows from leases as at 30 June 2021 was €12.0 million, plus interest of €0.6 million.

Interest expense accrued on lease liabilities is detailed in Note 13.8 "Financial income and expenses," to which reference should be made.

The due dates lease liabilities (current and non-current) are shown below:

| (€/million) | Half-year ended 30 June 2021 | | | |
|---|------------------------------|-------------|------------|-------------|
| | < 1 year | 1-5 years | > 5 years | Total |
| Liabilities for operating lease contracts | 22.5 | 48.8 | 9.3 | 80.6 |
| Total lease liabilities | 22.5 | 48.8 | 9.3 | 80.6 |

| (€/million) | Year ended 31 December 2020 | | | |
|---|-----------------------------|-------------|------------|-------------|
| | < 1 year | 1-5 years | > 5 years | Total |
| Liabilities for operating lease contracts | 23.0 | 51.9 | 8.1 | 83.0 |
| Total lease liabilities | 23.0 | 51.9 | 8.1 | 83.0 |

11.3 Employee benefits

Employee benefits totalled €370.5 million (€398.4 million as at 31 December 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|------------------------------|-----------------------------|
| Provisions for employee severance pay | 189.1 | 205.0 |
| Provisions for supplementary pension benefits | 101.7 | 109.8 |
| Provision in lieu of formerly fixed indemnity - journalists | 65.3 | 68.8 |
| Health insurance fund for senior managers (FASDIR) | 13.5 | 13.8 |
| Seniority bonuses | 0.6 | 0.6 |
| Others | 0.3 | 0.4 |
| Total employee benefits | 370.5 | 398.4 |

Provisions for employee benefits measured using actuarial techniques break down as follows:

| (€/million) | Half-year ended 30 June 2021 | | | | |
|--|------------------------------|-----------------------|--|-------------|----------------|
| | Employee severance pay | Supplementary pension | Provisions in lieu of former fixed indemnity for journalists | FASDIR | Other benefits |
| Present value of the liability at the start of the year | 205.0 | 109.8 | 68.8 | 13.8 | 1.0 |
| Current cost of defined benefit plans | - | - | - | - | - |
| Current cost of defined contribution plans | 22.1 | - | - | 0.2 | - |
| Interest expense | 0.2 | 0.1 | - | 0.1 | - |
| Revaluations: | | | | | |
| – Actuarial gains/losses resulting from changes in financial assumptions | (4.2) | (2.6) | (0.3) | - | - |
| – Actuarial gains/(losses) from past experience | 2.2 | (1.1) | - | - | - |
| Cost of past benefits and gains/losses on settlement | 0.1 | - | (1.7) | - | - |
| Benefits paid | (14.2) | (4.5) | (1.5) | (0.6) | (0.1) |
| Transfers to external funds for defined contribution plans | (22.1) | - | - | - | - |
| Other movements | - | - | - | - | - |
| Present value of the liability at the end of the period | 189.1 | 101.7 | 65.3 | 13.5 | 0.9 |

There are no assets servicing the plan.

Costs for employee benefits, as measured using actuarial assumptions and recognised in the consolidated income statement, break down as follows:

| (€/million) | Half-year ended 30 June 2021 | | | | |
|--|------------------------------|-----------------------|--|--------------|----------------|
| | Employee severance pay | Supplementary pension | Provisions in lieu of former fixed indemnity for journalists | FASDIR | Other benefits |
| Current cost of defined benefit plans | - | - | - | - | - |
| Current cost of defined contribution plans | (22.1) | - | - | (0.2) | - |
| Cost of past benefits and gains/losses on settlement | (0.1) | - | 1.7 | - | - |
| Net interest (expense) income: | | | | | |
| – Interest expense | (0.2) | (0.1) | - | (0.1) | - |
| Total | (22.4) | (0.1) | 1.7 | (0.3) | - |

Costs for defined benefit plans recognised in other comprehensive income break down as follows:

| (€/000) | Half-year ended 30 June 2021 | | | | |
|--|------------------------------|-----------------------|--|----------|----------------|
| | Employee severance pay | Supplementary pension | Provisions in lieu of former fixed indemnity for journalists | FASDIR | Other benefits |
| Revaluations: | | | | | |
| – Actuarial gains/losses resulting from changes in financial assumptions | 4.2 | 2.6 | 0.3 | - | - |
| – Actuarial gains/(losses) from past experience | (2.2) | 1.1 | - | - | - |
| Total | 2.0 | 3.7 | 0.3 | - | - |

The main actuarial assumptions adopted are reported below:

| | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Financial assumptions | | |
| Average discount rates (1) | 0.35% to 0.67% | 0.07% to 0.35% |
| Inflation rate | 0.80% | 0.80% |
| Expected rate of growth in remuneration/benefits (2) | 0.64% to 2.30% | 0.64% to 2.30% |
| Demographic assumptions | | |
| Maximum retirement age | As per law | As per law |
| Mortality tables: | | |
| – Provisions for employee severance pay | SI 2016 revised | SI 2016 revised |
| – Provisions for supplementary pension benefits | AS62 | AS62 |
| – Provisions in lieu of the former fixed indemnity for journalists | SI 2016 revised | SI 2016 revised |
| Disability tables: | | |
| – Provisions for employee severance pay | INPS tables by age and gender | INPS tables by age and gender |
| – Provisions for supplementary pension benefits | - | - |
| – Provisions in lieu of the former fixed indemnity for journalists | - | - |
| Average annual employee leaving rate | 4.44% to 8.90% | 4.75% to 8.80% |
| Annual probability of advance requests | 1.50% | 1.50% |

(1) Measured as the weighted average of the Eur Composite AA 2021 interest rate curve for 30 June 2021 and Eur Composite AA 2020 for 31 December 2020.

(2) Including inflation.

