



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 six months ended December 31, 2022

Date: February 28, 2023

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 34 domestic trophies (including nineteen Serie A championships, eight Domestic Cup titles and seven domestic Super Cup titles, of which the last one in January 2023 defeating AC Milan), 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, more recently, 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
Matteo Pedinotti	Chief Communications Officer
Andrea Accinelli	Chief Financial Officer
Mark van Huuksloot	Chief Operating Officer
Lionel Sacchi	Chief People Officer
Luca Danovaro	Chief Revenue 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

PricewaterhouseCoopers S.p.A.

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 unaudited interim financial statements of MediaCo as of and for the six-month period ended December 31, 2022 (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 six months ended December 31, 2022 compared with the six months ended December 31, 2021.

	For the six months ended December 31	
	2021	2022
<i>(in thousands of €)</i>		
Revenue	34,405	28,062
Other Income	66	539
Total revenue	34,470	28,600
Personnel costs	1,375	1,833
Cost of services	5,334	5,757
Other operating costs	576	115
Write-downs of trade receivables	200	206
Depreciation and amortization	10,304	10,302
Provisions for risks and charges	-	-
Total operating costs	17,790	18,213
Operating profit	16,681	10,387
Net financial expenses	(5,503)	(5,778)
Profit/(Loss) before tax	11,178	4,610
Income taxes	167	(1,819)
Profit/(Loss) for the period	11,344	2,791

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as at December 31, 2022 compared with June 30, 2022.

	As at	
	June 30 2022	December 31 2022
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	345,151	334,883
Property, plant and equipment	108	81
Financial assets	17,579	17,579
Loan to parent company	307,147	316,278
Trade receivables	101	76
Prepaid expenses	3	37
Non-current Assets	670,089	668,934
Current assets		
Financial assets	0	0
Trade receivables	20,188	34,849
Trade receivables from parent companies and their affiliated	12,577	9,874
Tax receivables	2,201	1,361
Deferred tax assets	8,880	11,916
Other receivables	46	35
Prepaid expenses	156	573
Cash at bank and on hand	25,522	10,323
Current Assets	69,571	68,931
Total Assets	739,660	737,865

	As at	
	June 30 2022	December 31 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	1,896	2,791
Total Shareholders' equity	194,287	195,182
Non-current Liabilities		
Deferred tax liabilities	56,227	54,734
Other provisions	247	247
Provisions for employee severance indemnities	325	366
Senior Secured Notes	407,945	408,620
Deferred income	11,582	10,635
Non-current Liabilities	476,325	474,603
Current Liabilities		
Senior Secured Notes	-	77
Trade payables	2,519	2,731
Trade payables to parents companies and their affiliated	31,461	31,576
Dividends Payable	10,963	10,324
Tax Payables	153	528
Social security payables	364	215
Other payables	565	232
Accrued expenses	92	78
Deferred income	22,930	22,319
Current Liabilities	69,048	68,080
Total Liabilities and Shareholders' equity	739,660	737,865

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for the six months ended December 31, 2022 compared with the six months ended December 31, 2021

	For the six months ended	
	2021	2022
<i>(in thousands of €)</i>		
Profit for the period	11,344	2,791
Current taxes	(3,382)	6,347
Net Financial Expenses	5,510	5,774
Profit for the period before taxes and interest	13,473	14,912
Depreciation and amortization	10,304	10,301
Write-downs /release/uses) of trade receivables	200	56
Employee severance indemnities	71	102
Accrual for risks	-	-
Deferred tax assets and liabilities	3,215	(4,528)
Cash flow from operating activities before changes in working capital	27,264	20,843
(Increase)/Decrease in trade and other receivables	(8,039)	(11,138)
Increase/(Decrease) in trade and other payables	(16,429)	(6,199)
Other variations in net working capital	5,259	(2,073)
Cash flow from operating activities after changes in working capital	8,055	1,432
Taxes paid	(506)	(24)
Interest and other financial expenses paid	(8,707)	(14,006)
Employee severance indemnities paid	(97)	(61)
A. Cash flow from operating activities	(1,253)	(12,659)
Investments in Intangible Assets	(18)	(6)
Investments in Property, Plant and Equipment	-	0
Investments on Financial Assets (Debt service and reserve account)	442	0
B. Cash flow from investing activities	424	(6)
Intercompany loans	-	-
Senior Secured Notes	(4,477)	-
Capital/dividend distributions	-	(2,535)
C. Cash flow from financing activities	(4,477)	(2,535)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(5,306)	(15,200)
Cash at bank and on hand at the beginning of the period	28,343	25,522
Cash at bank and on hand at the end of the period	23,036	10,323

