



INTER

Inter Media and Communication S.p.A

As the issuer of

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

€75,000,000 4.875% Senior Secured Notes due 2022

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

For the three months ended 30 September 2021

Date: 29 November 2021

F. C. Internazionale Milano S.p.A. - Viale della Liberazione, 16/18 - 20124 Milano
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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” or “FC Inter”). 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 Grand Tower S.à r.l. (68.55%), International Sports Capital S.p.A. (“ISC”) (31.05%) and other minority shareholders (0.40%). Our direct majority shareholder Grand Tower S.à r.l. (“Grand Tower”) is an entity created in the context of the financing plan closed at shareholder level on May 20, 2021 (as already explained in our Report issued on Financial Results of the fiscal year ended June 30, 2021) and is fully owned by Grand Sunshine S.à r.l. which is fully owned by Great Horizon S.à r.l. (“Great Horizon”).

Great Horizon is part of the Suning Holdings Group Co., Ltd. (“Suning”), a Chinese corporate group with businesses in a variety of sectors. ISC is owned by LionRock Capital (“LionRock”), an experienced private equity investor based in Hong Kong.

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 31 domestic trophies (including nineteen Serie A championships, seven Domestic Cup titles and five Super Cup 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 and in the last sporting season (2020/2021).

CORPORATE BOARDS, MANAGEMENT AND AUDITORS

MediaCo Board of Directors (appointed on October 28, 2021)

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

Zhang Kangyang	Chairman
Alessandro Antonello	Chief Executive Officer – Corporate
Giuseppe Marotta	Chief Executive Officer - Sport
Javier Zanetti	Vice President
Andrea Accinelli	Chief Financial Officer
Matteo Pedinotti	Chief Communications Officer
Luca Danovaro	Chief Marketing Officer
Piero Ausilio	Chief Sport Officer

MediaCo Board of Statutory Auditors

Luca Alessandro Padula	Chairman
Roberto Cassader	Auditor
Simone Biagiotti	Auditor
Fabrizio Piercarlo Bonelli	Alternate Auditor
Antonio Ricci	Alternate Auditor

MediaCo Independent Auditors

Deloitte & Touche S.p.A.

MEDIACO REFINANCING TRANSACTION AND FURTHER FINANCING (DECEMBER 2017 AND JULY 2020)

Senior Secured Notes due 2022 issued in December 2017

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

The Existing 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.

The 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.

Senior Secured Notes due 2022 issued in July 2020

On July 24, 2020, MediaCo priced an offering of €75.0 million in aggregate principal amount of new 4.875% Senior Secured Notes due 2022 (the "New Notes") at an issue price of 93%.

The New Notes were issued on July 31, 2020 pursuant to the same indenture of the Existing Notes (the "Indenture") and form a single class, under the Indenture, with the Existing Notes for all purposes under the Indenture, including, without limitation, waivers, amendments and all other matters which are not specifically designated for any applicable series. However, the New Notes are not fungible for U.S. federal income tax purposes with the Existing Notes and do not have the same ISINs and common codes as the Existing Notes.

The proceeds of the New Notes, net of fees and expenses, including OID, in respect of the offering of the New Notes, have been used to fund TeamCo's general corporate purposes and to fund the secured accounts as a result of the increased size of the principal amount of indebtedness outstanding following the issuance of the New Notes.

UPDATE ON THE REFINANCING PROCESS

We will continue to monitor the capital markets for an opportunity to refinance the Senior Secured Notes due 2022 (together with the TeamCo Revolving Credit Facility) possibly in the first quarter of 2022.

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, 2021 (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, 2021 compared with the three months ended September 30, 2020.

	For the three months ended September 30	
	2020	2021
<i>(in thousands of €)</i>		
Revenue	35,508	15,420
Other Income	27	-
Total revenue	35,535	15,420
Personnel costs	737	604
Cost of services	2,604	2,453
Other operating costs	39	40
Write-downs of trade receivables	-	200
Depreciation and amortization	4,590	5,151
Provisions for risks and charges	-	-
Total operating costs	7,970	8,448
Operating profit	27,565	6,972
Net financial expenses	(2,781)	(2,779)
Profit before tax	24,784	4,193
Income taxes	(6,198)	(1,572)
Profit for the period	18,586	2,621

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as at September 30, 2021 compared with June 30, 2021.

