Inter Media and Communication S.p.A

As the issuer of

€300,000,000 4.875% Senior Secured Notes due 2022

Financial Results of Inter Media and Communication S.p.A

For the three months ended 30 September 2018

Date: 26 November 2018

Honours

SERIE A CHAMPIONSHIP 18

1909/10 1919/20 1929/30 1937/38 1939/40 1952/53 1953/54 1962/63 1964/65 1965/66 1970/71 1979/80 1988/89 2005/06 2006/07 2007/08 2008/09 2009/10

ITALIAN CUP 7

1938/39 1977/78 1981/82 2004/05 2005/06 2009/10 2010/11

ITALIAN SUPER CUP 5

1989/90 2005/06 2006/07 2008/09 2010/11

UEFA CHAMPIONS LEAGUE 3

1963/64 1964/65 2009/10

UEFA CUP 3

1990/91 1993/94 1997/98

INTERCONTINENTAL CUP 2

1964/65 1965/66

FIFA CLUB WORLD CUP 1

2010/11

Contents

GENERAL INFORMATION

INTRODUCTION

We, Inter Media and Communication S.p.A ("MediaCo"), are the sole manager and operator of the media, broadcast and sponsorship business of our parent company F.C. Internazionale Milano S.p.A. ("TeamCo"). We were formed in 2014 in connection with the contribution to us by TeamCo (55.6% stake) and Inter Brand S.r.l. ("BrandCo") (44,4% stake) of their business relating to media, broadcast and sponsorship rights, TeamCo's historical media archives, the intellectual property rights relating to the TeamCo brand and certain employees.

TeamCo is owned by Great Horizon S.à r.l. ("Great Horizon")(68.55%), International Sports Capital S.p.A. ("ISC") (31.05%) and minority shareholders (0.40%). Our majority shareholder Great Horizon is part of the Suning Group ("Suning"), a Chinese corporate group with businesses in a variety of sectors, including entertainment, media and sports investment.

TeamCo, with a history dating back to 1908, is one of the leading European football clubs and one of the top football clubs in Italy. TeamCo is the only club to have played every season in Italy's top football league, known as Serie A, since the league's inception in 1929, and is the only club in Serie A that has never been relegated to a league with a lower standing. Inter has won 30 domestic trophies (including eighteen Serie A championships, seven TIM Cup titles and five Supercoppa TIM titles), three UEFA Champions League titles, three UEFA Cup titles, two Intercontinental Cups and one FIFA Club World Cup. In 2010 Inter became the first Italian team to complete the "Continental Treble" by winning the titles in Serie A, TIM Cup and UEFA Champions League all in the same season. Since 2000, Inter has won the Serie A championship five consecutive times, from 2005/2006 to 2009/2010.

CORPORATE BOARDS, MANAGEMENT AND AUDITORS

MediaCo Board of Directors

Zhang Kangyang	President & Director
Alessandro Antonello	Executive Director
Yang Yang	Non-Executive Director
Zhu Qing	Non-Executive Director
Lorenzo Mauro Banfi	Non-Executive Director (Independent Director)

MediaCo Senior Management

Alessandro Antonello	Chief Executive Officer
Javier Zanetti	Vice President
Tim Williams	Chief Financial Officer
Michael Gandler	Chief Revenue Officer (left on12 November 2018)
Robert Faulkner	Chief Communications Officer
Luca Danovaro	Chief Marketing Officer
Piero Ausilio	Chief Sport Officer
Giovanni Gardini	Chief Football Operations Officer

MediaCo Board of Statutory Auditors

Luca Nicodemi	Chairman
Giacomo Perrone	Auditor
Luca Alessandro Padula	Auditor
Fabrizio Piercarlo Bonelli	Alternate Auditor
Nicola Cameli	Alternate Auditor

MediaCo Independent Auditors

Deloitte & Touche S.p.A.

REFINANCING TRANSACTION

On December 14th, 2017, MediaCo priced its offering of €300.0 million in aggregate principal amount of 4.875% Senior Secured Notes due 2022 (the “Notes”).

The Notes represent the first MediaCo high yield bond placed with the international capital markets to a broad base of institutional investors by an Italian football group.

Purpose of this transaction (the “Refinancing Transaction”), closed on December 21st, 2017, was to use the €300 million proceeds, net of fees and expenses in respect of the Refinancing Transaction, together with certain excess cash included in secured accounts associated with the previous bank facility (i) to repay all amounts outstanding under the previous bank facility, (ii) to repay all amounts outstanding under a bank facility used by TeamCo, and (iii) for TeamCo’s general corporate purposes

Through the Refinancing Transaction we have extended the maturity profile of the TeamCo group’s debt, while enhancing the group’s financial flexibility with a financing structure enabling the group to pursue its long-term strategic goals.

FINANCIAL INFORMATION

INTRODUCTION

The financial information presented in this section is based on the unaudited interim financial statements of MediaCo as of and for the three-month period ended September 30, 2018 (the "Interim Financial Statements").

The Interim Financial Statements have been prepared in accordance with the accounting standards of the Italian Accountants Profession Board (Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili), revised and supplemented by the Italian Accounting Organization (Organismo Italiano di Contabilità, O.I.C.) ("Italian GAAP").

In preparing the Interim Financial Statements, however, MediaCo reclassified and renamed certain Italian GAAP line items in line with international format.

The items reported in the Interim Financial Statements are stated in accordance with the general principles of prudence and accruals and using the going concern assumption as well as considering the economic function of the assets and liabilities.