11.4 Provisions for non-current risks and charges

Provisions for non-current risks and charges totalled €221.9 million (€217.6 million as at 31 December 2020). The figure breaks down as follows:

| (€/million) | Year ended 31 December 2020 | Provisions | Drawdowns | Reversals | Conversion differences | Half-year ended 30 June 2021 |
|---|-----------------------------------|-------------|--------------|--------------|---------------------------|---------------------------------|
| Provisions for legal disputes | 65.2 | 0.9 | (3.5) | (2.4) | 0.2 | 60.4 |
| Provisions for accrued remuneration costs | 40.5 | 4.6 | (0.6) | - | - | 44.5 |
| Provisions for building renovation and refurbishment | 24.0 | - | (0.2) | - | - | 23.8 |
| Provision for user rights to digital television frequencies contributions | 10.2 | 5.1 | - | - | - | 15.3 |
| Provisions for dismantling and restoration costs | 14.9 | 0.1 | - | - | - | 15.0 |
| ISC and ICM provisions Agents | 2.5 | 0.2 | - | (0.1) | - | 2.6 |
| Provisions for default interest payment risks | 0.6 | - | - | - | - | 0.6 |
| Provisions for write-downs of surplus investments | 0.3 | - | - | - | - | 0.3 |
| Provisions for licence fee refunds | 0.3 | - | (0.1) | - | - | 0.2 |
| Provisions for disputes over leases | 0.8 | - | (0.7) | - | - | 0.1 |
| Other provisions | 58.3 | 2.9 | (1.1) | (1.0) | - | 59.1 |
| Total provisions for risks and charges | 217.6 | 13.8 | (6.2) | (3.5) | 0.2 | 221.9 |

Provisions for legal disputes, totalling €60.4 million, show the prudential and forecast estimate of charges for pending lawsuits in which the Group is involved in various ways. Specifically, the figure includes (amounts inclusive of legal costs) provisions for civil, administrative and criminal litigation for €32.0 million, and €28.4 million in provisions for labour law disputes.

Provisions for accrued remuneration costs, totalling €44.5 million, include the overall costs estimated in relation to employment contracts in place.

Provisions for building renovation and refurbishment, totalling €23.8 million, include the estimated costs expected to be incurred primarily in relation to the removal of structures containing asbestos present in buildings owned. The constructive obligation to proceed with the refurbishment and renovation of the buildings is connected with Parent Company's expression of intent to perform such work, as expressed on several occasions in negotiations with trade unions.

The provision for user rights to digital television frequencies contributions, amounting to €15.3 million, was set aside pending the issue of the decree that will determine the amount to be paid for the periods 2020 and 2021.

Provisions for dismantling and restoration costs, totalling €15.0 million, include the estimated costs for the dismantling and removal of installations and modifications and the restoration of premises rented by the Group under operating leases which require the lessee to restore the area and/or rented premises to their original condition at the end of the lease (where the area and/or lease will not be renewed).

ISC (Supplementary Customer Indemnities) and ICM (Meritocratic Customer Indemnities) provisions for agents, for €2.6 million, include amounts payable to agents upon termination of agency agreements for reasons not attributable to the agent. The provisions are based on estimates that take into consideration the historic data and growth in the customer portfolio or in business volumes with customers already in the portfolio.

The provisions for write-down of the surplus investment refers almost all to the Group's capital deficit recognised in the financial statements of Euronews as at 31 December 2020, as illustrated in Note 7.5 "Investments", to be referred to.

Other provisions comprise numerous provisions, set aside to cover specific liabilities related to existing situations whose existence is certain, whose amount or date of occurrence is uncertain, or whose occurrence is contingent on future events whose occurrence is considered probable.

11.5 Deferred tax liabilities

Deferred tax liabilities of €51.9 million are shown net of deferred tax assets eligible for offset amounting to €100.9 million. The net balance as at 31 December 2020 recorded deferred tax liabilities of €31.8 million.

The nature of the temporary differences that gave rise to deferred tax liabilities and the deferred tax assets eligible for offset is reported in the table below:

| (€/million) | Year ended 31 December 2020 | Changes | | | Half-year ended 30 June 2021 |
|--|--------------------------------|------------------|----------------------------------|---------------|---------------------------------|
| | | Income statement | Other comprehensive income | Balance sheet | |
| Statutory/tax differences on property, plant and equipment | (151.4) | 1.0 | - | - | (150.4) |
| Other equity investments | (1.7) | - | - | - | (1.7) |
| Deferred tax liabilities on consolidation adjustments | (0.4) | (0.1) | - | - | (0.5) |
| Other | (0.2) | - | - | - | (0.2) |
| Deferred tax liabilities | (153.7) | 0.9 | - | - | (152.8) |
| Negative taxable income | 115.2 | 6.7 | - | (28.0) | 93.9 |
| Write-downs of programmes | 0.9 | (0.5) | - | - | 0.4 |
| Statutory/tax difference on programmes | 0.1 | - | - | - | 0.1 |
| Employee benefits | 0.5 | - | - | - | 0.5 |
| Estimate of provisions recovered | 3.5 | 0.3 | - | - | 3.8 |
| Deferred tax assets on consolidation adjustments | 1.2 | 0.6 | - | - | 1.8 |
| Currency and interest-rate derivatives | 0.1 | - | (0.1) | - | - |
| Other | 0.4 | - | - | - | 0.4 |
| Deferred tax assets eligible for offset | 121.9 | 7.1 | (0.1) | (28.0) | 100.9 |
| Net deferred tax liabilities | (31.8) | 8.0 | (0.1) | (28.0) | (51.9) |

Deferred tax assets were recognised when their future recoverability was considered reasonably certain.

Changes in other comprehensive income essentially consisted of tax assets recognised under shareholders' equity and referred to the tax effect on the redetermining of cash flow hedging instruments recognised under hedge accounting rules.

Deferred tax assets on tax losses carried forward totalled €93.9 million. It is probable that they will be used to offset the taxable earnings of Group companies that participate in the tax consolidation arrangement and the deferred tax liability carried through to the consolidated income statement.

11.6 Other non-current payables and liabilities

Other non-current payables and liabilities, entirely relating to items denominated in Euros, amounted to €1.7 million (€1.9 million as at 31 December 2020), referred entirely to deferred income related to the contribution recognised as an economic measure of a compensatory nature for the release of radio links in the 3.6-3.8 GHz bands. Please refer to note no. 12.1 "Trade payables and other current payables and liabilities" for further information regarding this contribution.

Payables to related parties are reported in Note 14.4 "Transactions with related parties".