	As at	
	June 30 2021	September 30 2021
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	365,487	360,364
Property, plant and equipment	170	154
Financial assets	13,142	13,142
Loan to parent company	242,515	245,470
Trade receivables	22,354	21,428
Prepaid expenses	3	2
Non-current Assets	643,671	640,560
Current assets		
Financial assets	480	13,132
Loan to parent company	-	-
Trade receivables	21,243	7,421
Trade receivables from parent companies and their affiliated	7,472	20,869
Tax receivables	100	149
Deferred tax assets	11,543	9,559
Other receivables	7	7
Prepaid expenses	95	69
Cash at bank and on hand	28,343	48,075
Current Assets	69,283	99,281
Total Assets	712,954	739,841

Note: compared to data presented in our Report issued on the Financial Results for the fiscal year ended June 30, 2021, certain items as at June 30, 2021 have been reclassified from Current Assets to Non-current Assets consistently with the classification used for the data as at September 30, 2021

	As at	
	June 30 2021	September 30 2021
<i>(in thousands of €)</i>		
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	187,777	187,777
Retained earnings	4,114	20,167
Profit for the period	16,053	2,621
Total Shareholders' equity	208,444	211,065
Non-current Liabilities		
Deferred tax liabilities	59,187	58,442
Provisions for employee severance indemnities	360	329
Other provisions	3,338	3,338
Existing and New Notes	335,870	337,252
Tax Payables	81	40
Social security payables	6	3
Deferred income	13,544	13,047
Non-current Liabilities	412,386	412,451
Current Liabilities		
Existing and New Notes	9,080	13,388
Trade payables	3,716	3,375
Trade payables to parents companies and their affiliated	46,065	61,895
Dividends Payable	18,831	18,831
Tax Payables	2,462	2,620
Social security payables	171	128
Other payables	410	179
Accrued expenses	83	142
Deferred income	11,306	15,767
Current Liabilities	92,124	116,325
Total Liabilities and Shareholders' equity	712,954	739,841

Note: compared to data presented in our Report issued on the Financial Results for the fiscal year ended June 30, 2021, certain items as at June 30, 2021 have been reclassified from Current Liabilities to Non-current Liabilities consistently with the classification used for the data as at September 30, 2021

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for the three months ended September 30, 2021 compared with the three months ended September 30, 2020

	For the three months ended September 30	
	2020	2021
<i>(in thousands of €)</i>		
Profit for the period	18,586	2,621
Current taxes	6,687	334
Net Financial Expenses	2,777	2,781
Profit for the period before taxes and interest	28,050	5,736
Depreciation and amortization	4,590	5,151
Write-downs /release/uses) of trade receivables	-	200
Employee severance indemnities	18	(30)
Accrual for risks	-	-
Deferred tax assets and liabilities	(489)	1,238
Cash flow from operating activities before changes in working capital	32,169	12,295
(Increase)/Decrease in trade and other receivables	(39,353)	1,102
Increase/(Decrease) in trade and other payables	44,088	14,996
Other variations in net working capital	(613)	4,050
Cash flow from operating activities after changes in working capital	36,291	32,443
Taxes paid	-	-
Interest and other financial expenses paid	(39)	(46)
A. Cash flow from operating activities	36,252	32,397
Investments in Intangible Assets	(2)	(13)
Investments in Property, Plant and Equipment	-	-
Investments on Financial Assets (Debt service and reserve account)	(15,985)	(12,652)
B. Cash flow from investing activities	(15,987)	(12,665)
Intercompany loans	(61,376)	-
New Notes	66,078	-
Capital/dividend distributions	(19,419)	-
C. Cash flow from financing activities	(14,717)	-
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	5,548	19,732
Cash at bank and on hand at the beginning of the period	16,898	28,343
Cash at bank and on hand at the end of the period	22,446	48,075

Note: compared to data presented in our Report issued on the Financial Results for the fiscal year ended June 30, 2021, the line Investments on Financial Assets (Debt service and reserve accounts) has been reclassified from Cash flow from financing activities to Cash flow from investing activities

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'.

Adjusted Revenue

The following table details Adjusted Revenue for three months ended September 30, 2021 compared with the three months ended September 30, 2020. Consistently with our previous reports, for a better understanding and comparison of the performance, the table also shows "pro-forma" numbers which, with regard to three months ended September 30, 2020, (i) exclude amounts shifted from the sporting season 2019-2020 due to its end in August 2020 and (ii) include amounts shifted to the following quarters of the fiscal year ended June 30, 2021, due to the postponement of the start of the 2020-2021 sporting season.

	For the three months ended September 30				
	2020 Reported	(Shifted from 2019.2020)	Shifted to following quarters of 2020/2021	2020-Pro- forma	2021 Reported
<i>(in thousands of €)</i>					
A. Direct Media Revenue	3,897	-	-	3,897	2,106
B. Other Income	27	-	-	27	-
C. Sponsorship Revenue	31,610	(19,009)	5,976	18,577	13,313
D. Total Revenue (A+B+C)	35,535	(19,009)	5,976	22,502	15,420
E. Serie A Indirect Media Revenue *	45,512	(8,130)	-	37,382	24,813
F. UEFA Indirect Media Revenue *	13,100	(13,100)	32,228	32,228	30,718
G. Adjusted Media Revenue (A+E+F)	62,509	(21,230)	32,228	73,507	57,637
B. Other Income	27	-	-	27	-
C. Sponsorship Revenue	31,610	(19,009)	5,976	18,581	13,313
Adjusted Revenue (G+B+C)	94,147	(40,239)	38,204	92,115	70,951

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

Our Adjusted Revenue decreased by €23.2 million or - 24.6% to €71.0 million for the three months ended September 30, 2021 from €94.1 million for the three months ended September 30, 2020, while, on a "pro-forma" basis, we record a €21.2 million decrease (- 23%).