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 €50M (compared to €46 million reported in the Q1 report). 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, are:
 - the 6 years contract with Konami announced in July 2022 as Global Football Videogame Partner, Youth Development Centre Partner e Training Kit Back Partner.
 - the contract with eBay announced in December 2022 as Official eCommerce Partner and shirt sleeve partner. This contract expires as of June 30, 2023 with an option for the partner for a renewal for the fiscal year ending June 30, 2024
 - the contract with LeoVegas News announced in February 2022 as Official Training Kit front partner until June 2025 (expanding the partnership already signed with LeoVegas as Official Infotainment Partner)
- does not include the Naming Rights 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 (while Suning has been replaced by LeoVegas news on the front of the training kit)
- 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:

- with regard to sporting season 2021/2022

- paid in full the € 5 million base fee 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.
- With regard to sporting season 2022/2023:
 - did not pay the €24 million base fee (of which the first installment for €8 million issued in June 2022, the second one for €8 million issued in October 2022 and the last one for €8 million issued in February 2023)
 - did not pay the contractual performance triggered to date for a total amount of €1.25 million (of which €1 million in October 2022 and €0.25 million in January 2023)
- 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 relating to the victory of the domestic Supercup in January 2023 and based on the final progression in the domestic cup (semi-finals already achieved).

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 €58M in a worst scenario of elimination at this round (the return match vs. Porto FC will be played in mid March 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 has withheld from the due prize money during the current 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, 2023 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 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 has been withheld by UEFA form due prize money during the current 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, we have met the agreed financial target, and, accordingly, no conditional financial contribution has been triggered for such 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 competition as required restrictions have been respected. The List A has remained unchanged after the winter transfer market session.

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 six months ended December 31, 2022 compared with the six months ended December 31, 2021.

	For the six months ended December 31	
	2021	2022
<i>(in thousands of €)</i>		
A. Direct Media Revenue	4,442	4,865
B. Other Income	66	539
C. Sponsorship Revenue	29,962	23,196
D. Total Revenue (A+B+C)	34,470	28,600
E. Serie A and similar Indirect Media Revenue *	47,161	60,759
F. UEFA Indirect Media Revenue *	48,605	44,278
G. Adjusted Media Revenue (A+E+F)	100,208	109,903
B. Other Income	66	539
C. Sponsorship Revenue	29,962	23,196
Adjusted Revenue (G+B+C)	130,237	133,638

**Represented based on actual cash value (incl. VAT where applicable) of Media Revenue assigned from TeamCo to MediaCo during the three months ended December 31*

Our Adjusted Revenue increased by €3.4 million or 2.6% to €133.6 million for the six months ended December 31, 2022 from €130.2 million for the six months ended December 31, 2021. Main variances at each single line are explained below:

Direct Media Revenue

Direct Media Revenue increased by €0.5 million or 9.5% to €4.9 million for the six months ended December 31, 2022 from €4.4 million for the six months ended December 31, 2021 mainly due to an increase in the sale of our domestic and international archive rights (from €3.4 million to €3.8 million).