12

Current liabilities

12.1 Trade payables and other current payables and liabilities

Trade payables and other current payables and liabilities amounted to a total €1,399.5 million (€1,069.3 million as at 31 December 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Trade payables to suppliers | 643.7 | 649.3 |
| Trade payables to joint ventures and associates | 4.8 | 3.7 |
| Total trade payables | 648.5 | 653.0 |
| Payables to personnel | 198.7 | 182.5 |
| Payables to social security and welfare institutions | 64.1 | 79.6 |
| Other tax payables | 46.9 | 44.9 |
| Other payables for assessments | 3.1 | 4.9 |
| Advances: | | |
| – Ordinary licence fees | 80.3 | 87.2 |
| – Other advances | 10.7 | 6.7 |
| Deferrals: | | |
| – Advertising | 1.4 | 2.1 |
| – Licence fees | 332.8 | 0.6 |
| – Grants for the switch-over to digital terrestrial | 0.3 | 0.6 |
| – Grants for release of radio links | 0.3 | 0.3 |
| – Other deferrals | 2.0 | 0.9 |
| Accruals | 2.4 | 0.3 |
| Other payables | 8.0 | 5.7 |
| Total other current payables and liabilities | 751.0 | 416.3 |
| Total trade payables and other current payables and liabilities | 1,399.5 | 1,069.3 |

Trade payables to joint ventures and associates refer to:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Auditel Srl | 0.1 | 0.4 |
| San Marino RTV SpA | 4.3 | 2.9 |
| Tivù Srl | 0.4 | 0.4 |
| Total trade payables to joint ventures and associates | 4.8 | 3.7 |

Payables to personnel totalled €198.7 million (€182.5 million as at 31 December 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|------------------------------------|---------------------------------|--------------------------------|
| Untaken paid annual leave | 88.2 | 63.9 |
| Untaken time in lieu | 45.1 | 47.5 |
| Wage and salary assessment | 52.6 | 51.7 |
| Redundancy incentives | 12.1 | 17.8 |
| Others | 0.7 | 1.6 |
| Total payables to personnel | 198.7 | 182.5 |

Payables to social security institutions totalled €64.1 million (€79.6 million as at 31 December 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Payables to supplementary pension funds for personnel | 13.1 | 25.9 |
| Payables to INPGI | 11.5 | 13.9 |
| Payables to INPS | 27.3 | 27.8 |
| Payables to CASAGIT | 1.2 | 1.5 |
| Contributions on assessed wages and salaries | 9.9 | 9.6 |
| Other payables | 1.1 | 0.9 |
| Total payables to social security and welfare institutions | 64.1 | 79.6 |

Other tax payables show taxes payable to the Inland Revenue other than current income tax. The item breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| Group VAT | 17.6 | 7.8 |
| Suspended VAT | 1.0 | 1.0 |
| Withheld tax on wages and salaries for employees and contractors, substitution tax and other withholdings | 27.2 | 35.5 |
| Withholdings and substitute taxes made as withholding agent | 0.7 | - |
| Other | 0.4 | 0.6 |
| Total other tax payables | 46.9 | 44.9 |

Deferrals include:

- the grants for the switch-over to digital terrestrial, in the amount of €0.3 million, related to the grant from the then Ministry of Communications from 2007 to 2011 to support the initiatives to expedite the transition process to digital terrestrial technology. These initiatives consisted in works on systems and infrastructure adjustments of sites for the extension of the areas with digital coverage and the improvement of reception homogeneity and of the quality of service to users. The task of carrying out these types of investments has been entrusted to the subsidiary Rai Way, which is responsible, inter alia, for the design, installation, maintenance, implementation, development and management of telecommunications networks. The grant was recognised in the income statement for each year in which a depreciation charge would have been recognised if the investment had been made by Rai, considering the ratio between the amount of the grant received and investments made to complete the relative projects;

- the grant for the release of radio links, recognised for €0.3 million, related to the economic compensation measure granted to Rai in 2020, pursuant to the MISE-MEF interministerial decree of 4 September 2019, for the investment expenses made by the subsidiary Rai Way, remunerated under the service agreement, for the release of radio links in the 3.6-3.8 GHz bands. The grant was recognised in profit or loss of each financial year in relation to the portion of amortisation that would have been recorded if the investment had been made by Rai, taking as reference the amortisation plan provided by Rai Way.

Payables to related parties are reported in Note 14.4 "Transactions with related parties".

12.2 Current financial liabilities

Current financial liabilities totalled €0.6 million (€232.6 million as at 31 December 2020). The breakdown is shown in the table below:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| M/L-term payables to banks (current portion) | 0.1 | 5.1 |
| M/L-term payables due to other lenders (current portion) | 0.1 | 0.1 |
| Short-term payables to banks | - | 227.1 |
| Derivative financial instruments | - | 0.2 |
| Other current financial liabilities | 0.4 | 0.1 |
| Total current financial liabilities | 0.6 | 232.6 |

The current portion of non-current financial liabilities is reported in the table above and explained in Note 11.1 "Non-current financial liabilities and current portions of non-current financial liabilities", to which reference is made.

12.3 Current income tax liabilities

Current income tax liabilities, which amounted to €14.8 million (€30.0 million as at 31 December 2020), break down as follows:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|---|---------------------------------|--------------------------------|
| IRES | 14.1 | 29.1 |
| IRAP | 0.7 | 0.9 |
| Total current income tax liabilities | 14.8 | 30.0 |

As concerns amounts payable to the Inland Revenue for IRES, totalling €14.1 million (€29.1 million as at 31 December 2020), Group companies opted for Group taxation, thus transferring to the Parent Company, as the consolidating party, obligations related to settling and paying IRES for companies included in tax consolidation. Procedures for consolidating Group taxable income are governed by a specific agreement between the Parent Company and its subsidiaries, as described in Note 14.4 "Transactions with related parties".

Income taxes are reported in Note 13.10 "Income tax".

13.1 Revenue from sales and services

The main items are analysed below:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| TV licence fees | 923.6 | 869.9 |
| Advertising | 359.6 | 278.0 |
| Other revenue | 68.0 | 94.1 |
| Total revenue from sales and services | 1,351.1 | 1,242.0 |

The breakdown of revenue by geographical area shows that most revenue is from the domestic market.

TV licence fees

Licence fees, amounting to €923.6 million (€869.9 million in the first half of 2020), break down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Licence fees for the period - household licences | 862.9 | 817.0 |
| Licence fees for the period - special licences | 42.6 | 35.5 |
| Licence fees collected by enforcement order | 4.5 | 6.0 |
| Licence fees for prior years – household licences | 13.6 | 11.4 |
| Total TV licence fees | 923.6 | 869.9 |

In determining the amount of the licence fees for the period for private users, the information and data made available with reference to the current collection methods were used, taking into account the provisions of Law no. 178 of 30 December 2020 "State Budget estimates for the financial year 2021 and multi-year budget for the three-year period 2021-2023" published in the Official Gazette no. 322 of 30 December 2020.

This law repealed the 5% reduction in the amounts to be paid to RAI to cover the cost of providing the Public Service, and the so-called "extra revenue", to be paid to RAI in the amount of 67% for 2016 and 50% for the years from 2017 to 2020, determined by any additional revenue with respect to the amount provided for in the State Budget for 2016.

