



INTER

Inter Media and Communication S.p.A

As the issuer of

€415,000,000 6.75% Senior Secured Notes due 2027

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

For the fiscal year ended June 30, 2022

Date: October 28, 2022

F. C. Internazionale Milano S.p.A. - Viale della Liberazione, 16/18 - 20124 Milano
CAP. SOC. € 19.195.313,34 I.V. COD. FISC. e N. REGISTRO IMPRESE di Milano-Monza-Brianza-Lodi 80066310154 R.E.A. MI 742209 P.IVA 04231750151 Tel. +39 02 82719080



Contents

GENERAL INFORMATION	4
INTRODUCTION	4
CORPORATE BOARDS, MANAGEMENT AND AUDITORS	5
MEDIACO REFINANCING TRANSACTION	6
FINANCIAL INFORMATION	7
INTRODUCTION	7
INCOME STATEMENT	8
BALANCE SHEET	9
CASH FLOW STATEMENT	11
BUSINESS UPDATE	12
SPONSORSHIP REVENUE	12
MEDIA REVENUE	13
SETTLEMENT AGREEMENT SIGNED WITH UEFA	14
MANAGEMENT’S DISCUSSION AND ANALYSIS	16
KEY PERFORMANCE INDICATORS	16
<i>Adjusted Revenue</i>	16
<i>Cash Available for Debt Service</i>	20
<i>Historical Debt Service Coverage Ratio (“DSCR”)</i>	21
<i>Pro-forma Debt Service Coverage Ratio (“Pro-forma DSCR”)</i>	22
RESULTS OF OPERATIONS	23
CASH FLOW	26
BALANCE SHEET	29
CAPITAL EXPENDITURES	34
NET FINANCIAL POSITION	35
RISK FACTORS	35
TEAMCO UPDATE	36

SPORTING PERFORMANCE	36
MATCHDAY	36
TRANSFER MARKET SUMMARY	36
SHAREHOLDER LOANS	37
FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION	38
BASIS OF PRESENTATION	38
SIGNIFICANT ACCOUNTING POLICIES	38
GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES	39
SUBSEQUENT EVENTS OCCURRED AFTER JUNE 30, 2022	39
APPENDIX 1 – ANNUAL FINANCIAL STATEMENTS	40

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 a financing plan closed at shareholder level on May 20, 2021 (already described in our previous reports and in the Offering Memorandum released with the Notes – the “Offering Memorandum”) 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 33 domestic trophies including nineteen Serie A championships, eight Domestic Cup titles (of which the last one in May 2022) and six Super Cup titles, (of which the last one in January 2022), 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 sporting season 2020/2021.

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

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 Revenue Officer
Piero Ausilio	Chief Sport Officer
Mark van Huuksloot	Chief Operating Officer
Lionel Sacchi	Chief People 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. (PricewaterhouseCoopers SpA starting from fiscal year ending June 30, 2023)

MEDIACO REFINANCING TRANSACTION

Senior Secured Notes due 2027 priced in January 2022 and issued in February 2022

On January 27, 2022, MediaCo priced its offering of €415.0 million in aggregate principal amount of 6.75% Senior Secured Notes due 2027 at an issue price of 100.00%. (the "Notes"). The issuance and settlement of the Notes occurred on February 9, 2022.

The proceeds of the Notes have been used to redeem the MediaCo's outstanding 4.875% senior secured notes due 2022 (the "Old Notes"), to repay the TeamCo's revolving credit facility due 2022 – the "RCF" (which was fully drawn down for €50.0 million), to fund the secured accounts with respect to the Notes and to pay related fees and expenses.

Through this refinancing transaction (the "Refinancing Transaction") we have extended the maturity profile of the TeamCo group's debt, keeping a financing structure which enables the group to pursue its long-term strategic goals.

FINANCIAL INFORMATION

INTRODUCTION

The financial information presented in this section is based on the audited financial statements of MediaCo for the fiscal year ended June 30, 2022 (the "Annual Financial Statements").

The Annual 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 Annual Financial Statements, however, MediaCo reclassified and renamed certain Italian GAAP line items in line with international format.

The items reported in the Annual 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 Annual 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 fiscal year ended June 30, 2022 compared with the fiscal year ended June 30, 2021. The Income Statement data presented in this document have been prepared using the data included in the audited financial statements of Inter Media & Communication S.p.A. prepared for statutory purposes according to Italian law and Italian GAAP (the Annual Financial Statements). The Annual Financial Statements do not conform with Generally Accepted Accounting principles (GAAP) in other countries or International Financial Reporting Standards (IFRS).

	For the fiscal year ended June 30	
	2021	2022
<i>(in thousands of €)</i>		
Revenue	108,519	77,717
Other Income	5,203	4,305
Total revenue	113,722	82,022
Personnel costs	3,137	3,421
Cost of services	11,858	11,279
Other operating costs	730	835
Write-downs of trade receivables	40,383	25,426
Depreciation and amortization	18,212	20,441
Provisions for risks and charges	3,091	-
Total operating costs	77,411	61,402
Operating profit	36,311	20,620
Net financial expenses	(11,123)	(16,689)
Profit/(Loss) before tax	25,188	3,931
Income taxes	(9,135)	(2,035)
Profit/(Loss) for the period	16,053	1,896

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as at June 30, 2022 compared with June 30, 2021. The Balance Sheet data presented in this document have been prepared using the data included in the audited financial statements of Inter Media & Communication S.p.A. prepared for statutory purposes according to Italian law and Italian GAAP (the Annual Financial Statements). The Annual Financial Statements do not conform with GAAP in other countries or IFRS

	As at	
	June 30 2021	June 30 2022
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	365,487	345,151
Property, plant and equipment	170	108
Financial assets	13,142	17,579
Loan to parent company	242,515	307,147
Trade receivables	22,354	101
Prepaid expenses	3	3
Non-current Assets	643,671	670,089
Current assets		
Financial assets	480	0
Loan to parent company	-	-
Trade receivables	21,243	20,188
Trade receivables from parent companies and their affiliated	7,472	12,577
Tax receivables	100	2,201
Deferred tax assets	11,543	8,880
Other receivables	7	46
Prepaid expenses	95	156
Cash at bank and on hand	28,343	25,522
Current Assets	69,283	69,571
Total Assets	712,954	739,660

	As at	
	June 30 2021	June 30 2022
<i>(in thousands of €)</i>		
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	187,777	187,777
Retained earnings	4,114	4,114
Profit/(Loss) for the period	16,053	1,896
Total Shareholders' equity	208,444	194,287
Non-current Liabilities		
Deferred tax liabilities	59,187	56,227
Other provisions	3,338	247
Provisions for employee severance indemnities	360	325
Senior Secured Notes	335,870	407,945
Bank loans	-	-
Tax Payables	81	-
Social security payables	6	-
Deferred income	13,544	11,582
Non-current Liabilities	412,386	476,325
Current Liabilities		
Senior Secured Notes	9,080	-
Trade payables	3,716	2,519
Trade payables to parents companies and their affiliated	46,065	31,461
Dividends Payable	18,831	10,963
Tax Payables	2,462	153
Social security payables	171	364
Other payables	410	565
Accrued expenses	83	92
Deferred income	11,306	22,930
Current Liabilities	92,124	69,048
Total Liabilities and Shareholders' equity	712,954	739,660

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for the fiscal year ended June 30, 2022 compared with the fiscal year ended June 30, 2021. The Cash Flow data presented in this document have been prepared using the data included in the audited financial statements of Inter Media & Communication S.p.A. prepared for statutory purposes according to Italian law and Italian GAAP (the Annual Financial Statements). The Annual Financial Statements do not conform with GAAP in other countries or IFRS.