Other Income

Other Income increased by €0.5 million or 708.7% to €0.5 million for the six months ended December 31, 2022 from €0.1 million for the six months ended December 31, 2021 mainly due to the following items booked in H1 of the current fiscal year:

- Sponsorship Income for €225k relating to a contract pertaining to the prior sporting season (21/22) but whose official signing (and, accordingly, revenue recognition) shifted to Q1 of the current fiscal year
- release of €150k from the €23.1 million Provision for doubtful accounts posted at June 30, 2022 to fully cover the outstanding receivable from our former Asian marketing agency IMedia. Such release results from a €150k payment received by our former partner after June 30, 2022.

Sponsorship Revenue

Sponsorship Revenue decreased by €6.8 million or 22.6% to €23.2 million for the six months ended December 31, 2022 from €30.0 million for the six months ended December 31, 2021. This is detailed on the following table:

	For the six months ended December 31	
	2021	2022
<i>(in thousands of €)</i>		
Shirt	12,329	2,514
Technical	6,250	6,250
EU/Global	6,782	12,429
Regional and naming rights	4,601	2,003
Sponsorship Revenue	29,962	23,196

- Shirt

In the six months ended December 31, 2022 we booked €2.5 million pro-rata revenue relating to the contract in place Lenovo for the back of the main jersey. The €9.8 million decrease (79.6%) from €12.3 million to € 2.5 million is due to:

1. No revenue recognized in the first half of the current fiscal year in respect of the main jersey agreement with Digitalbits due to the described (i) default with respect to the payment of the due contractual installments and (ii) the current overall uncertainty in respect of the ability of the client to fulfill its contractual obligations (ability significantly affected by the current crisis in the crypto-currency sector). We remind

that in the first half of the prior fiscal year we recognized revenue for € 8 million relating to the main jersey agreement we had in place with Socios

2. No contract in place in the first half of the current fiscal year in respect of the sleeve of the main jersey (the new contract with eBay will be effective in the second half). We remind that in the first half of the prior fiscal year we recognized revenue for € 2 million relating to the sleeve jersey agreement we had in place with Digitalbits

Technical

Technical Sponsorship Revenue is in line at €6.3 million as this refers to the pro-rata revenue recognized in H1 in respect of the €12.5M total annual fixed fee set forth by the existing contract with Nike.

- EU/Global & Regional and naming rights

EU/Global Sponsorship Revenue increased by €5.6 million (or 83.3%) from €6.8 million to €12.4 million mainly driven by the impact of the new 6 years contract signed with Konami effective July 1, 2022 and by the inclusion of Socios in the pool of global partners (after the previous year as main jersey partner).

- Regional and naming rights

Regional and naming rights Sponsorship Revenue decreased by €2.6 million (or – 56.5%) from €4.6 million to €2.0 million mainly due to the termination of the contract with Suning effective from June 30, 2022

Serie A and similar Indirect Media Revenue

Serie A and similar Indirect Media Revenue increased by €13.6 million or 28.8% to €60.8 for the six months ended December 31, 2022 from €47.2 million for the six months ended December 31, 2021 mainly due to:

- the fact that in H1 and the following quarters of prior fiscal year we collected a lower amount having already received an advance payment of €13.4 million in Q4 of the fiscal year ended June 30, 2021 (upon the signing of the three years new cycle with the broadcasters)
- The pro-rata impact of higher net distributable revenue for the current fiscal year because of the new agreement signed by Serie A for the MENA region

UEFA Indirect Media Revenue

UEFA indirect Media Revenue decreased by €4.3 million or 8.9% to €44.3 for the six months ended December 31, 2022 from €48.6 million for the six months ended December 31, 2021. Such decrease is related to the fact that in the first semester of current fiscal year UEFA has fully withheld the €4M unconditional financial contribution defined by the Settlement Agreement from the prize money due in the period for the participation to UCL.

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Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the six months ended December 31, 2022 compared with the six months ended December 31, 2021.