It also provided that the revenue from the radio and TV licence fee, as from 1 January 2021, should be used for the following purposes:

- €110 million per year to the Fund for pluralism and innovation in information set up in the budget of the Ministry of Economy and Finance;
- for the remainder, to RAI, without prejudice to the amounts of licence fee revenue already allocated by current legislation for specific purposes.

The current collection methods were introduced by Law 208 of 28 December 2015 (the "2016 Stability Law"), which provided, in Article 1 (152 et seq.), for TV licence fees for household licences to be charged, as of 1 January 2016, directly in power bills issued by electricity companies, under a separately detailed item.

That law introduced, in an effort to overcome evasion, the mechanism by which if a household has a utility account for power supply to a registered home address, then it can be presumed that the household is in possession of a television set. That presumption of the possession of a television set may only be overturned by a statutory declaration made in accordance with the Consolidation Law as per Presidential Decree 445 of 28 December 2000. False statements are punishable by law and may entail criminal liability.

13

Consolidated
income
statement

Law No. 145 of 30 December 2018 confirmed the amount of €90 due for the Rai licence fee for private use on a permanent basis.

In determining the amount of the fees for the period for special utilities, the provisions of Decree-Law no. 41 of 22 March 2021, which established full exemption from payment for the year 2021 of the special radio and television licence fee for accommodation facilities and the serving and consumption of beverages on public premises or premises open to the public, including similar activities carried out by third sector entities, were also taken into account.

To cover the cost of the exemption, a special account no. 1778 in the name of: "Agenzia delle Entrate - Fondi di bilancio" was assigned the amount of €83 million to grant a tax credit equal to 100% of the possible payment of the licence fee prior to the entry into force of the present decree, or to provide for the transfer to Rai of the amounts corresponding to the lower revenue deriving from the present article requested by the aforementioned company.

In relation to the amounts reported above:

- TV licence fees collected by enforcement order refer to licence fees, levied under an enforcement order addressed to households with overdue payments;
- licence fees for prior years – household licences related to 2020 fees which became known in the year 2021, as they were paid to the State during the year and determined in relation to the procedures in force in the previous period (extra revenue).

The separate annual accounts, designed to ensure proportionality between the costs incurred by Rai for the performance of the Public Service activities entrusted to it and the resources from licence fees and certified by an auditor chosen on the basis of a public procedure supervised by the Regulatory Authority, show a lack of public funding for the period 2005-2019 amounting to approximately €2.5 billion. The separate annual accounts for 2020 are being prepared.

Advertising

Revenue from advertising amounted to €359.6 million (€278.0 million in the first half of 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Television advertising on general-interest channels: | | |
| – commercial | 183.9 | 149.8 |
| – promotions, sponsorships and special initiatives | 115.6 | 77.1 |
| – product placement and branded content | 4.6 | 3.7 |
| Television advertising on specialist channels | 32.7 | 26.8 |
| Radio advertising | 11.0 | 10.8 |
| Cinema advertising | 0.1 | 1.1 |
| Web advertising | 12.9 | 9.1 |
| Other advertising | 0.1 | 1.3 |
| Share due to third parties | (1.6) | (1.5) |
| Contingencies | 0.3 | (0.2) |
| Total advertising | 359.6 | 278.0 |

Other revenue

Other revenue from sales and services amounted to €67.9 million (€94.1 million in the first half of 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Special services under agreement | 22.6 | 22.0 |
| Fulfilment of service contract obligations and digital programming development - Law 145/2018 | - | 19.2 |
| Sale of music rights and editions | 19.4 | 26.2 |
| Film and home video distribution | 1.1 | 10.2 |
| Distribution and sale of channels | 6.5 | 6.7 |
| Sale of patents and trademarks | 0.5 | 0.7 |
| Fees for hosting plant and equipment | 14.4 | 14.6 |
| Sundry services, mainly for institutional purposes | 5.8 | 1.7 |
| Signal diffusion services, rental of circuits, radio links and connections | 1.3 | 1.5 |
| Production services | 0.3 | - |
| Revenue from sales | 0.9 | 1.2 |
| Other | 0.8 | 2.1 |
| Share due to third parties | (7.3) | (12.9) |
| Contingencies | 1.6 | 0.9 |
| Total other revenue | 67.9 | 94.1 |

13.2 Other revenues and income

Other revenue and income amounted to €8.1 million (€3.4 million in the first half of 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Operating grants | 5.7 | 1.1 |
| Income from real estate investments and rentals | 0.9 | 0.9 |
| Compensation for damages | 0.1 | 0.1 |
| NCI grants related to income | (1.3) | - |
| Contingencies | 0.1 | 0.3 |
| Other | 2.6 | 1.0 |
| Total other revenue and income | 8.1 | 3.4 |

13.3 Costs for the purchase of consumables, costs for services and other costs

Costs for the purchase of consumables, costs for services and other costs totalled €546.7 million (€425.6 million in the first half of 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Costs for the purchase of consumables | 6.0 | 5.3 |
| Costs for services | 516.3 | 396.5 |
| Other costs | 24.4 | 23.8 |
| Total costs for the purchase of consumables, services and other costs | 546.7 | 425.6 |

Costs for the purchase of consumables, totalled €6.0 million (€5.3 million in the first half of 2020), mainly refer to the purchase of various production materials, technical materials for inventories and other materials.

The breakdown of costs for services is shown in the table below. The item totalled €516.3 million (€396.5 million in the first half of 2020), net of discounts and rebates obtained. Among other things, they include emoluments, indemnities for office and reimbursement of expenses paid by the Parent Company to Directors for €0.5 million and to Statutory Auditors for €0.1 million. It should also be noted that no member of the Board of Directors and of the Board of Statutory Auditors of the Parent Company performed similar, overlapping duties in other subsidiaries.

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Freelance services | 60.7 | 61.0 |
| Services for programme acquisition and production | 100.6 | 86.2 |
| Daily allowances, travel expenses and accessory costs for personnel | 15.0 | 10.9 |
| Maintenance, repairs, transport and similar | 22.2 | 19.6 |
| IT system documentation and assistance services | 28.3 | 27.6 |
| Other outsourced services (telephone, supply services, cleaning, postal, insurance etc.) | 64.8 | 64.2 |
| Leases and rentals | 25.4 | 25.7 |
| Recording rights | 145.5 | 50.7 |
| Rights of use | 54.2 | 53.7 |
| Contingencies | 1.4 | (0.1) |
| Cost recoveries and expense refunds | (1.8) | (3.0) |
| Total costs for services | 516.3 | 396.5 |

Pursuant to Article 2427, no. 16-*bis*, of the Italian Civil Code, it should be noted that the fees for the first half of 2021 for the services provided by the Independent Auditors for the annual statutory audit of the accounts and for other audit services, including the review of the half-yearly financial statements of the Parent Company, totalled €0.3 million. Fees for services other than auditing amount to an insignificant figure in millions of Euros.