	For the fiscal year ended	
	June 30	
	2021	2022
<i>(in thousands of €)</i>		
Profit/(Loss) for the period	16,053	1,896
Current taxes	20,815	2,333
Net Financial Expenses	11,120	16,686
Profit for the period before taxes and interest	47,988	20,915
Depreciation and amortization	18,212	20,441
Write-downs /release/uses) of trade receivables	40,383	25,299
Employee severance indemnities	166	177
Accrual for risks	2,899	(3,091)
Deferred tax assets and liabilities	(11,680)	(298)
Cash flow from operating activities before changes in working capital	97,967	63,443
(Increase)/Decrease in trade and other receivables	(6,806)	(9,236)
Increase/(Decrease) in trade and other payables	2,691	(16,309)
Other variations in net working capital	5,771	9,603
Cash flow from operating activities after changes in working capital	99,623	47,501
Taxes paid	(1,850)	(3,871)
Interest and other financial expenses paid	(17,272)	(21,800)
Employee severance indemnities paid	(69)	(206)
A. Cash flow from operating activities	80,431	21,624
Investments in Intangible Assets	(75)	(43)
Investments in Property, Plant and Equipment	0	-
Investments on Financial Assets (Debt service and reserve account)	(3,184)	(3,957)
B. Cash flow from investing activities	(3,259)	(4,000)
Intercompany loans	(61,376)	(50,458)
Repayment of Senior Secured Notes 2022	(8,702)	(353,498)
Issuance Senior Secured Notes 2022 ("tap" - net of transaction fees and OID)	66,078	-
Issuance Senior Secured Notes 2027 (net of transaction fees)	-	407,433
Capital/dividend distributions	(61,727)	(23,921)
C. Cash flow from financing activities	(65,727)	(20,445)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	11,445	(2,821)
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	28,343	25,522

BUSINESS UPDATE

SPONSORSHIP REVENUE

As of the date of this report, contracted sponsorship fees for the fiscal year ending June 30, 2023 amount to approximately €46M. While we are working to close further contracts which are currently under negotiations, we note that this figure:

- includes new contracts signed effective July 1, 2022, of which, the most relevant in terms of consideration, is the 6 years contract with Konami
- does not include the sleeve sponsor being this asset not yet assigned after the 2021/2022 sporting season with Digitalbits
- does not include the Naming Rights of the front of the training kit and of the first team training center, being these assets not yet assigned after the expiration of the contract with Suning as of June 30, 2022; and finally
- does not take into consideration the contract currently in place with Zytara Labs LLC due to current uncertainty in respect of the ability of the partner to pay the contractual fee, as explained in the following update.

Update on contract with Zytara Labs LLC

In September 2021, MediaCo signed a new partnership with Zytara Labs - Digitalbits, as:

- the new Official Global Cryptocurrency and Sleeve Partner, for the 2021/2022 sporting season for a consideration of Euro 5 million and a variable consideration linked to the achievement of the sporting performances of TeamCo's first team,
- the new Global Main Jersey Partner for the three sporting seasons from 2022/2023 to 2024/2025 for a total consideration of Euro 80 million (€24 million due for 2022/2023, €26 million due for 2023/2024 and €30 million due for 2024/2025), in addition to variable consideration, linked to the achievement of the sporting performances of TeamCo's first team.

As of the date of this report, the partner:

- paid in full the € 5 million base fee due for the 2021/2022 sporting season as well as a €0.1 million performance bonus triggered in respect of the achievement of UCL Ro16,
- did not pay additional performance bonuses for a total amount of €1.6 million triggered in respect of the final position in 2021/2022 Serie A and victory of 2021/2022 Coppa Italia.
- did not pay the first two instalments for a total amount of €16 million (of which the first one issued in June 2022 for €8M) due with regard to the €24 million base fee for the 2022/2023 sporting season

- In addition to the above, the partner has not yet presented the project, contractually envisaged, regarding the integration of the Group digital ecosystem, which has just been revamped by our club.

We understand that the crisis in the crypto-currency sector, which worsened during the second quarter of the year 2022, significantly affected the ability of the client to fulfill its obligations. We are reserving all the actions and remedies to protect our contractual interests and rights and, in the meantime, we removed the logos of the partner from our website, billboards and jerseys of the youth and women's sector teams, while retaining, at the moment, the presence of the sponsor on the jersey of the first team.

MEDIA REVENUE

Serie A

The 2022/2023 sporting season is the second of the three years-cycle started in the past sporting season. For this season, net available distributable revenues for the twenty clubs have increased up to approx. €1.0 billion compared to €0.93 billion in prior season mainly due to the fact that, at the end of June 2022, Serie A signed a new contract with Abu Dhabi Media for the broadcasting in the Middle East and North Africa (in prior sporting season Serie A has been without a permanent broadcaster in the MENA region since BeIN Sports chose not to renew its deal after the 2020/2021 season, i.e. the last season of the previous three years-cycle).

Based on the distribution model in place, we expect a minimum guaranteed amount in the region of €72M (in a worst scenario of last position in the 2022/2023 Serie A ranking) which increases up to approximately €92M in case of 2022/2023 Serie A victory (all these amounts exclude any VAT assigned from TeamCo to MediaCo with the assignment of the related receivable). We also highlight additional upside depending on the performance of the team in Coppa Italia and Supercoppa Italiana.

UEFA

The 2022/2023 sporting season is the second of the three years-cycle started in the past sporting season.

Based on the distribution model in place, and having the team already achieved the Ro16 of the ongoing UCL, we expect a minimum guaranteed amount in the region of €57M in a worst scenario of elimination at this round (which will be played in February 2023). This amount can increase depending on the progression of the team in the competition.

We notice that this amount is gross of the €4.0 million unconditional financial contribution set forth by the Settlement Agreement signed in August 2022 that UEFA will withhold from any due prize money during the fiscal year ending June 30, 2023 (please refer to next paragraphs for more details).