The Interim Financial Statements are shown in Euro, which is the functional currency of the TeamCo group. All amounts shown in this document are expressed in thousands of Euro, unless otherwise specified.

Please note that all percentage variances are calculated using the exact data presented in the tables and not to the numbers quoted in the narrative which have been subject to rounding.

FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements that are based on our current expectations, estimates and projections as well as management's beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may,", "should", "will," and variations of these words or similar expressions are intended to identify forward-looking statements. These statements speak only as of the date hereof. Such statements are based upon the information available to us now and are subject to change. We will not necessarily inform you of such changes. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors.

INCOME STATEMENT

The following table sets forth Income Statement data for MediaCo for the three months ended September 30, 2018 compared with the three months ended September 30, 2017.

	For the three months ended September 30	
(in thousands of €)	2017	2018
Revenue	23.567	30.966
Other Income	35	10
Total revenue	23.602	30.976
Personnel costs	588	634
Cost of services	2.054	2.507
Other operating costs	238	213
Depreciation and amortization	4.575	4.578
Total operating costs	7.455	7.932
Operating profit	**16.147**	**23.044**
Net financial expenses	(3.643)	(2.332)
Profit before tax	**12.504**	**20.712**
Income taxes	(3.709)	(5.578)
Profit for the period	**8.795**	**15.134**

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as at 30 September 2018 compared with 30 June 2018.

	As at	
(in thousands of €)	June 30 2018	September 30 2018
Non-current assets		
Intangible assets	305.107	300.549
Property, plant and equipment	87	81
Financial assets	10.410	10.410
Loan to parent company	144.944	146.724
Prepaid expenses	9	16
Non-current Assets	**460.557**	**457.781**
Current assets		
Financial assets	43	10.418
Trade receivables	76.208	103.486
Trade receivables from parent companies and their affiliated	39.126	42.174
Deferred tax assets	200	197
Other receivables	5	5
Prepaid expenses	246	152
Cash at bank and on hand	8.510	36.811
Current Assets	**124.336**	**193.243**
Total Assets	**584.893**	**651.024**

(in thousands of €)	As at June 30 2018	As at September 30 2018
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	105.097	105.097
Retained earnings	4.088	4.088
Profit for the period	65.571	80.705
Total Shareholders' equity	**175.255**	**190.389**
Non-current Liabilities		
Deferred tax liabilities	32.963	32.478
Provisions for employee severance indemnities	172	193
Provisions for risks	247	247
Senior Secured Notes 2022	285.630	286.055
Deferred income	11.714	12.031
Non-current Liabilities	**330.726**	**331.004**
Current Liabilities		
Senior Secured Notes 2022	6.250	9.906
Trade payables	3.073	1.974
Trade payables to parents companies and their affiliated	44.689	89.494
Dividends Payable	22.596	22.596
Tax Payables	830	1.730
Social security payables	146	99
Other payables	221	190
Accrued expenses	72	137
Deferred income	1.033	3.504
Current Liabilities	**78.912**	**129.630**
Total Liabilities and Shareholders' equity	**584.893**	**651.024**

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for the three months ended September 30, 2018 compared with the three months ended September 30, 2017.

(in thousands of €)	For the three months ended September 30 2017	2018
Profit for the period	8.795	15.134
Current taxes	4.184	6.061
Net Financial Expenses	3.643	2.332
Profit for the period before taxes and interest	16.622	23.527
Depreciation and amortization	4.575	4.578
Employee severance indemnities	13	20
Deferred tax assets and liabilities	(475)	(482)
Cash flow from operating activities before changes in working capital	20.735	27.643
Increase in trade and other receivables	(14.194)	(30.327)
Increase/(Decrease) in trade and other payables	23.582	38.466
Other variations in net working capital	1.528	2.907
Cash flow from operating activities after changes in working capital	31.651	38.690
Interest and other financial expenses paid	(3.162)	-
A. Cash flow from operating activities	**28.489**	**38.690**
Investments in Intangible Assets	(2)	(14)
B. Cash flow from investing activities	**(2)**	**(14)**
Repayment of bank loans/Senior Secured Notes 2022	(3.000)	-
Intercompany loans	(4.351)	-
Debt service account	(12.061)	(10.375)
C. Cash flow from financing activities	**(19.412)**	**(10.375)**
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	**9.075**	**28.301**
Cash at bank and on hand at the beginning of the period	**8.982**	**8.510**
Cash at bank and on hand at the end of the period	**18.057**	**36.811**

MANAGEMENT'S DISCUSSION AND ANALYSIS

KEY PERFORMANCE INDICATORS

As described in the Offering Memorandum, in assessing the performance of our business, the key financial measures we use are 'Adjusted Revenue' and 'Cash Available for Debt Service'.

<u>*Adjusted Revenue*</u>

The following table details Adjusted Revenue for the three months ended September 30, 2018 compared with the three months ended September 30, 2017.

(in thousands of €)	For the three months ended September 30 2017	2018
A. Direct Media Revenue	3.598	3.196
B. Other Income	35	10
C. Sponsorship Revenue	19.969	27.770
D. Total Revenue (A+B+C)	**23.602**	**30.976**
E. Serie A Indirect Media Revenue *	32.978	35.383
F. UEFA Indirect Media Revenue *	-	32.228
G. Adjusted Media Revenue (A+E+F)	**36.576**	**70.807**
B. Other Income	35	10
C. Sponsorship Revenue	19.969	27.770
Adjusted Revenue (G+B+C)	**56.580**	**98.587**

** represented based on actual cash value (incl. VAT where applicable) of Media Revenue assigned from TeamCo to MediaCo during the three months period ended 30 September*

Our Adjusted Revenue increased by €42.0 million or 74.2% to €98.6 million for the three months ended September 30, 2018 from €56.2 million for the three months ended September 30, 2017. This increase was primarily due to (i) the participation in the UEFA Champions League ("UCL"), (ii) the increase in Sponsorship Revenue driven by Asia regional agreements signed in the last quarter of prior fiscal year and (iii) the growth in Serie A Indirect Media Revenue favorably affected by the new 3-year cycle effective from the current season and the improved final position of the team in Serie A 2017-2018 (4th) compared to prior sporting season.