In the below paragraphs we explain in detail the reasons of the net decrease of our Adjusted Revenue

Direct Media Revenue

Direct Media Revenue decreased by €1.8 million or - 46.0% to €2.1 million for the three months ended September 30, 2021 from €3.9 million for the three months ended September 30, 2020 mainly due to (i) a lower value relating to the national and international distribution of the archive rights after the expiration of the previous contracts as at June 30, 2021 and (ii) the expiration of the contract for the distribution of the thematic channel Inter TV in China through the platform PPTV.

Sponsorship Revenue

Sponsorship Revenue decreased by €18.3 million or - 57.9% to €13.3 million for the three months ended September 30, 2021 from €31.6 million for the three months ended September 30, 2020, while, on a "pro-forma" basis, the decrease is smaller (€5.3 million or - 28.3% from €18.6 million to €13.3 million). This is detailed on the following table:

	For the three months ended September 30				
	2020 Reported	(Shifted from 2019.2020)	Shifted to following quarters of 2020/2021	2020-Pro-forma	2021 Reported
<i>(in thousands of €)</i>					
Shirt	13,896	(12,893)	1,581	2,584	5,226
Technical	4,057	(2,823)	1,891	3,125	3,125
EU/Global	4,714	(2,881)	2,128	3,961	3,093
Regional and naming rights	8,944	(411)	375	8,908	1,870
Sponsorship Revenue	31,610	(19,009)	5,976	18,577	13,313

- Shirt

On a "pro-forma" basis, Shirt Sponsorship Revenue increased by €2.6 million or 102.3% from €2,6 million to €5.2 million due to (i) the higher overall fixed fee of the three new 2021/2022 sponsors (Socios.com, Zytara/Digitalbits and Lenovo) compared to the contractual fixed fee of our previous sponsor (Pirelli) and (ii) the fact that in the three months ended September 30, 2020 we agreed a consent fee in favor of the previous shirt sponsor (reducing the related sponsorship fee) for obtaining the right to include the logo of a new sponsor on one of the sleeves of our team's jerseys starting from the 2020/2021 season.

As already explained in our Report published in respect of the Financial Results of fiscal year ended June 30, 2021, the total annual fixed fee for the fiscal year ending June 30, 2022 of our new Shirt sponsors amounts to €26 million (with this fee recognized in the quarterly

accounts on a linear pro-rata basis starting from the signing date of each contract to June 30, 2022).

- Technical

On a “pro-forma” basis, Technical Sponsorship Revenue is in line at €3.1 million.

In line with prior fiscal year, the total annual fixed fee for the fiscal year ending June 30, 2022 of our Technical sponsor amounts to €12.5 million (with this fee recognized in the quarterly accounts on a linear pro-rata basis starting from July 1, 2021 to June 30, 2022)

- EU/Global & Regional and naming rights

On a “pro-forma” basis, EU/Global Sponsorship Revenue decreased by €0.9 million or – 21.9% from €4.0 million to €3.1 million mainly due to the upgrade of Lenovo to Shirt sponsor in the fiscal year ending June 30, 2021 (as already explained in our Report published in respect of Financial Results of the fiscal year ended June 30, 2021).

As of current date contracted EU/Global sponsorship fees for the fiscal year ending June 30, 2022 are in the region of €14 million (with the fee of each contract recognized in the quarterly accounts on a linear pro-rata basis starting from the signing date (or July 1, 2021 if the contract was already in place) to June 30, 2022).

- Regional and naming rights

On a “pro-forma” basis, Regional and naming rights Sponsorship Revenue decreased by €7.0 million or – 79.0% from €8.9 million to €1.9 million mainly due to the termination of the contract with a regional partner effective from July 1, 2021.

As of current date contracted Regional and naming rights fees for the fiscal year ending June 30, 2022 are in the region of €9 million (with the fee of each contract recognized in the quarterly accounts on a linear pro-rata basis starting from the signing date (or July 1, 2021 if the contract was already in place) to June 30, 2022).

- *Serie A Indirect Media Revenue*

On a “pro-forma” basis, Serie A Indirect Media Revenue decreased by €12.6 million or – 33.6% from €37.4 million to €24.8 million mainly due to €13.4 million advance payments (including €2.4 million VAT assigned with the receivables) already received in Q4 of the fiscal year ended June 30, 2021 in respect of Media Revenue for the sporting season 2021/2022.

For the fiscal year ending June 30, 2022, based on the distribution model in place and total net distributable revenues for the clubs available to date, we expect a minimum guaranteed amount of €70M (in a worst scenario of last position in the 2021/2022 Serie A ranking) which

increases up to €91M in case of 2021/2022 Serie A victory (all these amounts refer to the rights pertaining to the 2021/2022 sporting season and exclude (i) any VAT assigned to MediaCo with the receivable and (ii) the advance payment received in the fiscal year ended June 30, 2021).