Other Media Revenue

Other Media Revenue mainly relate to revenues arising from the distribution of Inter TV and the licensing of Inter's archive content rights at both domestic and international rights. As of the date of this report, related contracted fees for the fiscal year ending June 30, 2022 are in the region of € 9.0 million.

SETTLEMENT AGREEMENT SIGNED WITH UEFA

Following the proceedings opened by UEFA in respect of the Financial Fair Play break-even deficit recorded in the past years, FC Inter, together with a number of other European clubs, signed a Settlement Agreement with UEFA ("SA") in August 2022.

Purpose of the SA is to accompany the clubs through the transitional period between the "old" Financial Fair Play Regulations and the newly approved Financial Sustainability Regulations which will be implemented in a staged approach as from financial year ending June 30, 2023. The clubs' objective is therefore to fully comply with the Football Earnings rule as defined by the UEFA Club Licensing and Financial Sustainability Regulations – Edition 2022 ("CL&FSR") at the end of the SA.

The SA signed by FC Inter covers the five reporting periods ending 2022, 2023, 2024, 2025 and 2026 and the five sporting seasons 22/23, 23/24, 24/25, 25/26 and 26/27.

The SA sets forth:

- Financial Measures: a financial contribution up to €26 million, of which:
 - €4 million unconditional; and
 - €22 million conditional
 - This conditional portion is suspended and will be triggered only in the event of breach of the financial targets set by the SA for the reporting periods ending 2022, 2023, 2024, 2025 and 2026 (the triggered amount, if any, will be proportional to the magnitude of the potential breach and with annual caps)
 - The financial targets have been set with reference to the Adjusted Football Earnings ("FE") defined by the CL&FSR (i.e. the net result reported in the annual consolidated financial statements adjusted to

exclude some items, such as youth development costs, women football costs, community development costs, infrastructure costs, etc.).

- The FE have been set at annual level to progressively accompany the club to fully comply with the Football Earnings rule in the reporting period ending 2026
- Sporting measures imposing certain restrictions to:
 - The registration of new players to the List A for UEFA competitions for sporting seasons 2022/2023 and 2023/2024 (and in the following seasons only in the event of breach of the agreed financial targets)
 - The number of players that can be registered to List A for UEFA competitions starting from the season 2023/2024, with a potential limitation to 23 players (vs. 25 players normally admitted) in the event of breach of the agreed financial targets

Updated position in respect of the Financial Contribution

In the fiscal year ended June 30, 2022, FC Inter:

- booked the €4M unconditional financial contribution (which will be withheld by UEFA from due prize money during the fiscal year ending June 30, 2023)
- accrued a risk of €4.8M relating to the conditional financial contribution
 - This risk has been estimated comparing the results of the latest internal business plan covering the SA period (2023-2026) to the agreed financial targets.
 - Based on the actual results of the reporting period ended June 30, 2022, pending the final judgment of UEFA (which will carry out audit procedures on our financial statements in the coming months), we believe to have met the agreed financial target and we do not expect any trigger of the conditional financial contribution for this year.

Updated position in respect of Sporting Measures

All new players signed during the 2022 summer transfer market have been registered in List A for the 2022/2023 UCL Group Stage, as required restrictions have been respected.

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 the fiscal year ended June 30, 2022 compared with the fiscal year ended June 30, 2021. 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 the fiscal year ended June 30, 2021, exclude amounts shifted from the sporting season 2019-2020 due to its end in August 2020

For the fiscal year ended June 30				
	2021 Reported	(Shifted from 2019/2020)	2021-Pro- forma	2022 Reported
<i>(in thousands of €)</i>				
A. Direct Media Revenue	15,934	(209)	15,725	9,367
B. Other Income	5,203	-	5,203	4,305
C. Sponsorship Revenue	92,585	(19,009)	73,576	68,350
D. Total Revenue (A+B+C)	113,722	(19,218)	94,504	82,022
E. Serie A Indirect Media Revenue *	136,328	(8,130)	128,198	91,489
F. UEFA Indirect Media Revenue *	67,325	(19,356)	47,969	61,527
G. Adjusted Media Revenue (A+E+F)	219,587	(27,695)	191,892	162,383
B. Other Income	5,203	-	5,203	4,305
C. Sponsorship Revenue	92,585	(19,009)	73,576	68,350
Adjusted Revenue (G+B+C)	317,375	(46,704)	270,671	235,038

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

Our Adjusted Revenue decreased by €82.3 million or - 25.9% to €235.0 million for the fiscal year ended June 30, 2022 from €317.4 million for the fiscal ended June 30, 2021, while, on a "pro-forma" and comparable basis, we record a lower decrease (€35.6 million or 13.2%). In the below paragraphs we explain in detail the reasons of the net decrease of our Adjusted Revenue.

Direct Media Revenue

Looking at comparison vs. pro-forma and more comparable figures, Direct Media Revenue decreased by €6.3 million or – 40.4% to €9.4 million for the fiscal year ended June 30, 2022 from 15.7 million for the fiscal year ended June 30, 2021 mainly due to a lower value of the new contracts relating to the national and international distribution of the archive rights after the expiration of the previous contracts as at June 30, 2021.

Other Income

In the fiscal year ended June 30, 2022 we booked Other Income for €4.3 million of which the main portion (€3.1 million) is represented by the release of the provision set aside in the fiscal year ended June 30, 2021 to cover the risk of reimbursement of a portion of the amount collected from Sky in respect of 2019/2020 Serie Indirect Media Revenue pertaining to the part of the season played after the outbreak of the pandemic. We released this provision after that (i) in January 2022 Milan Court issued an executive sentence which confirmed that Sky had no right to any reimbursement and (ii) Sky waived their right to appeal.

Sponsorship Revenue

Looking at comparison vs. pro-forma and more comparable figures, Sponsorship Revenue decreased by €5.1 million or – 7.1% to €68.4 million for the fiscal year ended June 30, 2022 from €73.6 million for the fiscal year ended June 30, 2021. As detailed on the following table, this has been driven by the significant reduction in regional sponsorships which has been mostly offset by an increase in shirt sponsorship:

	For the fiscal year ended June 30			
	2021 Reported	(Shifted from 2019/2020)	2021-Pro- forma	2022 Reported
<i>(in thousands of €)</i>				
Shirt	24,963	(12,893)	12,070	28,850
Technical	16,173	(2,823)	13,350	12,500
EU/Global	18,286	(2,881)	15,405	16,781
Regional and naming rights	33,162	(411)	32,750	10,219
Sponsorship Revenue	92,585	(19,009)	73,576	68,350

- **Shirt**

On a “pro-forma” comparable basis, Shirt Sponsorship Revenue increased by €16.8 million or 139.0% from €12.1 million to €28.9 million due to:

- the higher overall annual value of the three new 2021/2022 sponsor (Socios.com. as main shirt sponsor, Zytara/Digitalbits as sleeve sponsor and Lenovo as back shirt sponsor) compared to the contractual fee of our sole previous shirt sponsor (Pirelli) and
- the fact that in the fiscal year ended June 30, 2021, the contractual fee of our previous shirt sponsor was decreased by (i) a €2.5 million consent fee recognized 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 and (ii) a €5.2 million reduction agreed for contractual benefits which could not be delivered due to Covid-19 restrictions

- **Technical**

On a “pro-forma” comparable basis, Technical Sponsorship Revenue decreased by €0.9 million or - 6.4% from €13.4 million to €12.5 million as the win of 2020/2021 Serie A triggered a €0.9 million contractual bonus in prior fiscal year.