Sponsorship Revenue

Sponsorship Revenue increased by €7.8 million or 39.1% to €27.8 million for the three months ended September 30, 2018 from €20.0 million for the three months ended September 30, 2017, driven by an increase in regional and naming right sponsorship packages and in the Technical and Shirt sponsorship fee. This is detailed on the following table:

(in thousands of €)	For the three months ended September 30 2017	2018
Shirt	2.513	2.635
Technical	938	2.500
EU/Global	3.865	2.624
Regional and naming rights	12.653	20.011
Sponsorship Revenue	**19.969**	**27.770**

- Shirt

The increase in Shirt sponsorship revenue is related to the higher annual contractual base fee (from €10.1 million in the fiscal year ended June 30, 2018 to €10.5 million in the current fiscal year ending June 30, 2019).

- Technical

The increase in Technical sponsorship revenue is related to the higher annual contractual base fee (from €3.8 million in the fiscal year ended June 30, 2018 to €10.0 million in the current fiscal year ending June 30, 2019) due to the return to the UCL in the sporting season 2018/2019.

- EU/Global

The decrease in EU / Global sponsorship revenue, on a pro-rata basis, is mainly related to the exit from the marketing agreement with Infront which until the fiscal year ended June 30, 2018 ensured a contractual minimum guaranteed amount which could be booked on a pro-rata basis independently on the value of signed underlying contracts. In the current season we account, on a pro-rata basis, only for contracts already in force at the end of the reporting period. The annual value of EU/Global sponsorship in force to date is €12.6 million. For further information on the current sponsorship agreements in Italy and the rest of Europe, please see “Update on Sponsorship agreements”.

- Regional and Naming Rights

The increase in regional and naming right sponsorship packages is detailed in the following table:

(in thousands of €)	For the three months ended September 30 2017	2018
Naming Rights and Sponsorship Agreement	4.709	2.204
Other Sponsorship Agreements	7.944	17.806
Regional and naming rights	**12.653**	**20.011**

The reduction of Naming Rights and Sponsorship Agreement derives from the impact resulting from the agreement signed at the closing date of the Refinancing Transaction assigning 47% of the value of this contract to TeamCo starting from December 21st, 2017 as related to Naming Rights of the training centers (the total contractual annual base fee remains unchanged at €16.5 million). In addition, in prior period, this revenue was favorably affected by a €0.6 million contractual performance bonus not repeated in the current quarter.

The increase in Other regional Sponsorship Agreements (+ €9.9 million or +124.2%) is driven by contracts signed in the last quarter of prior fiscal year:

- Full Share (Full Share Holding Limited) – an Educational Services provider: annual fee for the current fiscal year of €10,0 million
- Lvmama.com (King Dawn Investment Limited) – an online travel agent: : annual fee for the current fiscal year of €10,0 million
- iMedia – a Chinese Sports Marketing Agency who have been granted selected category rights for an annual minimum guaranteed amount of €25.0 million

Adjusted Media Revenue

Adjusted Media Revenue shows a €34.2 million increase (or 93.6%) which is driven by:

- The participation to UCL 2018/2019, for which, in the three months period ended 30 September 2018, UEFA Indirect Media Revenue amounted to €32.2 million relating to the Group Stage fee (€14.5 million) and the coefficient based on historical results assigned to the club (€17.7 million).

- the €2.4 million growth in Serie A Indirect Media Revenue (+7.3%) favorably affected by the new 3-year cycle effective from the current season and the final better position of the team in Serie A 2017-2018 (4th) compared to prior sporting season.

The increases above described have been only slightly offset by a €0.4 million reduction in Direct Media Revenues relating to Inter TV distribution.

Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the three months ended September 30, 2018 compared with the three months ended September 30, 2017.

	For the three months ended September 30	
(in thousands of €)	**2017**	**2018**
Sponsorship Revenue		
- Shirt	2.513	2.635
- Technical	938	2.500
- EU/Global	3.865	2.624
- Regional and naming rights	12.653	20.011
Direct Media Revenue	3.598	3.196
Other Income	35	10
Total revenue	**23.602**	**30.976**
Indirect Media Revenue		
- Serie A Indirect Media Revenue *	32.978	35.383
- UEFA Indirect Media Revenue *	-	32.228
Adjusted Revenue	56.580	98.587
Change in Current operating assets	(12.047)	(27.856)
Change in Non current operating assets	(107)	317
Cash inflow	**44.426**	**71.048**
Personnel costs	(588)	(634)
Cost of services	(2.054)	(2.507)
Other costs	(238)	(213)
Income taxes	(3.709)	(5.578)
Change in Current operating liabilities	4.009	2.043
Change in Non current operating liabilties	(441)	(472)
Cash Outflow	**(3.021)**	**(7.360)**
Cash Available for Debt Service	**41.404**	**63.688**

** represented based on actual cash value (incl. VAT where applicable) of Media Revenue assigned from TeamCo to MediaCo for the three months ended 30 September*