- *UEFA Indirect Media Revenue*

On a "pro-forma" basis, UEFA Indirect Media Revenue decreased by €1.5 million or -4.7% from €32.2 million to €30.7 million mainly due to a €1.8 million reduction in the component represented by the coefficient based on historical results following the loss of two positions in the ranking of the clubs participating to 2021/2022 UCL Group Stage.

For the fiscal year ending June 30, 2022, based on the distribution model in place and total net distributable revenues for the clubs available to date, as well as considering that the team already achieve the qualification to UCL Ro16, we expect a minimum guaranteed amount in the region of €59M. This amount can further increase depending on the progression of the team in the UCL competition.

Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the three months ended September 30, 2021 compared with the three months ended September 30, 2020.

	For the three months ended September 30	
	2020	2021
<i>(in thousands of €)</i>		
Sponsorship Revenue		
- Shirt	13,896	5,226
- Technical	4,057	3,125
- EU/Global	4,714	3,093
- Regional and naming rights	8,944	1,870
Direct Media Revenue	3,897	2,106
Other Income	27	-
Total revenue	35,535	15,420
Indirect Media Revenue		
- Serie A Indirect Media Revenue *	45,512	24,813
- UEFA Indirect Media Revenue *	13,100	30,718
Adjusted Revenue	94,147	70,951
Change in Current/Non current operating assets	(40,055)	5,115
Cash Inflows	54,092	76,066
Personnel costs	(737)	(604)
Cost of services	(2,604)	(2,453)
Other costs	(39)	(40)
Adjusted Tax Expenses	(1,142)	(437)
Adjusted Services Agreement Fees	1,260	1,260
Change in Current/Non-current operating liabilities	1,370	(2,109)
Cash Outflows	(1,892)	(4,383)
Cash Available for Debt Service	52,200	71,683

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

Cash Available for Debt Service increased by €19.5 million or 37.3% to €71.7 million for the three months ending September 30, 2021 from €52.2 million for the three months ended September 30, 2020, driven by a €22.0 million increase in cash inflows (+40.6% from €54.1 million to €76.1 million).

The increase in cash inflows has been recorded notwithstanding the €23.2 million reduction in Adjusted Revenue (mainly resulting from the reduction in regional and naming rights sponsorship revenue as described in the previous section "Adjusted Revenue") thanks to a

€45.2 million improvement from the change in Current/Non current operating assets. This is mainly related to the dynamic of trade receivables which, in the three months ended September 30, 2020, were negatively impacted by an increase resulting from the collection timing of International/Regional Sponsorship contracts and the general impact on the timing of collection of other trade receivables resulting from the pandemic and the consequent shift of the 2019-2020 and 2020-2021 sporting seasons.

For an update on collection status of international/regional Sponsorship contracts, we present the following table:

<i>(in thousands of €)</i>	Value	(Collected as at September 30, 2021)	(Written-off as at September 30, 2021)	Outstanding as at September 30, 2021
Revenues booked in fiscal year ended June 30, 2017	74,808	(74,808)	-	-
Revenues booked in fiscal year ended June 30, 2018	87,629	(87,629)	-	-
Revenues booked in fiscal year ended June 30, 2019	89,095	(77,295)	(11,800)	-
Revenues booked in fiscal year ended June 30, 2020	36,255	(10,279)	(21,000)	4,976
Revenues booked in fiscal year ended June 30, 2021	33,162	(8,162)	-	25,000
Revenues booked in the three months ended September 30, 2021	1,870	(1,870)	-	-
Total	322,819	(260,043)	(32,800)	29,976

The table highlights that:

- in the period July 1, 2016 – September 30, 2021, we booked cumulative revenues of €322.8 million, collecting, to date, €260.0 million (80.6%).
- we booked a write-off of €32.8 million (already accrued in the Income Statement of the fiscal year ended June 30, 2021) following confirmation from our counterparties regarding their inability to fully repay the outstanding balance.

The outstanding amount of €30,0 million is covered by a repayment plan agreed with the counterparties. We will remain in regular contact with the counterparties to monitor any evolution of current expectations.

RESULTS OF OPERATIONS

The following table sets forth Income Statement data for MediaCo for the three months ended September 30, 2021 compared with the three months ended September 30, 2020. Consistently with our previous reports, for a better understanding and comparison of the performance, the table also shows “pro-forma” numbers which, with regard to three months ended September 30, 2020, (i) exclude amounts shifted from the sporting season 2019-2020 due to its end in August 2020 and (ii) include amounts shifted to the following quarters of the fiscal year ended June 30, 2021, due to the postponement of the start of the 2020-2021 sporting season.