- **EU/Global & Regional and naming rights**

On a “pro-forma” comparable basis, EU/Global Sponsorship Revenue increased by €1.4 million or 8.9% from €15.4 million to €16.8 million due the impact of the new sponsors signed for the 2021/2022 sporting season which also offset the impact of the upgrade of Lenovo from this category to Shirt sponsor.

- **Regional and naming rights**

On a “pro-forma” comparable basis, Regional and naming rights Sponsorship Revenue decreased by €22.6 million or – 68.8% from €32.8 million to €10.2 million driven by the termination of the contract with our previous regional partner agency effective from July 1, 2021 (generating a negative impact on revenue of €25 million). This impact has been partially offset by new sponsors signed for the 2021/2022 sporting season

- ***Serie A and similar Indirect Media Revenue***

On a “pro-forma” comparable basis, Serie A and similar Indirect Media Revenue decreased by €36.7 million or – 28.6% from €128.2 million to €91.5 million mainly due to (i) €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 Serie A Media Revenue for the sporting season 2021/2022, (ii) lower total distributable resources at of the new Serie

A cycle 2021/2022-2023/2024 compared to the previous cycle ended June 30, 2021 (approx.- 16% from €1.12 billion to €0.93 billion mainly resulting from lower value of international rights following non-assignment, for the 2021/2022 sporting season, in the MENA region), (iii) lower VAT assigned with the receivables (due to change of main broadcaster in 2021/2022) and (iv) lower final ranking in 2021/2022 Serie A (2nd position) vs. prior season (1st position).

Partially offsetting these items, in the fiscal year ended June 30, 2022 (a) we were assigned with €10.3M million (incl. VAT) Media Revenue for the victory of 2021/2022 Coppa Italia and Super Coppa Italiana and (b) we were recognized an amount of €4.7 million representing the portion pertaining to us relating to the refund agreed between Mediapro and Lega Serie A in respect of the litigation which was in progress in respect of the 2018-2021 cycle.

On a comparable basis (hence excluding the described impacts of VAT and timing and excluding Media Revenue relating to the victory of Coppa Italia and Supercoppa Italiana), the decrease year on year of pure Serie A revenues for the sporting season is limited to €16M or 16% from €100M to €84M driven by lower value of new cycle (partially recovered in FY23 thanks to new agreement for the MENA Region)

- *UEFA Indirect Media Revenue*

On a "pro-forma" comparable basis, UEFA Indirect Media Revenue increased by €13.5 million or 28.3% from €48.0 million to €61.5 million mainly due to (i) better progression in the UCL (Ro16 exit vs. Group Stage exit) and (ii) higher performance bonuses triggered in the UCL Group Stage (with final second position versus fourth position in the previous year) which more than offset (iii) 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.

Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the fiscal year ended June 30, 2022 compared with the fiscal year ended June 30, 2021:

	For the fiscal year ended June 30	
	2021	2022
<i>(in thousands of €)</i>		
Sponsorship Revenue		
- Shirt	24,963	28,850
- Technical	16,173	12,500
- EU/Global	18,286	16,781
- Regional and naming rights	33,162	10,219
Direct Media Revenue	15,934	9,367
Other Income	5,203	4,305
Total revenue	113,722	82,022
Indirect Media Revenue		
- Serie A and similar Indirect Media Revenue *	136,328	91,489
- UEFA Indirect Media Revenue *	67,325	61,527
Adjusted Revenue	317,375	235,038
Change in Non-current /Current operating assets **	(1,167)	(692)
Cash Inflows	316,208	234,346
Personnel costs	(3,137)	(3,421)
Cost of services	(11,858)	(11,279)
Other costs	(3,276)	(294)
Adjusted Tax Expenses	(3,612)	(1,075)
Change in Non-current/Current operating liabilities **	7,903	(5,547)
Adjusted Services Agreement Fees	6,100	6,100
Cash Outflows	(7,880)	(15,516)
Cash Available for Debt Service	308,328	218,830

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

** excluding change relating to non-cash items such as releases/accruals of provisions, write-down of trade receivables, etc.

Cash Available for Debt Service decreased by €89.5 million or – 29.0% to €218.8 million for the fiscal year ended June 30, 2022 from €308.3 million for the fiscal year ended June 30, 2021. With cash outflows relatively stable and limited in size due to the nature of the MediaCo business (the €7.6 million increase from €7.9 million to €15.5 million has been a result of working capital movements, with particular regard to the different timing in the

payment of the Service Agreement fees to TeamCo), such decrease has been driven by a €81.9 million decrease in cash inflows (- 25.9% from €316.2 million to €234.3 million).

The decrease in cash inflows has been driven by the €82.3 million reduction in reported Adjusted Revenue, with working capital overall relatively stable.

Historical Debt Service Coverage Ratio ("DSCR")

For the fiscal year ended June 30, 2022, we represent a DSCR equal to 7.81. The calculation is summarized in the table below:

Currency (€ 000)	For the fiscal year ended June 30, 2022
Aggregate Inflows	234,346
Aggregate Outflows	(15,516)
Cash Available for Debt Service	218,830
Debt Service Payments (Pro-forma)*	28,013
Debt Service Coverage Ratio	7.81

* due to refinancing closed during FY22, for the purposes of this calculation we used the Debt Service Payments due in FY23

Pro-forma Debt Service Coverage Ratio ("Pro-forma DSCR")

The DCSR pro-forma for the 12 months from July 1, 2022 to June 30, 2023 is currently estimated at 6.50 as presented in the table below:

Currency (€ 000)	Estimated for the twelve months ending June 30, 2023
Aggregate Inflows	197,000
Aggregate Outflows	(15,000)
Cash Available for Debt Service	182,000
Mandatory Amortisation	-
Interest paid	28,013
Debt Service Payments	28,013
Debt Service Coverage Ratio	6.50

The DCSR pro-forma has been estimated as follows:

Inflows:

- Sponsorship Revenue: largely based on contracted revenues to date, excluding in full the contract in place with Digitalbits (please refer to previous section "Business Update – Sponsorship Revenue" for more details) plus a smaller portion based on the current pipeline
- Direct Media Revenue: based on contracted revenues to date (please refer to previous section "Business Update – Media Revenue" for more details)
- Serie A Indirect Media Revenue: based on expected amount of total available resources at central level to be allocated to Inter assuming final 3rd position in the 22/23 Serie A ranking (please refer to previous section "Business Update – Media Revenue" for more details)
- UEFA Indirect Media Revenue: based on expected amount of total available resources at central level to be allocated to Inter assuming elimination at Ro16 of 22/23 UCL (already achieved by the team and which will be played in February 2023) (please refer to previous section "Business Update – Media Revenue" for more details) and including the negative €4 million impact related to the unconditional financial contribution set forth by the Settlement Agreement signed with UEFA ((please refer to previous section "Business Update – Settlement Agreement signed with UEFA" for more details).