Cash Available for Debt Service increased by €22.3 million or 53.8% to €63.7 million for the three months ended September 30, 2018 from €41.4 million for the three months ended

September 30, 2017, driven by the described growth in Adjusted Revenues and partially offset by:

- increase in working capital (in particular: Current Operating assets) mainly due to:
  - collection timing of the €17.7 million portion of UEFA Indirect Media Revenue relating to the coefficient based on historical results assigned to the club: in fact, this has been collected in October 2018
  - collection timing of Asian Sponsorship contracts (as better described below)
- increase in cash outflows mainly due to the repayment of 47% fee of 2017/2018 Naming Rights contract (starting from 21 December 2017) to TeamCo (in prior year MediaCo collected the full €16.5 million annual fee) which generated a decrease in positive balance of Change in Current Operating liabilities

We notice that there was no payment of Income Taxes in the three months ended 30 September 2018 (neither in the three months ended 30 September 2017), with the value of related lines in the table above offset by an increase in the line “Change in Current Operating liabilities”

With regard to collection timing of Asian Sponsorship contracts, we present the following table:

(in thousands of €)	Value	Collected in the fiscal year ended June 30, 2017	Collected in the fiscal year ended June 30, 2018	Collected in the three months ended September 30, 2018	Outstanding at 30 September 2018	Outstanding at date of this report
Revenues booked in fiscal year ended 30 June 2017						
Naming Rights and Sponsorship Agreement	19.050	16.500	2.550	-	-	-
Naming Rights and Sponsorship Agreement - co-branding	25.000	-	2.500	-	22.500	22.500
Other Sponsorship Agreements	30.758	18.300	12.458	-	-	-
	74.808	**34.800**	**17.508**	**-**	**22.500**	**22.500**
Revenues booked in fiscal year ended 30 June 2018						
Naming Rights and Sponsorship Agreement	23.550		12.450	-	11.100	11.100
Other Sponsorship Agreements	64.079		2.264	9.524	52.291	52.291
	87.629		**14.714**	**9.524**	**63.391**	**63.391**
Revenues booked in the three months period ended 30 September 2018						
Naming Rights and Sponsorship Agreement	2.204			-	2.204	2.204
Other Sponsorship Agreements	17.806			-	17.806	17.806
	20.011			**-**	**20.011**	**20.011**
Total	**182.448**	**34.800**	**32.222**	**9.524**	**105.902**	**105.902**

The table highlights that:

- in the period 1 July 2016 – 30 September 2018, we booked accumulative revenues of €182.4 million, collecting €76.5 million
- outstanding amounts at 30 September 2018 (and to date) is €105.9 million, of which €20.0 million relating to the current quarter.

Following discussions with our Asian counterparties, including related parties, we have entered into agreements which confirmed, for overdue amounts, a revised deadline for the payments of 31 December 2018. Therefore, we expect these amounts will fall into the Cash Available for Debt Service during the fiscal year 2019.

RESULTS OF OPERATIONS

The following table sets forth Income Statement data for MediaCo for the three months ended September 30, 2018 compared with the three months ended September 30, 2017.

(in thousands of €)	For the three months ended September 30	
	2017	2018
Revenue	23.567	30.966
Other Income	35	10
Total revenue	23.602	30.976
Personnel costs	588	634
Cost of services	2.054	2.507
Other operating costs	238	213
Depreciation and amortization	4.575	4.578
Total operating costs	7.455	7.932
Operating profit	**16.147**	**23.044**
Net financial expenses	(3.643)	(2.332)
Profit before tax	**12.504**	**20.712**
Income taxes	(3.709)	(5.578)
Profit for the period	**8.795**	**15.134**

Revenue. Revenues for the three months ended September 30, 2018 increased by €7.4 million or 31.2% to €31.0. million from €23.6 million for the three months ended September 30, 2017. This growth was primarily due to the increase in Sponsorship Revenue as already described (refer to the Section "Adjusted Revenues" for more details).

Personnel costs. Personnel costs for the three months ended September 30, 2018 remained overall in line with the same quarter of prior fiscal year, with a small increase (€ 46 thousand) which reflects the gradual strengthening of commercial and digital/TV departments implemented during the last 12 months to support the growth plan of the group. As at 30 September 2018, we had a total of 38 employees, comprising 25 permanent employees, 12 temporary employees and 1 intern.

Cost of services. Cost of services for the three months ended September 30, 2018 increased by €0.5 million or 22.0% to €2.5 million from €2.0 million for the three months ended September 30, 2017. This increase is due to the pro-rata impact of the Service Agreement in place with TeamCo for an annual fee of €5.0 million starting from the date of the Refinancing Transaction (as described in the Offering Memorandum, TeamCo has undertaken to provide us with certain services including, inter alia, administrative and accounting services, consulting services provided by TeamCo's coaches for events planned by us, web support services related to our sponsorship and media lines of business, legal assistance, including legal services to protect our intellectual property and other general services necessary for the operation of the business).

Excluding the impact of this contract cost of services shows a €0.8 million decrease mainly related to the phasing out of business activities.

Other operating costs. Other operating costs for the three months ended September 30, 2018 are in line with the same quarter of prior year at €0.2 million.

Depreciation and amortization. Depreciation and amortization for the three months ended September 30, 2018 was €4.6 million, in line with the three months ended September 30, 2017.