	For the three months ended Sep 30				
	2020 Reported	(Shifted from 2019.2020)	Shifted to following quarters of 2020/2021	2020-Pro-forma	2021 Reported
<i>(in thousands of €)</i>					
Revenue	35,508	(19,009)	5,976	22,474	15,420
Other Income	27	-	-	27	-
Total revenue	35,535	(19,009)	5,976	22,501	15,420
Personnel costs	737	-	-	737	604
Cost of services	2,604	(141)	-	2,463	2,453
Other operating costs	39	-	-	39	40
Write-downs of trade receivables	-	-	-	-	200
Depreciation and amortization	4,590	-	-	4,590	5,151
Provisions for risks and charges	-	-	-	-	-
Total operating costs	7,970	(141)	-	7,829	8,448
Operating profit	27,565	(18,868)	5,976	14,672	6,972
Net financial expenses	(2,781)	-	-	(2,781)	(2,779)
Profit before tax	24,784	(18,868)	5,976	11,891	4,193
Income taxes	(6,198)	4,720	(1,495)	(2,973)	(1,572)
Profit for the period	18,586	(14,150)	4,481	8,918	2,621

Revenue. Revenues for the three months ended September 30, 2021 decreased by €20.1 million or – 56.6% to €22.5 million from €35.5 million for the three months ended September 30, 2020. On a “pro-forma” basis, the decrease is smaller (€7.1 million or – 31.4% from €22.5 million to €15.4 million) driven by a reduction in regional and naming rights sponsorship revenue which has partially been mitigated by a growth in other sponsorship revenues (refer to the Section “Adjusted Revenues” for more details).

Personnel costs. Personnel costs for the three months ended September 30, 2021 are overall in line with the three months ended September 30, 2020 at €0.6 million.

Cost of services. Cost of services for the three months ended September 30, 2021 are overall in line with the three months ended September 30, 2020 at €2.5 million.

Other operating costs. Other operating costs for the three months ended September 30, 2021 are overall in line with the three months ended September 30, 2020 at €40 thousands.

Write-downs of trade receivables. Write-downs of trade receivables for the three months ended September 30, 2021 amounted to €0.2 million and reflect an assessment made based on most updated information in respect of certain overdue receivables relating to sponsorship contracts terminated in prior fiscal years. No write-downs of trade receivables were booked in the three months ended September 30, 2020.

Depreciation and amortization. Depreciation and amortization for the three months ended September 30, 2021 increased by €0.6 million or 12.2% to €5.2 million from €4.6 million for the three months ended September 30, 2020 due to the revaluation of intangible assets (€89.6million relating to the Brand and €25.0 million relating to the TV Archive) booked on June 30, 2021 exploiting the option pursuant to art. 110of Legislative Decree no. 104/2020 converted in Law no. 126 of October 13, 2020 (as explained in our Report published in respect of the fiscal year ended June 30, 2021).

Net Financial expenses. Net Financial expenses for the three months ended September 30, 2021 are overall in line with the three months ended September 30, 2020 at €2.8 million with the combined opposite effect of:

- Increase in interest expense (including amortization of OID and transaction fees) by €0.4 million relating to the New Notes from €5.3 million to €5.7 million (being the New Notes issued on July 31, 2020, related interest expense affected the first quarter of prior year for two months only)
- higher interest income by €0.4 million (€3.0 million vs. €2.6 million) accrued on the Intercompany Loans granted to TeamCo due to higher value of the loaned amount.

Income taxes. Income taxes for the three months ended September 30, 2021 decreased by €4.6 million or -74.6% to €1.6 million from €6.2 million for the three months ended September 30, 2020. On a "pro-forma" basis, they decreased by €1.4 million or - 47.1% (from €3.0 million to €1.6 million). This is related to the decrease in Profit Before Tax.

Profit for the period. For the reasons described above, Profit for the three months ended September 30, 2021 decreased by €16.0 million or -85.9% to €2.6 million from €18.6 million for the three months ended September 30, 2020. On a "pro-forma" basis, Profit for the period decreased by €6.3 million (or – 70.6%).

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for the three months ended September 30, 2021 compared with the three months ended September 30, 2020.

	For the three months ended September 30	
	2020	2021
<i>(in thousands of €)</i>		
Profit for the period	18,586	2,621
Current taxes	6,687	334
Net Financial Expenses	2,777	2,781
Profit for the period before taxes and interest	28,050	5,736
Depreciation and amortization	4,590	5,151
Write-downs /release/uses) of trade receivables	-	200
Employee severance indemnities	18	(30)
Accrual for risks	-	-
Deferred tax assets and liabilities	(489)	1,238
Cash flow from operating activities before changes in working capital	32,169	12,295
(Increase)/Decrease in trade and other receivables	(39,353)	1,102
Increase/(Decrease) in trade and other payables	44,088	14,996
Other variations in net working capital	(613)	4,050
Cash flow from operating activities after changes in working capital	36,291	32,443
Taxes paid	-	-
Interest and other financial expenses paid	(39)	(46)
A. Cash flow from operating activities	36,252	32,397
Investments in Intangible Assets	(2)	(13)
Investments in Property, Plant and Equipment	-	-
Investments on Financial Assets (Debt service and reserve account)	(15,985)	(12,652)
B. Cash flow from investing activities	(15,987)	(12,665)
Intercompany loans	(61,376)	-
New Notes	66,078	-
Capital/dividend distributions	(19,419)	-
C. Cash flow from financing activities	(14,717)	-
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	5,548	19,732
Cash at bank and on hand at the beginning of the period	16,898	28,343
Cash at bank and on hand at the end of the period	22,446	48,075