Outflows:

- Based on current run-rate and latest opex and tax budget.

RESULTS OF OPERATIONS

The following table sets forth Income Statement data for MediaCo for the fiscal year ended June 30, 2022 compared with the fiscal year ended June 30, 2021. The Income Statement data presented in this document have been prepared using the data included in the audited financial statements of Inter Media & Communication S.p.A. prepared for statutory purposes according to Italian law and Italian GAAP (the Annual Financial Statements). The Annual Financial Statements do not conform with Generally Accepted Accounting principles (GAAP) in other countries and International Financial Reporting Standards (IFRS). 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 the fiscal year ended June 30, 2021, exclude amounts shifted from the sporting season 2019-2020 due to its end in August 2020

	For the twelve months ended June 30			
	2021 Reported	(Shifted from 2019/2020)	2021-Pro- forma	2022 Reported
<i>(in thousands of €)</i>				
Revenue	108,519	(19,218)	89,300	77,717
Other Income	5,203	-	5,203	4,305
Total revenue	113,722	(19,218)	94,504	82,022
Personnel costs	3,137	-	3,137	3,421
Cost of services	11,858	(141)	11,717	11,279
Other operating costs	730	-	730	835
Write-downs of trade receivables	40,383	-	40,383	25,426
Depreciation and amortization	18,212	-	18,212	20,441
Provisions for risks and charges	3,091	-	3,091	-
Total operating costs	77,411	(141)	77,270	61,402
Operating profit	36,311	(19,077)	17,234	20,620
Net financial expenses	(11,123)	-	(11,123)	(16,689)
Profit/(Loss) before tax	25,188	(19,077)	6,111	3,931
Income taxes	(9,135)	5,323	(3,813)	(2,035)
Profit/(Loss) for the period	16,053	(13,755)	2,298	1,896

Revenue. Revenues for the fiscal year ended June 30, 2022 decreased by €31.7 million or – 27.9% to €82.0 million from €113.7 million for the fiscal year ended June 30, 2021. On a "pro-forma" comparable basis, the decrease is smaller (€12.5 million or – 13.2% from €94.5 million to 82.0 million) driven by a reduction in regional and naming rights sponsorship revenue which has partially been mitigated by an increase in other sponsorship revenues, and, in particular, in jersey sponsorships (refer to the Section "Adjusted Revenues" for more details).

Personnel costs, Cost of services and Other Operating Costs. These operating costs totalize 15.5 million for the fiscal year ended June 30, 2022 and are in line with prior fiscal year.

Write-downs of trade receivables. Write-downs of trade receivables for the fiscal year ended June 30, 2022 amounted to €25.4 million of which the main component (€23.1 million) relates to an accrual to provision for doubtful accounts made in order to fully cover the outstanding net receivable as at June 30, 2022 from our former Asian marketing agency (please refer to the paragraph “Balance Sheet” on the next pages for more details).

We also highlight a €1.6 million accrual to provision for doubtful accounts in respect of outstanding and overdue receivables from Digitalbits relating to contractual performance bonuses triggered for the final position in 2021/2022 Serie A and the victory of 2021/2022 Coppa Italia (please refer to the paragraph “Business Update – Sponsorship Revenue” on the previous pages for more details).

In prior fiscal year ended June 30, 2021 Write-downs of trade receivables were higher at €40.3 million driven by more significant write-downs of receivables from Asian marketing agencies (whose business has been severely affected by the pandemic).

Depreciation and amortization. Depreciation and amortization for the fiscal year ended June 30, 2022 increased by €2.2 million or 12.2% to €20.4 million from €18.2 million for the fiscal year ended June 30, 2021 as a consequence of 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. 110 of 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).

Provisions for risks and charges. The €3.1 million accrual made in the Income Statement of the fiscal year ended June 30, 2021 resulted from an assessment of the risk of reimbursement in the following months of a portion of the amount collected from Sky in respect of 2019/2020 Serie Indirect Media Revenue (risk related to the judicial procedure in progress arisen during the suspension of Serie A 19/20 due to the pandemic). As previously described such provision has been fully released in the fiscal year ended June 30, 2022.

Net Financial expenses. Net Financial expenses for the fiscal year ended June 30, 2022 increased by €5.6 million or 50.0% to €16.7 million from €11.1 million for the fiscal year ended June 30, 2021 mainly due to the €5.2 million write-off of the unamortized portion of transaction fees and Original Issue Discount of the Old Notes booked on the date of the Refinancing Transaction (non-cash cost in the Income statement of the current period). We also highlight a €3.1 million increase in interest expense on the Senior Secured Notes (which is a result of the Refinancing Transaction) nearly fully offset by an increase in interest income

accrued on loans provided to TeamCo (increase which is a result of the new €50.5M loan provided to TeamCo on the Refinancing Date to repay the RCF).

Income taxes. Income taxes for the fiscal year ended June 30, 2022 decreased by €7.1 million or 77.7% to €2.0 million from €9.1 million in the fiscal year ended June 30, 2021. On a “pro-forma” comparable basis, the decrease is smaller (€1.7 million or – 45.8% from €3.8 million to € 2.0 million) mainly driven by the impact of the recovery of certain taxes paid in prior years due to the possibility to exploit the so called “patent box”, i.e. a tax measure that provides special tax treatment for profits generated from intellectual property.

Profit/(Loss) for the period. For the reasons described above, net result of the period – still significantly affected by required write-down to trade receivables (largely still driven by the impact of pandemic on the Asian market) - decreased by €14.2 million from €16.1 million to €1.9 million; however, on pro-forma comparable basis the decrease is smaller at €0.4 million.

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for the fiscal year ended June 30, 2022 compared with the fiscal year ended June 30, 2021. The Cash Flow data presented in this document have been prepared using the data included in the audited financial statements of Inter Media & Communication S.p.A. prepared for statutory purposes according to Italian law and Italian GAAP (the Annual Financial Statements). The Annual Financial Statements do not conform with GAAP in other countries and IFRS.