Other costs, totalling €24.4 million (€23.8 million in the first half of 2020), mainly refer to the contribution toward usage rights for digital TV frequencies and other contributions to control authorities, indirect taxes and other taxes and to prizes and winnings on radio and television competitions.

13.4 HR expenses

HR expenses, amounting to €524.8 million (€513.1 million in the first half of 2020), break down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Wages, salaries and social security costs | 504.4 | 484.4 |
| Employee severance pay | 22.1 | 22.0 |
| Pensions and similar obligations | 7.3 | 7.3 |
| Others | 2.3 | 6.0 |
| HR expenses | 536.1 | 519.7 |
| Costs for redundancy incentives | - | 1.5 |
| Recovery of expenses | (0.3) | (0.2) |
| Capitalised HR expenses | (9.4) | (7.4) |
| Other HR expenses | (9.7) | (6.1) |
| Contingencies and releases of provisions | (1.6) | (0.5) |
| Total HR expenses | 524.8 | 513.1 |

The item includes €22.3 million of charges for defined contribution plans, €1.7 million of income for defined benefit plans, and €0.1 million of costs of past benefits, as reported in note no. 11.3 "Employee benefits".

Five different collective bargaining agreements (CCLs) are applied within the Group: the CCL for middle managers, office staff and workers employed by the companies Rai, Rai Way, Rai Cinema and Rai Com; the CCL for Rai orchestra musicians; the CCL for journalists (CNLG), applied by Rai under the terms and conditions of the "Agreement for the Extension of the CNLG to Rai" and the relative Addendum Agreement with Usigrai for journalist staff; the national CCL for senior managers of manufacturing and service companies and the relative Addendum Agreement between Rai and ADRai; and the CCL for the middle managers and office staff of Rai Pubblicità.

With respect to those agreements, we report that:

- the collective bargaining agreement for middle managers, office staff and workers was renewed, by agreement made on 28 February 2018, for the period 2014–2018 and, on an exceptional basis, for 2016 and 2017;
- the collective bargaining agreement for orchestra musicians was renewed, by agreement on 28 June 2018, for the three-year period 2014-2016 and, on an exceptional basis, for 2017 and 2018;
- for journalist staff, on 13 March 2018 Rai and Unindustria Roma signed a Agreement for the Extension of the National Collective Bargaining Agreement for Journalists to Rai, with the Rai journalists trade union, Usigrai and the National Press Federation, FNSI. the Rai–Usigrai Addendum Agreement expired on 31 December 2013;
- for personnel employed as senior managers, the collective bargaining agreement for the period 1 January 2019 - 31 December 2023 is still in force, while the Rai–ADRAi Addendum Agreement for the three-year period 2017-2019 was renewed on 6 July 2018;
- the collective bargaining agreement for middle managers and office staff of Rai Pubblicità was renewed, by agreement on 7 July 2018, for the period 2014-2016 and, on an exceptional basis, for 2017 and 2018.

The average number of employees included in the area of consolidation is shown below by employment category:

| | Half-year ended 30 June 2021 | | | Half-year ended 30 June 2020 | | |
|--------------------------------|---|--|---------------|---|--|---------------|
| | Average number of staff on a temporary contract | Average number of staff on a permanent contract ⁽¹⁾ | Total | Average number of staff on a temporary contract | Average number of staff on a permanent contract ⁽¹⁾ | Total |
| Senior managers ⁽²⁾ | - | 313 | 313 | - | 319 | 319 |
| Middle managers | - | 1,568 | 1,568 | - | 1,606 | 1,606 |
| Journalists ⁽³⁾ | 141 | 1,888 | 2,029 | 20 | 1,818 | 1,838 |
| Office staff ⁽⁴⁾ | 59 | 7,787 | 7,846 | 88 | 7,822 | 7,910 |
| Workers | 3 | 833 | 836 | 4 | 884 | 888 |
| Orchestra players | - | 119 | 119 | 2 | 114 | 116 |
| | 203 | 12,508 | 12,711 | 114 | 12,563 | 12,677 |

(1) Of which apprentices.

493

419

(2) The data includes the senior managers hired with temporary contract

4

4

(3) Including executive staff.

(4) Administrative, technical, editorial and production personnel; this category also includes outpatient general practitioners.

The average number of employees was calculated as the arithmetic mean of the daily number of employees over the reporting period, weighted to account for part-time employees. The average number of employees includes personnel on permanent and fixed-term employees.

13.5 Impairment of financial assets

This item recognises impairment losses (including recoveries) of financial assets, which include all assets of a contractual origin that give right to receiving cash flows (including trade receivables).

The item, equal to €0.3 million (€2.3 million in the first half of 2020), refers to the net effect of uses and allocations to provisions for the write-down of trade receivables, as explained in Note 8.2 "Trade receivables", to which reference is made.

13.6 Depreciation, amortisation and other write-downs

Depreciation, amortisation and other write-downs totalled €266.1 million (€278.8 million in the first half of 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Amortisation and depreciation | | |
| Property, plant and equipment: | | |
| Buildings | 7.1 | 6.8 |
| Plant and machinery | 40.4 | 37.4 |
| Industrial and commercial equipment | 1.7 | 1.6 |
| Other assets | 3.5 | 3.3 |
| Total depreciation of property, plant and equipment | 52.7 | 49.1 |
| Depreciation of real estate investments | 0.1 | 0.1 |
| Lease rights of use: | | |
| Land and buildings | 10.3 | 10.3 |
| Other assets | 1.7 | 1.8 |
| Total depreciation of lease rights of use | 12.0 | 12.1 |
| Intangible assets: | | |
| Programmes | 163.0 | 182.5 |
| Software | 6.4 | 5.1 |
| Other intangible assets | 0.1 | 0.1 |
| Total amortisation of intangible assets | 169.5 | 187.7 |
| Total amortisation and depreciation | 234.3 | 249.0 |
| Other write-downs | | |
| Programmes under amortisation | 31.4 | 29.6 |
| Programmes in progress | 0.6 | 0.6 |
| Other non-current receivables and assets | 0.5 | 0.2 |
| Current income tax receivables | (0.9) | (0.6) |
| Other current receivables and assets | 0.2 | - |
| Total other write-downs | 31.8 | 29.8 |
| Total depreciation, amortisation and other write-downs | 266.1 | 278.8 |

13.7 Provisions

The item, which recognises the provisions for risks and charges and any releases not classifiable in specific items of the income statement, shows net provisions of €0.1 million (net provisions of €2.2 million in the first half of 2020) due to provisions for €1.8 million (€2.9 million in the first half of 2020), offset by issues for €1.9 million (€0.7 million in the first half of 2020), which mostly relate to sundry disputes.