Financial expenses. Financial expenses for the three months ended September 30, 2018 decreased by €1.3 million or 36.0% to €2.3 million from €3.6 million for the three months ended September 30, 2017. This decrease was mainly due to the combined opposite effect of:

- €1.8 million (vs. nil) interest income accrued on the Intercompany Loans granted to TeamCo at the end of the fiscal year ended June 30, 2017 and during the fiscal year ended June 30, 2018.
- Higher interest expense accrued on the rate on the Notes (€4.1 million) compared to the previous facility.

Income taxes. Income taxes for the three months ended September 30, 2018 increased by €1.9 million or 50.4% to €5.6 million from €3.7 million for the three months ended September 30, 2017. This is related to growth in Profit Before Tax driven by increase in revenues while the tax rate shows a decrease from 30.3% to 26.9%.

Profit for the period. For the reasons described above, Profit for the period for the three months ended September 30, 2018 was €15.1 million presenting a €6.3 million increase (+72.1%) compared to same quarter of prior year.

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for the three months ended September 30, 2018 compared with the three months ended September 30, 2017.

(in thousands of €)	For the three months ended September 30 2017	2018
Profit for the period	8.795	15.134
Current taxes	4.184	6.061
Net Financial Expenses	3.643	2.332
Profit for the period before taxes and interest	16.622	23.527
Depreciation and amortization	4.575	4.578
Employee severance indemnities	13	20
Deferred tax assets and liabilities	(475)	(482)
Cash flow from operating activities before changes in working capital	20.735	27.643
Increase in trade and other receivables	(14.194)	(30.327)
Increase/(Decrease) in trade and other payables	23.582	38.466
Other variations in net working capital	1.528	2.907
Cash flow from operating activities after changes in working capital	31.651	38.690
Interest and other financial expenses paid	(3.162)	-
A. Cash flow from operating activities	**28.489**	**38.690**
Investments in Intangible Assets	(2)	(14)
B. Cash flow from investing activities	**(2)**	**(14)**
Repayment of bank loans/Senior Secured Notes 2022	(3.000)	-
Intercompany loans	(4.351)	-
Debt service account	(12.061)	(10.375)
C. Cash flow from financing activities	**(19.412)**	**(10.375)**
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	**9.075**	**28.301**
Cash at bank and on hand at the beginning of the period	**8.982**	**8.510**
Cash at bank and on hand at the end of the period	**18.057**	**36.811**

Cash flow from operating activities. Cash flow from operating activities for the three months ended September 30, 2018 increased by €10.2 million or 35.8% to €38.7 million from €28.5 million for the three months ended September 30, 2017 mainly due:

- Increase in operating profits driven by revenue growth previously described
- Different timing of the interest payment of the Notes compared to the previous bank facility (in the current fiscal year the first payment relating to the Notes is due in December, whilst in the prior fiscal year we had quarterly installments and paid €3.2 million interest in the first quarter).

With regard to working capital, the increase in trade and other receivables driven by collection timing of UCL revenues and Asian Sponsorships (previously described) has been offset by an increase in trade and other payables mainly as a result of the timing of distribution to TeamCo of Indirect Media Revenues collected in the period due to the waterfall rules.

For comments on other drivers relating to cash flow from operating activities please refer to the paragraph 'Cash Flow Available for Debt Service'.

Cash flow from investing activities. Cash flow from investing activities for the three months ended September 30, 2018 amounted to €14 thousands (compared to €2 thousands in the same quarter of prior fiscal year), remaining immaterial in respect of our business.

Cash flow from financing activities. Cash flow from financing activities for the three months ended September 30, 2018 amounted to negative €10.4 million and fully relates to cash transferred into the Debt Service Accounts to fulfill the obligations of the Notes. In the same quarter of prior fiscal year we also incurred cash outflows for the quarterly installment of the previous bank facility and for intercompany loans granted to TeamCo.

Net change in cash and cash equivalent. Net change in cash and cash equivalent for the three months ended September 30, 2018 increased by €19.2 million or 212.0% to €28.3 million from €9.1 million for the three months ended September 30, 2017, for the reasons described above.

BALANCE SHEET

The following table sets forth the detail of Balance Sheet data for the issuer as at 30 September 2018 compared with 30 June 2018.

	As at	
(in thousands of €)	**June 30 2018**	**September 30 2018**
Non-current assets		
Intangible assets	305.107	300.549
Property, plant and equipment	87	81
Financial assets	10.410	10.410
Loan to parent company	144.944	146.724
Prepaid expenses	9	16
Non-current Assets	**460.557**	**457.781**
Current assets		
Financial assets	43	10.418
Trade receivables	76.208	103.486
Trade receivables from parent companies and their affiliated	39.126	42.174
Deferred tax assets	200	197
Other receivables	5	5
Prepaid expenses	246	152
Cash at bank and on hand	8.510	36.811
Current Assets	**124.336**	**193.243**
Total Assets	**584.893**	**651.024**

Non-current assets. Non-current assets decreased by €2.8 million from €460.6 million at 30 June 2018 to €457.8 million at 30 September 2018 mainly due to the combined opposite effect of:

- Reduction: amortization of intangible and tangible assets for a total amount of €4.6 million
- Increase: accrual of interest on Loans to Parent company for amount of €1.8 million

Current assets. Current assets increased by €68.9 million from €124.3 million at 30 June 2018 to €193.2 million at 30 September 2018 mainly due to:

- €10.4 million increase in Financial Assets which fully relates to cash transferred into the Debt Service Accounts to fulfill the obligations of the Notes

- €30.3 million increase in Trade Receivables (including from parent companies and their affiliated) as explained below

- €28.3 million increase in Cash at bank and on hand due to positive net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement").