	For the fiscal year ended June 30	
	2021	2022
<i>(in thousands of €)</i>		
Profit/(Loss) for the period	16,053	1,896
Current taxes	20,815	2,333
Net Financial Expenses	11,120	16,686
Profit for the period before taxes and interest	47,988	20,915
Depreciation and amortization	18,212	20,441
Write-downs /release/uses) of trade receivables	40,383	25,299
Employee severance indemnities	166	177
Accrual for risks	2,899	(3,091)
Deferred tax assets and liabilities	(11,680)	(298)
Cash flow from operating activities before changes in working capital	97,967	63,443
(Increase)/Decrease in trade and other receivables	(6,806)	(9,236)
Increase/(Decrease) in trade and other payables	2,691	(16,309)
Other variations in net working capital	5,771	9,603
Cash flow from operating activities after changes in working capital	99,623	47,501
Taxes paid	(1,850)	(3,871)
Interest and other financial expenses paid	(17,272)	(21,800)
Employee severance indemnities paid	(69)	(206)
A. Cash flow from operating activities	80,431	21,624
Investments in Intangible Assets	(75)	(43)
Investments in Property, Plant and Equipment	0	-
Investments on Financial Assets (Debt service and reserve account)	(3,184)	(3,957)
B. Cash flow from investing activities	(3,259)	(4,000)
Intercompany loans	(61,376)	(50,458)
Repayment of Senior Secured Notes 2022	(8,702)	(353,498)
Issuance Senior Secured Notes 2022 ("tap" - net of transaction fees and OID)	66,078	-
Issuance Senior Secured Notes 2027 (net of transaction fees)	-	407,433
Capital/dividend distributions	(61,727)	(23,921)
C. Cash flow from financing activities	(65,727)	(20,445)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	11,445	(2,821)
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	28,343	25,522

Cash flow from operating activities. Cash flow from operating activities for the fiscal year ended June 30, 2022 decreased by €58.8 million to €21.6 million from €80.4 million for the fiscal year ended June 30, 2021 mainly due to:

- a €34.5 million decrease in Cash flow from operating activities before changes in working capital driven by the €34.7 million reduction in the monetary components of Operating profit shown in the paragraph "RESULTS OF OPERATIONS" (reduction calculated excluding the impact of non-monetary items such as Write-downs of trade receivables and Depreciation and Amortization)
- €17.6 million decrease in the impact of change in Working Capital mainly driven by €19.0 million worsening from the variation of the line "trade and other payables" mainly related to the different timing in the assignment of media rights receivables and in their repayment to TeamCo through the payment waterfall mechanism set out by the indenture
- Higher interest paid by €4.5 million as a result of the Refinancing Transaction

Cash flow from investing activities. Cash flow from investing activities for the fiscal year ended June 30, 2022 amounted to €4.0, overall in line with prior fiscal year (€3.3 million).

While capital investments in intangible and intangible assets remained immaterial in respect of our business (€43 thousands versus €75 thousands), these amounts mainly refer to the filling of the debt reserve and debt service accounts related to the Notes.

Cash flow from financing activities. Cash flow from financing activities for the fiscal year ended June 30, 2022 was €20.4 million negative (compared to €65.7 million negative in the fiscal year ended June 30, 2021) composed as follows:

- Inflows of €407.4 million from the issuance of the New Notes, resulting from €415M face value net of transaction fees directly deducted at the issuance date (in the same period of the prior fiscal year we recorded net inflows of €66.1 million from the issuance of the €75M additional Old Notes in July 2020)
- Outflows of €353.5 million relating to the Old Notes composed of (i) December 2021 amortization installment (€4,5 million) and (ii) full redemption of outstanding principal amount as of the Refinancing Transaction Date (€349.0 million); in the same period of the prior fiscal year we recorded outflows of €8.7 relating to the amortization installments of the Old Notes (please notice that there isn't any amortization payment for New Notes until June 2024)
- Outflows of €50.5 million for Intercompany Loans provided to TeamCo (through cash collected upon the issuance of the New Notes) to repay the RCF on the Refinancing Transaction date; in the same period of prior fiscal year were recorded outflows of

€61.4 million for Intercompany Loans provided to TeamCo using cash collected upon the issuing the €75M additional Old Notes.

- Outflows of €23.9 million for the payment of dividends to the immediate parent companies TeamCo and BrandCo (€61.8 million in the same period of the prior fiscal year)

Both dividends and Intercompany loans (together with payments made under the Tax Consolidation Regime and in respect of the I/C Service Agreement) are provided to TeamCo as a permitted distribution under the waterfall rules defined by the indenture of the Notes.

Net change in cash and cash equivalent. Net change in cash and cash equivalent for the fiscal year ended June 30, 2022 decreased by €14.3 million to €2.8 million negative from €11.4 million positive for the fiscal year ended June 30, 2021.

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as at 30 June 2022 compared with 30 June 2021. The Balance Sheet data presented in this document have been prepared using the data included in the audited financial statements of Inter Media & Communication S.p.A. prepared for statutory purposes according to Italian law and Italian GAAP (the Annual Financial Statements). The Annual Financial Statements do not conform with GAAP in other countries and IFRS

Assets:

	As at	
	June 30 2021	June 30 2022
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	365,487	345,151
Property, plant and equipment	170	108
Financial assets	13,142	17,579
Loan to parent company	242,515	307,147
Trade receivables	22,354	101
Prepaid expenses	3	3
Non-current Assets	643,671	670,089
Current assets		
Financial assets	480	0
Loan to parent company	-	-
Trade receivables	21,243	20,188
Trade receivables from parent companies and their affiliated	7,472	12,577
Tax receivables	100	2,201
Deferred tax assets	11,543	8,880
Other receivables	7	46
Prepaid expenses	95	156
Cash at bank and on hand	28,343	25,522
Current Assets	69,283	69,571
Total Assets	712,954	739,660

Non-current assets. Non-current assets increased by €26.4 million from €643.7 million at June 30, 2021 to €670.1 million at June 30, 2022 mainly due the combined opposite impact of:

- €64.6 million increase in Loans to parent company resulting from (i) the €50.5M loan provided to TeamCo on the Refinancing Date to repay the RCF and (ii) the accrual of interest income of the period (€14.1M)

- €4.4 million increase in Financial Assets due to the increase of the deposit required on the Debt Reserve Account from €13.1 million (relating to the Old Notes) to €17.7 million (relating to the New Notes)
- €20.4 million reduction in Intangible Assets related to amortization of the period.
- €22.3 million reduction in Trade Receivables resulting from the write-downs booked in the period as already described in the paragraph "RESULTS OF OPERATIONS" (for a more detailed description of the change of Trade Receivables please refer to the next paragraph)

Current assets. Current assets as at June 30, 2022 amounted to €69.6 million in line with June 30, 2021 (€69.3 million)

Main variations under Current assets relate to:

- €4.1 million increase in Trade Receivables detailed by the table at the bottom of this paragraph
- €2.8 million decrease in Cash at bank and on hand due to net cash flow recorded in the period (as previously explained in the paragraph "Cash Flow Statement")

Change in Trade Receivables (under both Non-Current and Current Assets) is summarized on the following table:

	As at June 30 2021	As at June 30 2022	Var.
<i>(in thousands of €)</i>			
Other International/Regional Sponsorship Agreements- Receivables from Agencies (Provision for doubtful accounts - international/Regional Agencies) *	63,776 (32,800)	29,642 (23,105)	(34,134) 9,695
Provision for doubtful accounts (Discount of long term receivables)	(6,537)	(6,537)	-
Trade Receivables from International/Regional Agencies	24,439	-	(24,439)
Trade Receivables- Digitalbits- O/s receivable 21/22 (Provision for doubtful accounts -Digitalbits)	- (1,600)	1,600 (1,600)	1,600 (1,600)
Trade Receivables from Digitalbits	-	-	-
Trade Receivables- Digitalbits- invoice 1st installment 22/23 issued in June 2022	-	8,000	8,000
Other trade receivables (Provision for doubtful accounts - other trade receivables)	32,428 (5,798)	30,686 (5,820)	(1,742) (22)
Other Trade Receivables - Net	26,630	32,866	6,236
Total Trade receivables (incl. from parent companies and affiliated) - Net	51,069	32,866	(18,203)
Breakdown in the Balance Sheet			
Trade receivables (Non-current Assets) [A]	22,354	101	(22,253)
Trade receivables (Current Assets)	21,243	20,188	(1,054)
Trade receivables from parent companies and their affiliated	7,472	12,577	5,105
Total Trade receivables (Current Assets) [B]	28,715	32,765	4,050
Total Trade receivables (incl. from parent companies and affiliated) - Net [A] + [B]	51,069	32,866	(18,203)

* In the fiscal year ended June 30, 2022 we utilized the €32.8 million provision for doubtful accounts accrued at June 30, 2021 reducing the gross value of related trade receivables. The €23.1M provision booked on June 30, 2022 relates to the new accrual made in the fiscal year ended June 30, 2022

Receivables from International/Regional Agencies

Receivables from International/Regional Agencies decreased from €24.4 million at June 30, 2021 to nil at June 30, 2022 due to:

- €1.3 million collection made in the fiscal year ended June 30, 2022
- €23.1 million accrual to provision for doubtful accounts made in order to fully cover the outstanding net receivable as at June 30, 2022 from the agency Beijing IMedia (€29.6M face value less €6.5M discount accrued at June 30, 2021).

We remind that in September 2021 we signed with the agency a long-term repayment plan (with two annual instalments of growing value until fiscal year ending June 30, 2027). The decision to set aside a provision to fully cover the outstanding receivable as at June 30, 2022 was taken after that the agency paid only €0.25M out of the €1.0 million installment due on March 30, 2022 and considering the current uncertainty in respect of the market environment of the agency, still strongly affected by the impacts of the Covid-19 pandemic.

Notwithstanding this decision, we are in regular contact with them in order to chase overdue amounts of the agreed repayment plan. We notice that, from July 1, 2022 to the date of this report, we collected an amount of €0.15 million.

Trade Receivables from Digitalbits

As described in the section "Business Update – Sponsorship Revenue", Zytrara/Digitalbits did not pay contractual performance bonuses for a total amount of €1.6 million triggered in respect of the final position in 2021/2022 Serie A and victory of 2021/2022 Coppa Italia. We took the decision to set aside a provision to fully cover this receivable due to the described current uncertainty in respect of the ability of the client to fulfill its obligations (ability significantly affected by the current crisis in the crypto-currency sector).

Trade Receivables- Digitalbits- invoice 1st installment 22/23 issued in June 2022

As described in the section "Business Update – Sponsorship Revenue", Zytrara/Digitalbits did not pay the first €8 million installment due with regard to the €24 million base fee for the 2022/2023 sporting season.

As the invoice for this installment has been issued in June 2022, in the balance sheet as at June 30, 2022, we booked:

- a Trade Receivable for €8.0 million (under Current Assets)
- a Deferred Income for €8.0 million (under Current Liabilities)

Being the Trade Receivable already offset by the Deferred Income, there was no need to set aside a further specific provision for doubtful accounts notwithstanding the described current uncertainty in respect of the ability of the client to fulfill its obligations

Other Trade Receivables

Other trade receivables for €30.7 million as at June 30, 2022 are overall in line with June 30, 2021 (€32.4 million).

Liabilities:

	As at	
	June 30 2021	June 30 2022
<i>(in thousands of €)</i>		
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	187,777	187,777
Retained earnings	4,114	4,114
Profit/(Loss) for the period	16,053	1,896
Total Shareholders' equity	208,444	194,287
Non-current Liabilities		
Deferred tax liabilities	59,187	56,227
Other provisions	3,338	247
Provisions for employee severance indemnities	360	325
Senior Secured Notes	335,870	407,945
Bank loans	-	-
Tax Payables	81	-
Social security payables	6	-
Deferred income	13,544	11,582
Non-current Liabilities	412,386	476,325
Current Liabilities		
Senior Secured Notes	9,080	-
Trade payables	3,716	2,519
Trade payables to parents companies and their affiliated	46,065	31,461
Dividends Payable	18,831	10,963
Tax Payables	2,462	153
Social security payables	171	364
Other payables	410	565
Accrued expenses	83	92
Deferred income	11,306	22,930
Current Liabilities	92,124	69,048
Total Liabilities and Shareholders' equity	712,954	739,660

Shareholders' equity. Shareholders' equity decreased by €14.2 million from €208.4 million at June 30, 2021 to €194.3 million at June 30, 2022 due to:

- distribution in kind as a dividend of the €16.0 million net profit of the fiscal year ended June 30, 2021 to its immediate shareholders (TeamCO and BrandCo) as per resolution of the Shareholders' Meeting held on October 28th, 2021.
- Net Profit of the period equal to €1.9 million

Non-current liabilities. Non-current liabilities increased by €64.0 million from €412.4 million at June 30, 2021 to €476.3 million at June 30, 2022 mainly due to the impact of the Refinancing Transaction (€415 million New Notes, are booked in the balance sheet at June 30, 2022 for €407.9 million based on the Amortized Cost accounting method). We highlight that Other Provisions under "Non-current liabilities" decreased by €3.1 million from €3.3 million at June 30, 2021 to €0.2 million at June 30, 2022 due to the release of the €3.1 million provision accrued in prior fiscal year in respect of the litigation which was in place between Lega Serie A and Sky (please refer to paragraph "Results of Operations" for more details).