Note: compared to data presented in our Report issued on the Financial Results for the fiscal year ended June 30, 2021, the line Investments on Financial Assets (Debt service and reserve

accounts) has been reclassified from Cash flow from financing activities to Cash flow from investing activities

Cash flow from operating activities. Cash flow from operating activities for the three months ended September 30, 2021 decreased by €3.9 million or - 10.6% to €32.4 million from €36.3 million for the three months ended September 30, 2020 mainly due to the combined opposite effect of:

- a €19.9 million decrease in Cash flow from operating activities before changes in working capital driven by the reduction in Operating profit described in the paragraph "RESULTS OF OPERATIONS"
- €16.0 million increase in favorable impact of Working Capital mainly driven by the combined opposite impact of:
 - €40.4 million improvement from the variation of "trade and other receivables" which, in the three months ended September 30, 2020, was negatively impacted by an increase resulting from the collection timing of International/Regional Sponsorship contracts and the general impact on the timing of collection of other trade receivables resulting from the pandemic and the consequent shift of the 2019-2020 and 2020-2021 sporting seasons
 - €29.1 million worsening from the variation of the line "trade and other payables" mainly due to a lower increase (+€16.3 million vs. + €43.5 million), in the three months ended September 2021 compared to the three months ended September 30, 2020, in payables due to TeamCo in respect of assignment of media rights receivables not yet repaid ("up-streamed") at the balance sheet date through the payment waterfall mechanism set out by the indenture. This lower increase relates to different timing in the assignment of the receivables and in their repayment to TeamCo.

Cash flow from investing activities. Cash flow from investing activities for the three months ended September 30, 2021 amounted to €12.7 million compared to €16.0 million in the three months ended September 30, 2020.

While capital investments in intangible and intangible assets remained immaterial in respect of our business (€13 thousands versus €2 thousands), the €12.7 million cash flow relates to the filling of the debt service account related to the Existing and New Notes (this amounted to €16.0 million in the three months ended September 30, 2020 and also included the filling of the debt reserve account upon the issuance of the New Notes).

Cash flow from financing activities. Cash flow from financing activities for the three months ended September 30, 2021 was nil. In the three months ended September 30, 2020 Cash flow from financing activities amounted to negative €14.7 million composed as follows:

- Net Inflows of €66.1 million from the issuing of the New Notes
- Total Outflows of €80.8 million, broken down as follows:
 - Intercompany Loans provided to TeamCo (€61.4 million, mainly through cash collected upon the issuing of the New Notes)
 - Payment of dividends to the immediate parent companies (€19.4 million, of which €10.0 million to TeamCo and €9.4 million to BrandCo)

Both dividends and Intercompany loans (together with payments made under the Tax Consolidation Regime) are provided to TeamCo as a permitted distribution under the waterfall rules defined by the Refinancing Transaction.

Net change in cash and cash equivalent. Net change in cash and cash equivalent for the three months ended September 30, 2021 increased by €14.2 million or 255.7% to €19.7 million from €5.5 million for the three months ended September 30, 2020, for the reasons described above.

BALANCE SHEET

The following table sets forth the detail of Balance Sheet data for the issuer as at September 30, 2021 compared with June 30, 2021

Assets:

	As at	
	June 30 2021	September 30 2021
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	365,487	360,364
Property, plant and equipment	170	154
Financial assets	13,142	13,142
Loan to parent company	242,515	245,470
Trade receivables	22,354	21,428
Prepaid expenses	3	2
Non-current Assets	643,671	640,560
Current assets		
Financial assets	480	13,132
Loan to parent company	-	-
Trade receivables	21,243	7,421
Trade receivables from parent companies and their affiliated	7,472	20,869
Tax receivables	100	149
Deferred tax assets	11,543	9,559
Other receivables	7	7
Prepaid expenses	95	69
Cash at bank and on hand	28,343	48,075
Current Assets	69,283	99,281
Total Assets	712,954	739,841

Note: compared to data presented in our Report issued on the Financial Results for the fiscal year ended June 30, 2021, certain items as at June 30, 2021 have been reclassified from Current Assets to Non-current Assets consistently with the classification used for the data as at September 30, 2021

Non-current assets. Non-current assets decreased by €3.1 million from €643.7 million at June 30, 2021 to €640.6 million at September 30, 2021 mainly due the combined opposite impact of:

- the €5.1 million reduction in Intangible Assets related to amortization of the period.