	For the six months ended December 31	
	2021	2022
<i>(in thousands of €)</i>		
Sponsorship Revenue		
- Shirt	12,329	2,514
- Technical	6,250	6,250
- EU/Global	6,782	12,429
- Regional and naming rights	4,601	2,003
Direct Media Revenue	4,442	4,865
Other Income	66	539
Total revenue	34,470	28,600
Indirect Media Revenue		
- Serie A and similar Indirect Media Revenue *	47,161	60,759
- UEFA Indirect Media Revenue *	48,605	44,278
Adjusted Revenue	130,237	133,638
Change in Current/Non current operating assets **	(2,354)	(13,535)
Cash Inflows	127,883	120,102
Personnel costs	(1,375)	(1,833)
Cost of services	(5,334)	(5,757)
Other costs	(576)	(115)
Adjusted Tax Expenses	(144)	(1,239)
Change in Current/Non-current operating liabilities **	(1,132)	1,046
Adjusted Services Agreement Fees	2,521	3,621
Cash Outflows	(6,041)	(4,277)
Cash Available for Debt Service	121,842	115,825

*Represented based on actual cash value (incl. VAT where applicable) of Media Revenue assigned from TeamCo to MediaCo for the six months ended December 31

** excluding change relating to Write-down of trade receivables, accruals to/releases of risk provisions and other Non-cash items

Cash Available for Debt Service decreased by €6.0 million (or – 4.9%) to €115.8 million for the six months ended December 31, 2022 from €121.8 million for the six months ended December 31, 2021. With cash outflows relatively stable and limited in size due to the nature of the MediaCo business, such decrease has been driven by a €7.8 million reduction in Cash Inflows (- 6.1% from €127.9 million to €120.1 million).

The reduction in cash inflows has been recorded notwithstanding the described €3.4 million increase in Adjusted Revenue as a result of the impact in the semester from the change in Current/Non current operating assets (negative €13.5 million in H1 of current fiscal year versus negative €2.3 million in H1 of prior fiscal year). This is primarily related to the dynamics of trade receivables, and particularly to the fact that in Q1 FY22 we collected certain relevant revenue installments relating to prior fiscal year (the one ended June 30, 2021).

Historical Debt Service Coverage Ratio ("DSCR")

In the last twelve months ended December 31, 2022, we represent a DSCR equal to 7.60. The calculation is summarized in the table below:

Currency (€ 000)	For the Twelve months ended December 31, 2022
Aggregate Inflows	226,566
Aggregate Outflows	(13,753)
Cash Available for Debt Service	212,813
Mandatory Amortisation (Pro-forma)*	-
Interest paid (Pro-forma)*	28,013
Debt Service Payments (Pro-forma)*	28,013
Debt Service Coverage Ratio	7.60

* due to refinancing closed in February 2022, for the purposes of this calculation we used Debt Service Payments due in the 12 months period January 1, 2023 - December 31, 2023

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

The DCSR pro-forma for the 12 months from January 1, 2023 to December 31, 2023 is currently estimated at 6.78 as presented in the table below:

Currency (€ 000)	Estimated for the Twelve months ending December 31, 2023
Aggregate Inflows	205,000
Aggregate Outflows	(15,000)
Cash Available for Debt Service	190,000
Mandatory Amortization	-
Interest Expense	28,013
Debt Service Payments	28,013
Debt Service Coverage Ratio	6.78

The DCSR pro-forma has been estimated as follows:

Inflows:

- Sponsorship Revenue - largely based on contracted revenues to date and including the impact on the period July 2023 – December 2023 of certain expected renewals currently in a very advanced stage of negotiations. Due to current uncertainty relating to Digitalbits contract, no inflow included for the purposes of this calculation with respect of main jersey sponsorship, though interactions and negotiations for the signing with a new partner are in progress
- Direct Media Revenue: based on contracted revenues to date
- 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
- 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 the participation to 23/24 UCL Group Stage.

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 six months ended December 31, 2022 compared with the six months ended December 31, 2021.