Current liabilities. Current liabilities decreased by €23.1 million from €92.1 million at June 30, 2021 to €69.0 million at June 30, 2022 driven by:

- €14.6 million decrease in Trade payables to parent companies and their affiliated mainly due the reduction in payables due to TeamCo in respect of the assignment of media rights receivables not yet distributed at the balance sheet date through the waterfall mechanism set forth by the indenture
- €7.9 million decrease in Dividends payables resulting from the combined opposite effect of:
 - (decrease) €23.9 million payment of dividends made in the fiscal year
 - (increase) the resolution of the Shareholders' Meeting held on October 28th, 2021 for distributing in kind as a dividend the €16.0 million net profit of the fiscal year ended June 30, 2021
- €9.1 million decrease in the current payables (from €9.1 million to 0) relating to the Senior Secured Notes which is a result of the Refinancing Transaction (as mandatory amortization of the New Notes will start from June 2024)

Partially offsetting the impact of the items above described, we highlight a €11.6 million increase in Deferred Income which mainly relates to the total value of sponsorship installments already invoiced in the fiscal year ended June 30, 2022, but whose revenues pertain and, accordingly, will be recognized, in the fiscal year ending June 30, 2023. In particular, such increase results from the first €8 million installment invoiced in June 2022 to Zytara/Digitalbits with regard to the €24 million total contractual main jersey sponsorship fee due for the 2022/2023 sporting season (as previously described).

CAPITAL EXPENDITURES

Level of capital expenditure in intangible and tangible assets (43k€) is not considered material for the period under review.

NET FINANCIAL POSITION

The Net Financial position of the issuer increased from €303.0 million at June 30, 2021 to €364.8 million at June 30, 2022. Such increase has been driven by the impact of the Refinancing Transaction as detailed by the following table:

	June 30 2021	As at June 30 2022
<i>(in thousands of €)</i>		
Cash at bank and on hand	28,343	25,522
Current financial assets (Debt Service Account)	480	0
Current financial receivables	480	0
Senior Secured Notes - current portion (face value)	(9,080)	-
Current financial liabilities	(9,080)	-
Net current financial assets/(liabilities)	19,743	25,522
Senior Secured Notes 2022 - long term portion (face value)	(344,418)	-
Senior Secured Notes 2022 - unamortized OID and transaction fees	8,548	-
Senior Secured Notes 2027 - long term portion (face value)	-	(415,000)
Senior Secured Notes 2027 - unamortized transaction fees	-	7,055
Financial Assets (Debt Reserve Account)	13,142	17,579
Non-current financial liabilities	(322,728)	(390,365)
Net financial position	(302,985)	(364,843)

RISK FACTORS

We confirm that the risk factors described in the Offering Memorandum, and not updated herein, remain applicable to the group.

TEAMCO UPDATE

SPORTING PERFORMANCE

After the most recent matches of 2022/2023 sporting season played as of the date of this report, the team is currently:

- 7th in the Serie A table (after 11 matches), eight points behind the team in 1st position and three points behind the team in 4th position (position which, at the end of the season, gives the right to play the UCL Group Stage in the following one);
- 2nd in the UCL Group Stage (after 5 matches), with access to Round 16 of UCL already secured.

In January 2023 the team will play the Supercoppa Italiana vs. AC Milan in Saudi Arabia and will start to play the domestic Cup ("Coppa Italia") from the Round of 16.

MATCHDAY

The 2022/2023 sporting season has started with stadium fully opened with no more restrictions related to the pandemic.

In the eight home matches played to the date (five Serie A and 3 UCL), the average attendance has been 70,513 (among the top clubs in Europe).

TRANSFER MARKET SUMMARY

The main players signed in the transfer market windows affecting the current fiscal year ending June 30, 2023 are:

Summer 2022:

- Lukaku (on loan from Chelsea)
- Mkhitarjan (free transfer)
- Onana (free transfer)
- Aslani (on loan from Empoli with obligation to buy)
- Bellanova (on loan from Cagliari with option to buy)
- Acerbi (on loan from Lazio with option to buy)

The main players who left TeamCo in the transfer market windows affecting the current fiscal year ending June 30, 2023 are:

Summer 2022:

- Perisic (contract expiration)
- Sanchez (contract termination)
- Vidal (contract termination)
- Ranocchia (contract termination)
- Vecino (contract expiration)
- Pinamonti (in the past season on loan to Cagliari and now sold to Sassuolo)
- Radu (on loan to Cremonese)
- Casadei (in the past season playing for the Youth Sector and now sold to Chelsea)
- Di Gregorio (in the past season on loan to Monza and now sold to the same club)
- Pirola (in the past season on loan to Monza and now on loan to Salernitana)

SHAREHOLDER LOANS

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, 2022 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 €21.2 million of which €5.2 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 years).

As described on the previous pages of this report, TeamCo RCF has been closed on February 9, 2022 through the Refinancing Transaction.

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

The financial information presented in this document is sourced from and based on the audited financial statements of MediaCo for the fiscal year ended June 30, 2022 (the "Annual Financial Statements"). The independent auditor has been Deloitte & Touche S.p.A., whose mandate terminated according to mandatory rotation rules, and will then be replaced by PricewaterhouseCoopers SpA starting from fiscal year ending June 30, 2023.

SIGNIFICANT ACCOUNTING POLICIES

The Annual Financial Statements were 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").

The items reported in the Annual 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 accounting policies adopted in preparing the Annual Financial Statements are the same as for the previous fiscal year and therefore reference should be made to the Financial Statements for the fiscal year ended June 30, 2021 for further considerations.

Italian GAAP differs in certain aspects from IFRS. For a discussion of the differences between Italian GAAP and IFRS, please refer to the Offering Memorandum in "Annex A: Summary of Certain Differences between Italian GAAP and IFRS."

Here, we notice that:

- In preparing the financial information presented in this document, MediaCo reclassified and renamed certain Italian GAAP line items in line with international format.
- 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, with the aim, among other things, to align certain differences between Italian GAAP and IFRS. Such

provisions were adopted in the Annual Financial Statements retrospectively beginning in the fiscal year ended June 30, 2015.

Use of estimates

For Annual 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 Annual 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 carried out as of June 30, 2022 did not highlight any requirement of impairment.

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 JUNE 30, 2022

The Shareholders' Meeting of MediaCo held on October 28th, 2022 has approved the Annual Financial Statements of the fiscal year ended June 30, 2022 and the distribution in kind as a dividend of the €1.9 million net profit to its immediate shareholders (TeamCo and BrandCo). The Shareholders' Meeting also appointed PricewaterhouseCoopers SpA as new auditors due mandatory end (according to rotation rules) of the mandate of previous auditors (Deloitte).

In addition to this and to what is already described in this document, and in particular in the sections "Business Update" and "TeamCo Update", there are no further matters to be highlighted occurring between July 1st, 2022 and the current date.

APPENDIX 1 – ANNUAL FINANCIAL STATEMENTS

Please refer to separate document provided with this report.