- The €0.9 million reduction in Trade Receivables (for a description of the trend in Trade Receivables please refer to the next paragraph)
- the € 3.0 million increase in Loans to parent company related to accrual of interest income of the period

Current assets. Current assets increased by €30.0 million from €69.3 million at June 30, 2021 to €99.3 million at September 30, 2021 mainly driven by:

- the €12.7 million increase in Financial Assets which fully relates to cash transferred into the Debt Service Accounts to fulfill the obligations of the Existing and New Notes and, specifically, to cover the payment of the installments due in December 2021.
- the €19.7 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")

Total Trade receivables recorded a net decrease of 1.4 million as detailed by the table below:

	As at June 30 2021	As at September 30 2021	Var.
<i>(in thousands of €)</i>			
Naming Rights and Sponsorship Agreement	-	-	-
Other International/Regional Sponsorship Agreements	63,776	29,976	(33,800)
Provision for doubtful accounts	(32,800)	-	32,800
Provision for doubtful accounts (Discount of long term receivables)	(6,537)	(6,537)	-
Trade Receivables relating to International/Regional Sponsorship Agreements - Net	24,439	23,439	(1,000)
UEFA Indirect Media Revenue (receivables from TeamCo)	-	15,918	15,918
Other trade receivables	32,428	16,359	(16,069)
(Provision for doubtful accounts)	(5,798)	(5,998)	(200)
Other Trade Receivables - Net	26,630	26,279	(351)
Total Trade receivables - Net	51,069	49,718	(1,351)
Breakdown in the Balance Sheet			
Trade receivables (Non-current Assets)	22,354	21,428	(926)
Trade receivables (Current Assets)	21,243	7,421	(13,822)
Trade receivables from parent companies and their affiliated (Current Assets)	7,472	20,869	13,397
Total Trade receivables - Net	51,069	49,718	(1,351)

Receivables relating to International/Regional Sponsorship Agreement

Receivables relating to International/Regional Sponsorship Agreement decreased by €1.0 million due to a €1.0 million collection in September 2021 in line with the schedule set by the repayment plan agreed with the counterparties.

As shown by the table, we notice that in three months ended September 30, 2021 we used the €32.8 million provision for doubtful accounts accrued at June 30, 2021 reducing the gross value of related trade receivables.

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

Other Trade Receivables

- UEFA Indirect Media Revenue (receivables from TeamCo): the €15.9 million receivable relates to the portion of UEFA Indirect Media Revenue booked in three months ended September 30, 2021 relating to the coefficient based on historical results. This amount, in line with UEFA payment schedule, has been collected in October 2021 from TeamCO on the UEFA dedicated account and immediately paid to MediaCo (in line with the rules of the indenture).
- Other trade receivables: the €16.1 million decrease reflects the dynamic of collections and new receivables booked in the three months ended September 30, 2021
- Provision for doubtful accounts: the €0.2 million increase is a result of the accrual made in the three months ended September 30, 2021 (as described in the paragraph "RESULTS OF OPERATIONS").

Liabilities:

	As at	
	June 30 2021	September 30 2021
<i>(in thousands of €)</i>		
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	187,777	187,777
Retained earnings	4,114	20,167
Profit for the period	16,053	2,621
Total Shareholders' equity	208,444	211,065
Non-current Liabilities		
Deferred tax liabilities	59,187	58,442
Provisions for employee severance indemnities	360	329
Other provisions	3,338	3,338
Existing and New Notes	335,870	337,252
Tax Payables	81	40
Social security payables	6	3
Deferred income	13,544	13,047
Non-current Liabilities	412,386	412,451
Current Liabilities		
Existing and New Notes	9,080	13,388
Trade payables	3,716	3,375
Trade payables to parents companies and their affiliated	46,065	61,895
Dividends Payable	18,831	18,831
Tax Payables	2,462	2,620
Social security payables	171	128
Other payables	410	179
Accrued expenses	83	142
Deferred income	11,306	15,767
Current Liabilities	92,124	116,325
Total Liabilities and Shareholders' equity	712,954	739,841

Note: compared to data presented in our Report issued on the Financial Results for the fiscal year ended June 30, 2021, certain items as at June 30, 2021 have been reclassified from Current Liabilities to Non-current Liabilities consistently with the classification used for the data as at September 30, 2021.

Shareholders' equity. Shareholders' equity increased by €2.6 million from €208.4 million at June 30, 2021 to €211.1 million at September 30, 2021 entirely due to the Net Profit of the period.

Non-current liabilities. Non-current liabilities at September 30, 2021 amounted to €412.5 in line with June 30, 2021 (€412.4 million).

Current liabilities. Current liabilities increased by €24.2 million from €92.1 million at June 30, 2021 to €116.3 million at September 30, 2021 mainly due to:

- €15.8 million increase in trade payables to parent companies and their affiliated primarily relating to the increase from €35.9 million to € 52.2 million in payables due to TeamCo in respect of assignment of media rights receivables not yet repaid ("up-streamed") at the balance sheet date through the payment waterfall mechanism set out by the indenture
- €4.3 million increase in the current element of the Existing and New Notes which relates to the portion of interest accrued in the three months ended September 30, 2021 to be paid on December 31, 2021;
- €4.5 million increase in deferred Income which relates to sponsorship installments already invoiced and collected in the current quarter but whose revenues pertain and, accordingly, will be recognized, in the remaining part of the fiscal year ending June 30, 2022.