13.8 Financial income and expenses

Net financial expenses totalled €6.7 million (€9.2 million in the first half of 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Financial income | | |
| Dividends | 0.1 | - |
| Gains from currency valuation | 0.3 | 0.6 |
| Currency gains realised | (0.2) | (0.3) |
| Income from currency derivatives | - | 0.2 |
| Others | - | 0.1 |
| Total financial income | 0.2 | 0.6 |
| Financial expense | | |
| Interest expense on bonds | (3.7) | (6.2) |
| Interest expense due to banks | (0.4) | (0.2) |
| Foreign exchange losses | (0.5) | (0.5) |
| Foreign exchange losses realised | 0.2 | 0.3 |
| Interest on employee benefit liabilities | (0.4) | (1.3) |
| Interest on leases | (0.6) | (0.5) |
| Others | (1.5) | (1.4) |
| Total financial expense | (6.9) | (9.8) |
| Total net financial income (expense) | (6.7) | (9.2) |

13.9 Earnings from investments recognised at equity

Earnings from equity investments recognised at equity amounted to a negative €3.8 million (negative by €0.2 million in the first half of 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| Euronews SA | - | (0.4) |
| San Marino RTV SpA | (0.2) | (0.2) |
| Tivù Srl | 4.0 | 0.4 |
| Total earnings from equity investments recognised at equity | 3.8 | (0.2) |

The breakdown of the change in equity investments recognised under the equity method is reported in Note 7.5 "Equity investments".

13.10 Income tax

Income tax amounted to €8.8 million (€9.2 million in the first half of 2020). The figure breaks down as follows:

| (€/million) | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
|--|---------------------------------|---------------------------------|
| IRES | (14.9) | (12.5) |
| IRAP | (2.9) | (2.4) |
| Total current taxes | (17.8) | (14.9) |
| Deferred tax liabilities | 0.9 | 0.9 |
| Deferred tax assets | 7.1 | 4.3 |
| Total deferred taxes | 8.0 | 5.2 |
| Direct taxes of previous years and others | 1.0 | 0.5 |
| Total income taxes | (8.8) | (9.2) |

In the first half of 2021, the economic trends that occurred led to taxable income for the period for Group companies, for which IRES (corporate income tax) of €14.9 million and IRAP (regional tax on productive activities) of €2.9 million were allocated.

Deferred tax liabilities had a positive effect on the income statement of €0.9 million due to the re-entry of the temporary differences recognised in the previous years.

For IRES purposes, in the first half of 2021, as well as in the first half of 2020, the Parent Company recognised tax losses for which deferred tax assets with a positive effect of €6.7 million on profit or loss.

14.1 Guarantees

Guarantees provided, which amounted to €20.2 million (€20.5 million as at 31 December 2020), are broken down as follows:

| (€/million) | Half-year ended 30 June 2021 | | | | Year ended 31 December 2020 | | | |
|--------------|------------------------------|---------------------------|------------|-------------|-----------------------------|---------------------------|------------|-------------|
| | Sureties | Other personal guarantees | Collateral | Total | Sureties | Other personal guarantees | Collateral | Total |
| Others | 18.0 | - | 2.2 | 20.2 | 18.3 | - | 2.2 | 20.5 |
| Total | 18.0 | - | 2.2 | 20.2 | 18.3 | - | 2.2 | 20.5 |

Guarantees given included the assumption of payment obligations in favour of the Tax Authorities, as security for the early repayment of the VAT surplus of €17.0 million (€17.2 million as at 31 December 2020) in favour of subsidiaries.

The Group has also recognised €382.7 million of guarantees provided by third parties (€409.5 million as at 31 December 2020) on commercial and financial obligations. Those guarantees mainly consist of:

- i) guarantees received from various banks and insurance institutions:
 - to guarantee the purchase of goods and services;
 - full performance of contracts for the production of radio and television productions;
- ii) guarantees provided by third parties on obligations held by the Group:
 - for payables – mainly surety guarantees for the Parent Company on the medium/long term EIB loan;
 - for other obligations - mainly for guarantees issued to the Ministry of Economic Development to secure prize competitions, for guarantees issued to various bodies for the 2021 Olympic Games and for the qualifying and finals stages of the 2022 Football World Cup.

14

More information

14.2 Commitments

The main commitments, including long-term commitments, connected with products or with technological development and modernisation initiatives and in place at the reporting date are reported in the table below:

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| Future commitments on: | | |
| Sports broadcasting rights | 176.1 | 122.3 |
| Investments in audiovisual works | 209.8 | 251.3 |
| Rights and services for the production of programmes | 10.5 | 34.8 |
| Technical investments | 111.2 | 76.9 |
| Total commitments | 507.6 | 485.3 |

14.3 Contingent liabilities

Group companies, mainly Rai, are parties in civil, administrative, labour law and social security lawsuits connected with their ordinary business activities.

Civil and administrative litigation involving the Group companies is primarily connected with the production and public broadcasting of radio and television programmes. Almost all civil litigation concerns claims for damages, mostly related to defamation and infringement of personality rights and violation of copyright law. As part of administrative proceedings, damages are usually claimed in procurement disputes where, however, the claim for damages in kind is only made in the alternative, the main claim being for the annulment of the tender documents and in some cases the taking over of the contract.

In relation to labour law and social security matters, the Group companies are parties in several lawsuits, mainly concerning claims for reinstatement, applications for investigations into the alleged use of fictitious intermediaries in the procurement of labour, applications for higher level employment grades and categories, compensation claims for alleged demotion and alleged non-fulfilment of social security obligations under employment contracts or collective bargaining agreements.

If, on the basis of analyses conducted on such kinds of litigation:

- information is available, at the time of preparation of the financial statements, suggesting it is likely that a liability will arise;
- and the amount of the liability can be reasonably estimated, considering the petition made by the applicant,

then a relative liability is recognised through the allocation of provisions for legal disputes.

Note 11.4 "Provisions for non-current risks and charges" details provisions made for that occurrence.

On the basis of information currently available, the Group believes that provisions for risks are adequate.