The increase in Trade receivables is mainly related to Asian sponsorship contracts and UEFA Indirect Revenues; as detailed in the table below:

(in thousands of €)	As at June 30 2018	As at September 30 2018	Var.
Trade receivables (incl. from parent companies and affiliated)			
Naming Rights and Sponsorship Agreement	11.100	13.304	2.204
Naming Rights and Sponsorship Agreement - co-branding	22.500	22.500	-
Other Asian Sponsorship Agreements	61.815	69.936	8.121
Trade Receivables relating to Asian Sponsorship Agreements	**95.415**	**105.740**	**10.325**
UEFA Indirect Media Revenue	-	17.728	17.728
Other trade receivables	19.918	22.192	2.274
Total Trade receivables (incl. from parent companies and affiliated)	**115.333**	**145.660**	**30.327**

- Receivables relating to Asian Sponsorship Agreements

The €2.2 million increase in trade receivables relating to Naming Rights and Sponsorship Agreement refers to the revenue booked in the three months period ended 30 September 2018

The €8.1 million increase in trade receivables relating to Other Asian Sponsorship Agreements relates to revenue booked in the three months period ended 30 September 2018 (€17.6 million) less collections received in the same period (€9.5 million).

For more details on status of collections relating to Asian Sponsorship Agreements, please refer to the paragraph 'Cash Flow Available for Debt Service' on the previous pages.

- UEFA Indirect Media Revenue

The €17.7 million receivable relates to the portion of UEFA Indirect Media Revenue booked in three months ended 30 September 2018 relating to the coefficient based on historical results assigned to the club. This amount has been collected in October 2018.

The following table sets forth the detail of Balance Sheet Liabilities and Shareholders' equity data for the issuer as at 30 September 2018 compared with 30 June 2018.

	As at	
(in thousands of €)	June 30 2018	September 30 2018
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	105.097	105.097
Retained earnings	4.088	4.088
Profit for the period	65.571	80.705
Total Shareholders' equity	**175.255**	**190.389**
Non-current Liabilities		
Deferred tax liabilities	32.963	32.478
Provisions for employee severance indemnities	172	193
Provisions for risks	247	247
Senior Secured Notes 2022	285.630	286.055
Deferred income	11.714	12.031
Non-current Liabilities	**330.726**	**331.004**
Current Liabilities		
Senior Secured Notes 2022	6.250	9.906
Trade payables	3.073	1.974
Trade payables to parents companies and their affiliated	44.689	89.494
Dividends Payable	22.596	22.596
Tax Payables	830	1.730
Social security payables	146	99
Other payables	221	190
Accrued expenses	72	137
Deferred income	1.033	3.504
Current Liabilities	**78.912**	**129.630**
Total Liabilities and Shareholders' equity	**584.893**	**651.024**

Shareholders' equity. Shareholders' equity increased by €15.1 million from €175.3 million at 30 June 2018 to €190.4 million at 30 September 2018 due to Net Profit of the period.

Non-current liabilities. Non-current liabilities at 30 September 2018 amounted to €331.0 million in line with value at 30 June 2018 (€330.7 million).

Current liabilities. Current liabilities increased by €50.7 million from €78.9 million at 30 June 2018 to €129.6 million at 30 September 2018 mainly due to:

the increase in trade payables to parent companies and their affiliated (+ €44.8 million). This primarily relates to the increase (from €12.8 million to € 63.4 million) in payables due to TeamCo in respect of assignment of receivables made in the first three months of the current fiscal year relating to Indirect Media Revenues which were not yet distributed to TeamCo at 30 September 2018 through the waterfall rules;

- The €3.7 million increase in the current element of the Senior Secured Notes which relates to the portion of interest accrued in the three months ended 30 September 2018 to be paid on 31 December 2018

CAPITAL EXPENDITURES

At €14 thousands, the level of capital expenditure was not considered material for the period under review.

NET FINANCIAL POSITION

The following table sets forth the Net Financial position data for the issuer as at 30 September 2018 compared with 30 June 2018 and shows an improvement of €34.6 million to € 238.3 due to increase in (i) Cash at bank and on hand driven by net cash flow generated in the three months period and (ii) Current financial assets as a result of cash transferred into the Debt Service Accounts to fulfill the obligations of the Notes.

	As at	
(in thousands of €)	**June 30 2018**	**September 30 2018**
Cash at bank and on hand	**8.510**	**36.811**
Current financial assets	43	10.418
Current financial receivables	**43**	**10.418**
Bond - current portion	(6.250)	(6.250)
Accrued interest charges and other financial expenses	-	(3.656)
Current financial liabilities	**(6.250)**	**(9.906)**
Net current financial assets/(liabilties)	**2.303**	**37.322**
Senior Secured Notes 2022	(285.630)	(286.055)
Financial Assets	10.410	10.410
Non-current financial liabilties	**(275.220)**	**(275.645)**
Net financial position	**(272.917)**	**(238.323)**

RISK FACTORS

We confirm that the risk factors described in the Offering Memorandum, and not updated herein, remain applicable to the group with no material changes.

OTHER RELEVANT INFORMATION

Update on Sponsorships agreements

As described in the Offering Memorandum, starting from 1 July 2018 we took over the marketing and negotiation of our sponsorship agreements in Italy and the rest of Europe (as well as corporate hospitality packages, whose revenues and cash is booked by TeamCo) from Infront and brought these functions in-house. Upon this decision we will no longer receive the minimum revenue contractually guaranteed under the agreement with Infront but we we believe that we will be more effective in securing sponsorships from flagship brands and managing our global sponsorship rights by the creation of a dedicated in-house team for our sponsorship marketing efforts.