	For the six months ended December 31	
	2021	2022
<i>(in thousands of €)</i>		
Revenue	34,405	28,062
Other Income	66	539
Total revenue	34,470	28,600
Personnel costs	1,375	1,833
Cost of services	5,334	5,757
Other operating costs	576	115
Write-downs of trade receivables	200	206
Depreciation and amortization	10,304	10,302
Provisions for risks and charges	-	-
Total operating costs	17,790	18,213
Operating profit	16,681	10,387
Net financial expenses	(5,503)	(5,778)
Profit/(Loss) before tax	11,178	4,610
Income taxes	167	(1,819)
Profit/(Loss) for the period	11,344	2,791

Revenue. Revenues for the six months ended December 31, 2022 decreased by €5.9 million (or 17.0%) to €28.6 million from €34.5 million for the six months ended December 31, 2021. driven by €6.8 million decrease in sponsorship revenue (refer to the Section “Adjusted Revenues” for more details).

Personnel costs. Personnel costs for the six months ended December 31, 2022 increased by €0.4 million (or 33.3%) to €1.8 million from €1.4 million for the six months ended December 31, 2021 mainly due to the strengthening of the sponsorships and commercial team.

Cost of services and Other Operating costs. The sum of Cost of services and Other Operating costs for the six months ended December 31, 2022 are overall in line with the six months ended December 31, 2021 at €5.9 million.

Write-downs of trade receivables. Write-downs of trade receivables required in the six months ended December 31, 2022 are in line with the six months ended December 31, 2022 at €0.2 million. We highlight that in Q1 we fully wrote-down the receivable relating to the revenue booked in the same period with regard to the contract with Digitalbits, while in H1 accounts, due to the persistent insolvency of the client, we decided not to book any revenue in respect of this contract.

Depreciation and amortization. Depreciation and amortization for the six months ended December 31, 2022 are in line with the six months ended December 31, 2021 at €10.3 million.

Net Financial expenses. Net Financial expenses for the six months ended December 31, 2022 increased by €0.3 million (or 5.0%) to €5.8 million from €5.5 million for the six months ended December 31, 2021 due to the combined opposite effect of:

- Increase in interest expense related to the Senior Secured Notes by €3.4 million as a result of the Refinancing Transaction
- higher interest income by €3.1 million (€9.1 million vs. 6.0 million) accrued on the Intercompany Loans granted to TeamCo due to higher value of the loaned amount (as a result of the new €50.5M loan provided to TeamCo on the Refinancing Transaction Date to repay the outstanding amount of the Revolving Credit Facility).

Income taxes. Income taxes for the six months ended December 31, 2022 increased by €2.0 million to €1.8 million from €0.2 million positive for the six months ended December 31, 2021 as the semester of prior fiscal year was positively affected by the recovery of certain taxes paid in prior years due to the possibility to exploit the so called “patent box”.

Profit for the period. For the reasons described above (mainly related to the current situation relating to the main jersey sponsor), Profit for the six months ended December 31, 2022 decreased by €8.6 million (or - 75.4%) to €2.8 million from €11.3 million for the six months ended December 31, 2021.

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for the six months ended December 31, 2022 compared with the six months ended December 31, 2021.