CAPITAL EXPENDITURES

At €13 thousand, the level of capital expenditure in intangible and tangible assets 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 September 30, 2021 (€276.3 million) compared with June 30, 2021 (€303.0 million)

	June 30 2021	As at September 30 2021
<i>(in thousands of €)</i>		
Cash at bank and on hand	28,343	48,075
Current financial assets	480	13,132
Current financial receivables	480	13,132
Senior Secured Notes 2022 - current portion	(9,080)	(9,080)
Accrued interest charges and other financial expenses	-	(4,308)
Current financial liabilities	(9,080)	(13,388)
Net current financial assets/(liabilities)	19,743	47,819
Senior Secured Notes 2022	(335,870)	(337,252)
Financial Assets	13,142	13,142
Non-current financial liabilities	(322,728)	(324,110)
Net financial position	(302,985)	(276,291)

As shown by the table, the €26.7 million net decrease in Net Financial position has been driven by:

- The €19.7 million increase in Cash at bank and on hand is due to positive net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement")
- The €12.7 million increase in Current Financial Assets due to cash transferred into the Debt Service Accounts to fulfill the obligations of the Existing and New Notes, and, specifically, to cover the payment of the installments due in December 2021.

RISK FACTORS

We confirm that the risk factors described in the Offering Memorandum, and not updated herein, remain applicable to the group. In addition, we note specific risks related to current pandemic situation, as well as the impact of collection timing of sponsorship contracts and termination of key sponsorship contracts with international sponsors discussed elsewhere in this report and/or unchanged compared to what described in our Report issued in respect of the Financial Results for the fiscal year ended June 30, 2021.

TEAMCO UPDATE

SPORTING PERFORMANCE

After the most recent matches of 2021/2022 sporting season played as of November 27, 2021, the team is currently:

- 3rd in the Serie A table (after 14 matches), four points behind the team in 1st position;
- 2nd in the UCL Group Stage (after 5 matches), two points behind the team leading the Group. The team is already officially qualified to the Round of 16 of the UCL (first time in ten years).

The team will start to play the domestic Cup ("Coppa Italia") in January 2022 starting from the Round of 16.

TRANSFER MARKET SUMMARY

The main players signed in the transfer market windows affecting the current fiscal year ending June 30, 2022 are:

Summer 2021:

- Calhanoglu (free transfer)
- Dzeko (from Rome)
- Dumfries (from PSV)
- Correa (from Lazio)
- Vanheusden (from Standard Liege)

The main players who left TeamCo in the transfer market windows affecting the current fiscal year ending June 30, 2022 are:

Summer 2021:

- Hakimi (sold to PSG)
- Lukaku (sold to Chelsea)
- Lazaro (on loan to Benfica)
- Vanheusden (on loan to Genoa)
- Joao Mario (early contract termination)
- Nainggolan (early contract termination)

We finally note that on June 3, 2021 Simone Inzaghi was appointed new head coach of the first team until June 2023 after an agreement was reached with Antonio Conte (former head coach) on May 26, 2021 for the termination of his contract by mutual consent.

SHAREHOLDER LOANS AND RCF DRAW DOWN

As described in the Offering Memorandum, TeamCo received in the past few years a number of shareholder loans (and related parties' loans).

The outstanding amount in the TeamCo balance sheet as at June 30, 2021 is €60.0 million (all related to shareholder loans provided during the fiscal year ended June 30, 2021 by Grand Tower), plus accrued interest for €17.2 million of which €1.2 million related to shareholder loans provided during the fiscal year ended June 30, 2021 by Grand Tower and €16.0 million related to shareholder loans provided in prior fiscal years by Great Horizon (the latter representing non-waived interest on shareholders loans which have been fully converted into equity reserve in the past fiscal year).

As at September 30, 2021, TeamCo had a cash drawn down under its Revolving Credit Facility of €50.0 million.

FINANCIAL FAIR PLAY POSITION

As already explained in our Report issued on the fiscal year ended June 30, 2021, in October 2021 we submitted to UEFA our calculations in respect of the Financial Fair Play (FFP) break-even requirement as at June 30, 2021. In view of the significant discussions underway at institutional level regarding the reform of the current regulations, we may be asked by UEFA to provide additional information and be subject to hearings before the Club Financial Control Body (the "CFCB"). Due to the wide range of disciplinary measures potentially imposed by the CFCB as well as the application of the proportionality principle required by its procedural rules when considering the relevant facts and circumstances contributing to a deviation from FFP rules, we are not yet in a position to formulate expectations at this stage regarding the actual outcome of the hearings, including regarding the potential failure to fulfil the breakeven rule.

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, 2021 (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, 2021.

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, 2021 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, 2021 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, 2021

The Shareholders' Meeting of MediaCo held on October 28th, 2021 has approved the Annual Financial Statements of the fiscal year ended June 30, 2021 and the distribution in kind as a dividend of the €16.1 million net profit to its immediate shareholders (TeamCo and BrandCo).

In addition to this and to what is already described in this document, there are no further matters to be highlighted occurring between October 1, 2021 and the current date.