The table below summarizes our current sponsorship agreements in Italy and the rest of Europe. The table also highlights those contracts renewed (8)/signed (10) starting from 1 July 2018:

Sponsor	Type of sponsorhips	Product Category	Expiration Date	New/ Renewed since 1 July 2018
Pirelli	Global Main Sponsor	Tyres	June 2021	
Nike	Technical Sponsor	Apparel	June 2024	
Sky/Dazn	Top Partner	Media partners	June 2021	
Bwin	Top Partner	Betting	June 2020	
Crédit Agricole	Top Partner	Bank	June 2021	New
Frecciarossa (Trenitalia)	Premium Partner	Train	June 2019	
Brooks Brothers	Premium Partner	Formalwear	June 2019	
Lyoness/Cashback	Premium Partner	Affinity Card	June 2021	
Manpower	Premium Partner	Staffing	June 2019	
Volvo	Premium Partner	Cars	June 2020	
Suning	Premium Partner	Electronics	June 2020	
Cavit	Official Partner	Wine	June 2019	Renewed
Eprice	Official Partner	Consumer electronic retail	June 2021	New
Keylog	Official Partner	Cleaning Service	June 2020	
La Gazzetta dello Sport	Official Partner	Sport newspaper	June 2019	Renewed
Invent	Official Partner	Green energy	June 2019	New
Locauto	Official Partner	Car rental	June 2019	
Mastercard	Official Partner	Official payment	June 2020	New
Esprinet (Nilox)	Official Partner	Overboard	June 2021	Renew
Peroni	Official Partner	Beer	June 2021	New
PES (Konami)	Official Partner	Video Games	June 2020	
RDS	Official Partner	Radio	June 2021	New
San Gemini (Acque Minerali d'Italia)	Official Partner	Water	June 2021	New
Tescoma	Official Partner	Kitchenware/Home Accessories	June 2019	Renewed
Fratelli Beretta	Official Supplier	Food	June 2021	New
Gatorade	Official Supplier	Beverage	June 2020	New
Gattinoni	Official Supplier	Travel	June 2019	Renewed
GR Group	Official Supplier	Agency	June 2020	Renewed
Konica Minolta	Official Supplier	Consumer electronic	June 2021	New
Sixtus	Official Supplier	Medical Equipment	June 2019	Renewed
Technogym	Official Supplier	Gym	June 2019	Renewed

Update on contracted revenue for the fiscal year ending 30 June 2019

Contracted revenue for the fiscal year ending 30 June 2019 (according to the definition of Adjusted Revenue used in the Offering Memorandum and this document) to the date of this report amounts to €258.0 million – i.e. €19.4 million higher than final figure recorded in the fiscal year ended 30 June 2018.

The calculation of contracted revenue is prudently made and excludes any item related to the expected performance of the team and, in particular:

- with regard to Serie A Indirect Media Revenue, it has been calculated assuming the team will finish in the last position of the Serie A league (in order to include a minimum guaranteed amount, only).
- With regard to UCL, it has been calculated assuming the team will finish in the last position of the Group Stage with consequent elimination from any European

competition to ensure we present the minimum guaranteed amount (including performance bonuses already achieved to date) only.

As detailed in the table below, the increase vs. prior fiscal year is driven by UEFA Indirect Media Revenue generated by the participation to the UCL Group Stage

(in thousands of €)	For the three months ended 30 September 2018	Fiscal Year ending 30 June 2019	Fiscal Year ended 30 June 2018
	Actual	Contracted to date	Actual
A. Direct Media Revenue	3.196	13.572	14.427
B. Other Income	10	10	553
C. Sponsorship Revenue	27.770	112.665	122.425
D. Total Revenue (A+B+C)	**30.976**	**126.247**	**137.405**
E. Serie A Indirect Media Revenue	35.383	86.793	100.669
F. UEFA Indirect Media Revenue	32.228	45.000	539
G. Adjusted Media Revenue (A+E+F)	**70.807**	**145.365**	**115.635**
B. Other Income	10	10	553
C. Sponsorship Revenue	27.770	112.665	122.425
Adjusted Revenue (G+B+C)	**98.587**	**258.040**	**238.613**

TEAMCO UPDATE

SPORTING PERFORMANCE

After the most recent matches played as of November 23th, 2018, the team is currently:

- 3rd in the Serie A table (after 12 matches). We remind that the first four positions of Serie A at the end of the sporting season give access to UCL Group Stage of the following one (whilst the 5th and 6th final position give access to UEL competition)
- 2nd in the UCL Group Stage (after 4 matches), three points ahead of the team sit in 3rd position.

The team will start to play the domestic Cup ("Coppa Italia") in January 2019 starting from the Round of 16.

MATCH ATTENDANCE

Match attendance numbers in current sporting season 2018/2019 is confirming the extremely positive trend of the prior season.

The season ticket campaign shows significant increases vs. prior season with revenues amounting to €11.0 million (+38% vs. prior season) plus €6.0 million relating to corporate hospitality packages (+ 52% vs. prior season).

In the six Serie A home matches of the season played as of November 23th, 2018, the average attendance has been 62,653.

In the two UCL home matches played to date against Tottenham Hotspur and FC Barcelona, the average attendance has been 68,776.

In the match against FC Barcelona we established the Italian historical record for a single match with a gross income of €6.8 million.