14.4 Transactions with related parties

Transactions between the Parent Company and related parties are reported below; as identified on the basis of the criteria provided by IAS 24 "Related Party Disclosures".

Related party dealings are mainly of a commercial and financial nature and involve the following related parties:

- Rai Cinema;
- Rai Com;
- Rai Corporation;
- Rai Pubblicità;
- Rai Way;
- Group key management personnel ("Senior Management");
- other associates and joint ventures with which the Group has an interest as indicated in Note 7.5 "Equity investments"; companies under the control or joint control of Senior Management and bodies that manage benefit plans after the work relationship ends and solely for Group employees ("Other related parties").

Although related party transactions are conducted at arm's length, there is no guarantee that if those transactions were negotiated and pursued with or between third parties, the relative contracts, and the transactions themselves, would stipulate the same terms and conditions.

"Senior management" means managers with strategic responsibilities with the power and direct or indirect responsibility for the planning, management and control of Group business, including therein the members of the Board of Directors of Group companies. For information on emoluments paid to statutory auditors of the Parent Company, see Note 13.3 "Costs for the purchase of consumables, costs for services and other costs".

The follow table details the balance sheet totals as at 30 June 2021 and as at 31 December 2020 and the income effects of transactions between the Group and related parties conducted in the half years ended 30 June 2021 and 30 June 2020, except transactions between Group companies, consolidated on a line-by-line basis:

| (€/million) | Senior Management | Other related parties | Total |
|---|-------------------|-----------------------|---------------|
| Trade receivables | | | |
| As at 30 June 2021 | - | 0.3 | 0.3 |
| As at 31 December 2020 | - | 0.3 | 0.3 |
| Current financial assets | | | |
| As at 30 June 2021 | - | 1.7 | 1.7 |
| As at 31 December 2020 | - | 0.8 | 0.8 |
| Other current receivables and assets | | | |
| As at 30 June 2021 | - | 0.1 | 0.1 |
| As at 31 December 2020 | - | - | - |
| Employee benefits | | | |
| As at 30 June 2021 | (5.0) | (13.5) | (18.5) |
| As at 31 December 2020 | (5.0) | (13.9) | (18.9) |
| Trade payables | | | |
| As at 30 June 2021 | - | (4.8) | (4.8) |
| As at 31 December 2020 | - | (3.6) | (3.6) |
| Other current payables and liabilities | | | |
| As at 30 June 2021 | (8.1) | (8.6) | (16.7) |
| As at 31 December 2020 | (8.2) | (16.9) | (25.1) |

| (€/million) | Senior Management | Other related parties | Total |
|--|-------------------|-----------------------|---------------|
| Revenue from sales and services | | | |
| As at 30 June 2021 | - | 0.4 | 0.4 |
| As at 30 June 2020 | - | 0.4 | 0.4 |
| Costs for services | | | |
| As at 30 June 2021 | (0.6) | (6.0) | (6.6) |
| As at 30 June 2020 | (0.6) | (5.8) | (6.4) |
| HR expenses | | | |
| As at 30 June 2021 | (12.2) | (6.2) | (18.4) |
| As at 30 June 2020 | (11.6) | (6.9) | (18.5) |

With regard to the description of the main agreements in place between the Rai and the subsidiaries, associated companies and joint ventures identified above, reference should be made to the specific paragraph in the Notes to the Consolidated Financial Statements of the Report and Financial Statements as at 31 December 2020 of the Rai Group, with the exception of the following paragraphs.

Tax consolidation arrangement

The Rai Group has a national tax consolidation arrangement in place for IRES tax purposes, as permitted under Articles 117 et seq. of the Italian Income Tax Code and governed by Ministerial Decree of 9 June 2004.

As of the 2017 tax year, the option to join the arrangement will be tacitly renewed without the need for notification.

The tax and equity arrangements between the participating companies are governed by a specific agreement made between the parties, which is updated in the light of relative legislative amendments applicable under the agreement.

Group VAT offsetting

The Group has adopted the group VAT offsetting procedure as per Ministerial Decree of 13 December 1979, providing implementing rules for the provisions of Article 73, last paragraph, of Presidential Decree 633 of 26 October 1972.

The option to apply the Group VAT procedure is valid for one year and was exercised by Rai and all its Italian subsidiaries until 31 December 2021. Statutory and financial relationships under the procedure are governed by a specific agreement between the parties.

No relevant event to report.

15

Subsequent
events

The analysis of items reconciling the result of the income statement and shareholders' equity of the Separate Financial Statements and respective figures of the Consolidated Financial Statements is presented below:

(€/million)

| | Profit/(loss) | | Shareholders' equity | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 | Half-year ended 30 June 2021 | Half-year ended 30 June 2020 |
| Rai financial statements | 29.8 | 33.0 | 731.6 | 694.3 |
| Elimination of the value of equity investments against respective shareholders' equity and of dividends distributed against profits for the period | (18.7) | (28.9) | (362.9) | (322.5) |
| Adjustment of deferred taxes on the Rai Way equity investment revaluation | - | - | 5.0 | 5.0 |
| Adjustment for different recognition methods between Rai and Rai Cinema of the costs/ revenues deriving from the assignment of the right of option to the catalogue of Rai Cinema net of its tax effect | (1.7) | - | (1.7) | - |
| Other consolidation adjustments | 0.3 | 0.7 | (4.8) | (5.1) |
| Consolidated Financial Statements | 9.7 | 4.8 | 367.2 | 371.7 |
| <i>of which: minority interests</i> | <i>11.4</i> | <i>11.6</i> | <i>46.1</i> | <i>56.6</i> |

16

Reconciliation between the Separate and Consolidated Financial Statements

17.1 Rai equity investments in subsidiaries

The following table reports the equity investments held by Rai in domestic and foreign subsidiaries.

As at 30 June 2021, the above investments are unchanged from 31 December 2020.

| (Values as at 31 December 2020) | Registered office | No. shares/units held | Nominal value (in Euros) | Share capital (in €/000) | Equity interest held % |
|---------------------------------|-------------------|-----------------------|--------------------------|--------------------------|------------------------|
| Subsidiaries | | | | | |
| Rai Cinema SpA | Rome | 38,759,690 | 5.16 | 200,000 | 100.00% |
| Rai Com SpA | Rome | 2,000,000 | 5.16 | 10,320 | 100.00% |
| Rai Corporation in liquidation | New York (USA) | 50,000 | 10.00 ⁽¹⁾ | 500 ⁽²⁾ | 100.00% |
| Rai Pubblicità SpA | Turin | 100,000 | 100.00 | 10,000 | 100.00% |
| Rai Way SpA | Rome | 176,721,110 | - ⁽³⁾ | 70,176 | 64.971% |

(1) Values in USD

(2) Values in USD/000

(3) Ordinary shares with no stated par value.