	For the six months ended	
	2021	2022
<i>(in thousands of €)</i>		
Profit for the period	11,344	2,791
Current taxes	(3,382)	6,347
Net Financial Expenses	5,510	5,774
Profit for the period before taxes and interest	13,473	14,912
Depreciation and amortization	10,304	10,301
Write-downs /release/uses) of trade receivables	200	56
Employee severance indemnities	71	102
Accrual for risks	-	-
Deferred tax assets and liabilities	3,215	(4,528)
Cash flow from operating activities before changes in working capital	27,264	20,843
(Increase)/Decrease in trade and other receivables	(8,039)	(11,138)
Increase/(Decrease) in trade and other payables	(16,429)	(6,199)
Other variations in net working capital	5,259	(2,073)
Cash flow from operating activities after changes in working capital	8,055	1,432
Taxes paid	(506)	(24)
Interest and other financial expenses paid	(8,707)	(14,006)
Employee severance indemnities paid	(97)	(61)
A. Cash flow from operating activities	(1,253)	(12,659)
Investments in Intangible Assets	(18)	(6)
Investments in Property, Plant and Equipment	-	0
Investments on Financial Assets (Debt service and reserve account)	442	0
B. Cash flow from investing activities	424	(6)
Intercompany loans	-	-
Senior Secured Notes	(4,477)	-
Capital/dividend distributions	-	(2,535)
C. Cash flow from financing activities	(4,477)	(2,535)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(5,306)	(15,200)
Cash at bank and on hand at the beginning of the period	28,343	25,522
Cash at bank and on hand at the end of the period	23,036	10,323

Cash flow from operating activities. Cash flow from operating activities for the six months ended December 31, 2022 decreased by €11.4 million to negative €12.7 million from negative €1.3 million for the six months ended December 31, 2021 mainly due to:

- €6.4 million decrease in Cash flow from operating activities before changes in working capital driven by the described €6.8 million decrease in sponsorship revenue
- €5.3 million increase in interest paid on the Senior Secured Notes as a consequence of the Refinancing Transaction.

Cash flow from investing activities. Cash flow from investing activities for the six months ended December 31, 2022 amounted to €6 thousand remaining immaterial in respect of our business.

Cash flow from financing activities. Cash flow from financing activities for the six months ended December 31, 2022 amounted to negative €2.5 million and fully related to the payment of dividends to the immediate parent company BrandCo.

In the six months ended December 31, 2021, Cash flow from financing activities amounted to negative €4.5 million fully related to the payment of mandatory amortization of the Old Notes (no mandatory amortization for the current Notes is due until June 2024).

We remind that Both dividends and Intercompany loans (together with payments made under the Tax Consolidation Regime) can be 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 six months ended December 31, 2022 decreased by €9.9 million to negative €15.2 million from €5.3 million negative for the six months ended December 31, 2021 as a consequence of what above described.

BALANCE SHEET

The following table sets forth the detail of Balance Sheet data for the issuer as at December 31, 2022 compared with June 30, 2022

Assets:

	As at	
	June 30 2022	December 31 2022
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	345,151	334,883
Property, plant and equipment	108	81
Financial assets	17,579	17,579
Loan to parent company	307,147	316,278
Trade receivables	101	76
Prepaid expenses	3	37
Non-current Assets	670,089	668,934
Current assets		
Financial assets	0	0
Trade receivables	20,188	34,849
Trade receivables from parent companies and their affiliated	12,577	9,874
Tax receivables	2,201	1,361
Deferred tax assets	8,880	11,916
Other receivables	46	35
Prepaid expenses	156	573
Cash at bank and on hand	25,522	10,323
Current Assets	69,571	68,931
Total Assets	739,660	737,865

Non-current assets. Non-current assets decreased by €1.2 million from €670.1 million at June 30, 2022 to €668.9 million at December 31, 2022 as a consequence of combined opposite impact of:

- the €10.3 million reduction in Intangible Assets related to amortization of the period.
- the € 9.1 million increase in Loans to parent company related to accrual of interest income of the period

Current assets. Current assets decreased by €0.6 million from €69.6 million at June 30, 2022 to €68.9 million at December 31, 2022 mainly due to the combined opposite effect of:

- the €15.2 million decrease in Cash at bank and on hand due to negative net cash flow generated in the period (as previously explained in the paragraph “Cash Flow Statement”) – mostly offset by
- a €11.9 million net increase in Total Trade receivables as detailed by the table below:

	As at June 30 2022	As at December 31 2022	Var.
<i>(in thousands of €)</i>			
Other International/Regional Sponsorship Agreements- Receivables from Agencies (Provision for doubtful accounts - international/Regional Agencies) *	29,642 (23,105)	29,492 (22,955)	(150) 150
Provision for doubtful accounts (Discount of long term receivables)	(6,537)	(6,537)	-
Trade Receivables from International/Regional Agencies	-	-	-
Trade Receivables- Digitalbits- O/s receivable 21/22 (performance bonuses)	1,600	1,600	-
Trade Receivables- Digitalbits- O/s receivable 22/23 (1st/2nd installment + performance bonu (Provision for doubtful accounts -Digitalbits)	8,000 (1,600)	17,000 (14,667)	9,000 (13,067)
Trade Receivables from Digitalbits *	8,000	3,933	(4,067)
Receivables relating to Serie A Indirect Media Revenue	-	15,237	15,237
Other trade receivables (Provision for doubtful accounts - other trade receivables)	30,686 (5,820)	31,451 (5,822)	765 (2)
Other Trade Receivables - Net	24,866	40,866	16,000
Total Trade receivables (incl. from parent companies and affiliated) - Net	32,866	44,799	11,933

Breakdown in the Balance Sheet			
Trade receivables (Non-current Assets) [A]	101	76	(25)
Trade receivables (Current Assets)	20,188	34,849	14,661
Trade receivables from parent companies and their affiliated	12,577	9,874	(2,703)
Total Trade receivables (Current Assets) [B]	32,765	44,723	11,958
Total Trade receivables (incl. from parent companies and affiliated) - Net [A] + [B]	32,866	44,799	11,933

* amount fully offset by Deferred Income under Current Liabilities

Receivables relating to International/Regional Sponsorship Agreement

In H1 FY23 we collected an amount of €150 thousand from our former Asian marketing agency IMedia. Accordingly, we released the provision for doubtful accounts (which as of June 30, 2022 fully covered the outstanding receivable of €29.6 million) for the same amount.

Receivables from Digitalbits

Based on what reported in the paragraph “Business Update”, as of December 31, 2022 we have outstanding gross receivables from Digitalbits for €18.6 million (€1.6 million relating to 21/22 season and €17 million relating to 22/23 season). Due to the described (i) default with respect to the payment of the contractual installments due for the current fiscal year and (ii) the current overall uncertainty in respect of the ability of the client to fulfill its contractual obligations (ability significantly affected by the current crisis in the crypto-currency industry), this amount is fully covered through:

- a provision for doubtful accounts of €14.7 million (relating to revenue already recognized in the Income Statement: €1.6 million in the fiscal year ended June 30, 2022 and €13.1 million which pertain to H1 of the fiscal year ending June 30, 2023)
- deferred income for €3.9 million (relating to the portion of the amount already invoiced as at December 31, 2022 pertaining to H2 of the current fiscal year)

Other Trade Receivables - net

- Receivables relating to Serie A Indirect Media Revenue: the amount of €15.2 million relates to the portion of Serie A Indirect Media Revenue invoiced in December 2022 and collected in January 2023 according to the invoicing and payment scheduling set by Lega Serie A
- Other trade receivables: stable around €31 million of which 5.8 million covered by Provision for doubtful accounts

Liabilities:

	As at	
	June 30 2022	December 31 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	1,896	2,791
Total Shareholders' equity	194,287	195,182
Non-current Liabilities		
Deferred tax liabilities	56,227	54,734
Other provisions	247	247
Provisions for employee severance indemnities	325	366
Senior Secured Notes	407,945	408,620
Deferred income	11,582	10,635
Non-current Liabilities	476,325	474,603
Current Liabilities		
Senior Secured Notes	-	77
Trade payables	2,519	2,731
Trade payables to parents companies and their affiliated	31,461	31,576
Dividends Payable	10,963	10,324
Tax Payables	153	528
Social security payables	364	215
Other payables	565	232
Accrued expenses	92	78
Deferred income	22,930	22,319
Current Liabilities	69,048	68,080
Total Liabilities and Shareholders' equity	739,660	737,865

Shareholders' equity. Shareholders' equity increased by €0.9 million from €194.3 million at June 30, 2022 to €195.2 million at December 31, 2022 due to the combined opposite effect of:

- (positive) the €2.8 million Net Profit of the period.