TRANSFER MARKET SUMMARY

The main players signed in the transfer market windows affecting the current fiscal year ending 30 June 2019 are:

Summer 2018:

- De Vrij (free agent)

- Asamoah (free agent)
- Nainggolan (from AS Roma)
- Martinez (from Racing Club)
- Politano (on loan from Sassuolo)
- Vrsaliko (on loan from Atletico de Madrid)
- Keita Balde (on loan from AS Monaco)

The main players who left TeamCo in the transfer market windows affecting the current fiscal year ending 30 June 2019 are:

Summer 2018:

- Kondogbia (sold to Valencia after the loan in Summer 2017)
- Murillo (sold to Valencia after the loan in Summer 2017)
- Nagatomo (sold to Galatasaray after the loan in Winter 2018)
- Santon (sold to AS Roma)
- Zaniolo (sold to AS Roma)
- Eder (sold to Jiangsu Suning)
- Radu (sold to Genoa)
- Valietti (sold to Genoa)
- Odgaard (sold to Sassuolo)
- Bettella (sold to Atalanta)
- Carraro (sold to Atalanta)
- Manaj (sold to Albacete)
- Biabiany (sold to Parma)
- Puscas (sold to Palermo)
- Cancelo (option to buy from Valencia after the loan not executed)
- Rafinha (option to buy from Barcelona after the loan not executed)
- Lisandro Lopez (option to buy from Benfica after the loan not executed)

SHAREHOLDER LOANS AND RCF DRAW DOWN

As described in the Offering Memorandum, TeamCo received a number of shareholder loans from Suning. As of September 30, 2018, shareholder loans total outstanding amount was € 232.2M (including accrued interest).

As at 30 September 2018, we had a cash drawn down under our Revolving Credit Facility of €43.4 million.

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

The interim financial statements as of and for the three-months period ended September 30, 2018 (hereinafter "Interim Financial Statements") have been prepared for the purposes of the preparation of the three-months consolidated accounts of the TeamCo group as at September 30, 2018.

The Interim Financial Statements include the balance sheet, the income statement and the cash flow statement and are unaudited. These Financial Statements have been prepared in accordance with the accounting standards of the Italian Accountants Profession Board (Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili), revised and supplemented by the Italian Accounting Organization (Organismo Italiano di Contabilità, O.I.C.) ("**Italian GAAP**").

Italian GAAP has recently been modified in order to take into account changes introduced in the Italian law governing Financial Statements by Decree No. 139 of August 18, 2015, which implemented Directive 34/2013/UE of the European Parliament and of the European Council on annual Financial Statements, consolidated Financial Statements and related reports of certain types of undertakings.

In preparing these Financial Statements, however, MediaCo reclassified and renamed certain Italian GAAP line items in a format of presentation more similar to international format.

The items reported in these Financial Statements are stated in accordance with the general principles of prudence and accruals and using the going concern assumption as well as considering the economic function of the assets and liabilities.

These Financial Statements are shown in Euro, which is the functional currency of the Group. All amounts shown in this document are expressed in thousands of Euro, unless otherwise specified.

SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared in accordance with the OIC 30 - Interim Financial Statements; therefore the Interim Financial Statements do not include all the information required in the annual Financial Statements.

The Interim Financial Statements have been prepared on a going concern basis.

The accounting policies adopted in preparing the Interim Financial Statements are the same as for the previous fiscal years and therefore reference should be made to the Financial Statements for the fiscal year ended June 30, 2018, June 30, 2017, June 30, 2016 and June 30, 2015 for further considerations.

OTHER INFORMATION

Use of estimates

For Financial Statements preparation, it is necessary that the Management make estimates and assumptions which have effects on the values of assets and liabilities accounted for the Balance Sheet and even on potential assets and liabilities at the Financial Statements date. The estimates and assumptions used are based on experience and on other relevant factors. For this reason, the final results could therefore differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of each of their variation are reflected on the income statement in the year when the estimate is revised (if this review has effects only in the current year), or also in subsequent years (if the review has effects on both the current and future years). The Balance Sheet items that are affected by these assumptions, are the bad debt reserve, the provisions for risks and charges and the evaluation of the recoverable value of property, plant and equipment and intangible assets (impairment test). The impairment test is generally carried out only when the audited Financial Statements for the fiscal year are prepared, unless there are indicators which require updates to estimates. No impairment test has been performed as of September 30, 2018 since no impairment indicators were brought to Directors' attention.

For more information about the main accounting estimates, please refer to the annual Financial Statements.

GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

The Company, throughout the periods, does not have any additional guarantees, commitments or liabilities other than which have already been disclosed in the financial information presented.

SUBSEQUENT EVENTS OCCURRED AFTER SEPTEMBER 30, 2018

The Shareholders' Meeting of MediaCo held on October 26th, 2018 has approved the Annual Financial Statements of the fiscal year ended 30 June 2018 and the distribution in kind as a dividend of the €65.6 million net profit to its immediate shareholders (TeamCo and BrandCo).

The Shareholders' Meeting of TeamCO held on October 26th, 2018 has approved its annual audited financial statements of the fiscal year ended 30 June 2018 and the carrying-forward of the €63.3 million net losses resulting from such annual financial statements.

On November 10, 2018 TeamCO repaid the Revolving Credit Facility for an amount €10.0M reducing the current cash drawdown to €33.4 million.

We would draw your attention to the changes in the composition of the Board Members and Senior Management team in this report. On 12 November we noted that the Chief Revenue Officer left the company, with his responsibilities being assumed by both the Chief Marketing Officer and the Chief Executive Officer. In addition to what already described in this document, there are no further matters to be highlighted occurring between 1 October 2018 and the current date.