The market value of Rai Way shares as at 30 June 2021 was €5.08.

17

Appendix

17.2 Consolidated net financial debt

The following is the Net Financial Debt of the Group, 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 of 4 March 2021 (guidelines on disclosure requirements under EU Regulation 2017/1129, so called "Prospectus Regulation").

| (€/million) | Half-year ended 30 June 2021 | Year ended 31 December 2020 |
|--|---------------------------------|--------------------------------|
| A. Cash on hand | 112.0 | 15.5 |
| B. Cash equivalents | | |
| C. Other current financial assets (*) | 7.1 | 8.0 |
| D. Liquidity (A + B + C) | 119.1 | 23.5 |
| E. Current financial debt | (22.9) | (250.4) |
| F. Current portion of non-current financial debt | (0.2) | (5.2) |
| G. Current financial debt (E + F) | (23.1) | (255.6) |
| H. Net current financial debt (G - D) | 96.0 | (232.1) |
| I. Non-current financial debt | (114.1) | (75.2) |
| J. Debt instruments | (299.2) | (299.1) |
| K. Trade payables and other non-current payables | - | - |
| L. Non-current financial debt (I + J + K) | (413.3) | (374.3) |
| M. Total financial debt (H + L) | (317.3) | (606.4) |
| Of which operating lease liabilities | (80.6) | (83.0) |
| Net financial debt excluding operating lease liabilities | (236.7) | (523.4) |
| (*) It includes financial assets for hedging derivatives for an amount equal to: | 0.1 | - |

Certification pursuant to article 154-*bis* of Italian Legislative Decree 58/98

The undersigned Carlo Fuortes, in the capacity as Chief Executive Officer, and Marco Brancadoro, in the capacity as Manager in charge of drawing up the corporate accounting documents of RAI Radiotelevisione italiana SpA, also taking into account the provisions of Article 154-*bis*, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998, hereby attest:

- the adequacy in relation to the characteristics of the Company, and
- the actual application

of administrative and accounting procedures in preparing the Consolidated Interim Financial Statements as at 30 June 2021 during the first half of 2021.

The administrative and accounting procedures and operating practices in place have been applied in a manner consistent with the internal administrative and accounting control system to ensure the achievement of the objectives required by the applicable regulatory framework.

It is also attested that:

- the Consolidated Interim Financial Statements as at 30 June 2021 of the RAI Group:
 - a) have been prepared in accordance with International Financial Reporting Standards endorsed by the European Union pursuant to EC Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the entries in the books and accounting records;
 - c) are suitable to provide a true and fair representation of the equity, economic and financial position of the issuer and of all of the companies included in the scope of consolidation.
- the Report on Operations includes a reliable analysis of the trends and results of operations, as well as the situation of the issuer and of all of the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 27 October 2021

Marco Brancadoro

*Manager in charge of drawing up
the corporate accounting documents*

Carlo Fuortes

Chief Executive Officer

Independent Auditors' Report

REVIEW REPORT ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of RAI – Radiotelevisione italiana SpA

Foreword

We have reviewed the accompanying consolidated interim financial statements of RAI – Radiotelevisione italiana SpA and its subsidiaries (the “RAI Group”), which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related explanatory notes as of 30 June 2021. The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of the consolidated interim financial statements that give a true and fair view in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of consolidated interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the RAI Group as of 30 June 2021 do not give a true and fair view of the financial position, the result of operations and cash flows of the RAI Group, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, 5 November 2021

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.



Corporate directory

Rai General Management

Viale Mazzini, 14
00195 Rome
Via Cavalli, 6
10138 Turin

t. +39 06 38781
www.rai.it

Rai Centres

**Centro di produzione TV
(TV Production Centre)**
Largo Villy De Luca, 4
00188 Rome

Production centre RF
Via Asiago, 10
00195 Rome

Production centre
Corso Sempione, 27
20145 Milan

Production centre
Via Verdi, 16
10124 Turin

Research
Via Cavalli, 6
10138 Turin

Production centre
Via Marconi, 9
80125 Naples

Subsidiaries

Rai Cinema SpA
Piazza Adriana, 12
00193 Rome

t. +39 06 684701
www.raicinema.it

Rai Com SpA
Via Umberto Novaro, 18
00195 Rome

t. +39 06 36861
www.rai-com.com

Rai Corporation
c/o GC Consultants
444 Madison Avenue
Suite 1206
New York - NY 10022

Rai Pubblicità SpA
Via Cavalli, 6
10138 Turin

t. +39 011 7441111
www.raipubblicità.it

Regional Offices

Abruzzo
Via de Amicis, 27
65123 Pescara

Liguria
Corso Europa, 125
16132 Genoa

Sicily
Viale Strasburgo, 19
90146 Palermo

Valle d'Aosta
Loc. La Grande-Charrière, 80
11020 Saint Christophe (AO)

Basilicata
Via dell'Edilizia, 2
85100 Potenza

Marche
Scalo Vittorio Emanuele, 1
60121 Ancona

Tuscany
Via Ettore Bernabei, 1
50136 Florence

Veneto
Palazzo Labia
Campo San Geremia
Cannaregio, 275
30121 Venice

Calabria
Via G. Marconi snc
87100 Cosenza

Molise
Contrada Colle delle Api
86100 Campobasso

**Autonomous Province
of Bolzano**
Piazza Mazzini, 23
39100 Bolzano

Emilia-Romagna
Viale della Fiera, 13
40127 Bologna

Puglia
Via Dalmazia, 104
70121 Bari

**Autonomous Province
of Trento**
Via f.lli Perini, 141
38122 Trento

Friuli-Venezia Giulia
Via Fabio Severo, 7
34133 Trieste

Sardinia
Via Barone Rossi, 27
09125 Cagliari

Umbria
Via Luigi Masi, 2
06121 Perugia



Rai - Radiotelevisione Italiana SpA

Registered Office
Viale Giuseppe Mazzini, 14
I - 00195 Rome

Share Capital
Euro 242,518,100.00 fully paid in

Company Register Office of Rome
RM 964690

Tax code and VAT number
06382641006

Certified email address
raispa@postacertificata.rai.it

The Rai logo consists of the word "Rai" in a bold, white, sans-serif font, centered within a solid blue square. The letter "i" has a distinct dot above it.

Rai

rai.it