- (negative) the resolution of the Shareholders' Meeting held on October 28th, 2022 for the distribution in kind as a dividend of the €1.9 million net profit of the fiscal year ended June 30, 2022 to its immediate shareholders (TeamCO and BrandCo).

Non-current liabilities. Non-current liabilities at December 31, 2022 amounted to €474.6 million, overall in line with the balance at June 30, 2022 (€476.3 million), with no relevant movements to be highlighted in the period.

Current liabilities. Current liabilities at December 31, 2022 amounted to €68.1, overall in line with the balance at June 30, 2022 (€69.0 million), with no relevant movements to be highlighted in the period.

CAPITAL EXPENDITURES

The level of capital expenditure in intangible and tangible assets (€ 6 thousands) was not considered material for the period under review.

NET FINANCIAL POSITION

Net Financial position as at December 31, 2022 amounted to €380.8 million compared to €364.8 million as at June 30, 2022 (increase of €16.0 million)

As shown by the table below, the increase is mostly related to the € 15.2 million decrease in Cash at bank and on hand resulting from the negative net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement").

	As at	
	June 30 2022	December 31 2022
<i>(in thousands of €)</i>		
Cash at bank and on hand	25,522	10,323
Current financial assets (Debt Service Account)	0	0
Current financial receivables	0	0
Senior Secured Notes 2027 - current portion (face value)	-	-
Seniore Secrued Notes 2027 - Accrued interest charges and other financial expense:	-	(77)
Current financial liabilities	-	(77)
Net current financial assets/(liabilities)	25,522	10,246
Senior Secured Notes 2027 - long term portion (face value)	(415,000)	(415,000)
Senior Secured Notes 2027 - unamortized transaction fees	7,055	6,380
Financial Assets (Debt Reserve Account)	17,579	17,579
Non-current financial liabilities	(390,365)	(391,041)
Net financial position	(364,843)	(380,795)

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 before the release of this document: the team is currently:

- sharing the 2nd position in the Serie A table (after 24 matches), eighteen points behind the team in 1st position; we remind that the top four position in Serie A give the sporting right to play the UCL competition of the following sporting season.
- qualified to the Round of 16 (second time in a row), where, in the home match versus Porto FC, we won 1 -0 ; the return match in Port is scheduled on March 14, 2023
- qualified to the semi-finals of Coppa Italia which will be played in April 2023 versus FC Juventus

On January 18, 2022, the team won the Italian SuperCup (the seventh in the history of the Club) defeating AC Milan.

MATCHDAY

The 2022/2023 sporting season is being played with stadium fully opened with no more restrictions related to the pandemic.

In the sixteen home matches played to date (12 in Serie A and 4 in UCL), the average attendance has been over 70,000 (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)
- Mkhitarian (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)

Winter 2023

No relevant incoming deal to be reported closed during the winter 2023 transfer market.

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)

Winter 2023

No relevant outgoing deal to be reported closed during the winter 2023 transfer market.

SHAREHOLDER LOANS

As described in the Offering Memorandum, TeamCo received in the past few years a number of shareholder loans. The outstanding amount in the TeamCo balance sheet as at December 31, 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 €23.7 million of which €7.7 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).

We highlight that a new shareholder loan of €10 million has been received from Grand Tower on February 22, 2023.

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 "Interim Financial Statements as of and for the six-months period ended December 31, 2022 have been prepared for the purposes of the preparation of the three-months consolidated accounts of the TeamCo group as at December 31, 2022.

The Interim Financial Statements include the balance sheet, the income statement and the cash flow statement and are unaudited. These 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**").

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, 2022 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 December 31, 2022 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

MediaCo, 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 DECEMBER 31, 2022

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 January 1st, 2023 and the current date.