



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 nine months ended March 31, 2023

Date: May 29, 2023

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	15
KEY PERFORMANCE INDICATORS	15
<i>Adjusted Revenue</i>	15
<i>Cash Available for Debt Service</i>	19
RESULTS OF OPERATIONS	21
CASH FLOW	23
BALANCE SHEET	25
CAPITAL EXPENDITURES	29
NET FINANCIAL POSITION	30
RISK FACTORS	30
TEAMCO UPDATE	31
SPORTING PERFORMANCE	31
MATCHDAY	31

TRANSFER MARKET SUMMARY	31
SHAREHOLDER LOANS	32
FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION	33
BASIS OF PRESENTATION	33
SIGNIFICANT ACCOUNTING POLICIES	34
OTHER INFORMATION	34
GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES	34
SUBSEQUENT EVENTS OCCURRED AFTER MARCH 31, 2023	35

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 35 domestic trophies, including nineteen Serie A championships, nine Domestic Cup titles (“Coppa Italia”), of which the last one in May 2023, and seven domestic Super Cup titles (“Supercoppa Italiana”), of which the last one in January 2023, three UEFA Champions League (“UCL”) 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, Coppa Italia and UCL 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. In the current sporting season 2022/2023, the team, after having won two domestic trophies (Coppa Italia and Supercoppa Italiana) has achieved the UCL final to be played on June 10, 2023 against Manchester City.

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 (i) to redeem the MediaCo's outstanding 4.875% senior secured notes due 2022 (the "Old Notes"), (ii) to repay the TeamCo's revolving credit facility due 2022 – the "RCF" (which was fully drawn down for €50.0 million), (iii) to fund the secured accounts with respect to the Notes and (iv) 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 nine-month period ended March 31, 2023 (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 nine months ended March 31, 2023 compared with the nine months ended March 31, 2022.

	For the nine months ended March 31	
	2022	2023
<i>(in thousands of €)</i>		
Revenue	54,060	44,363
Other Income	1,075	633
Total revenue	55,134	44,996
Personnel costs	2,181	2,742
Cost of services	8,327	8,413
Other operating costs	654	144
Write-downs of trade receivables	23,614	48
Depreciation and amortization	15,344	15,342
Provisions for risks and charges	-	-
Total operating costs	50,120	26,689
Operating profit	5,014	18,307
Net financial expenses	(13,630)	(8,639)
Profit/(Loss) before tax	(8,616)	9,668
Income taxes	3,734	(3,340)
Profit/(Loss) for the period	(4,883)	6,328

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as at March 31, 2023 compared with June 30, 2022.

	As at	
	June 30 2022	March 31 2023
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	345,151	329,858
Property, plant and equipment	108	67
Financial assets	17,579	17,579
Loan to parent company	307,147	323,761
Trade receivables	101	76
Prepaid expenses	3	33
Non-current Assets	670,089	671,374
Current assets		
Financial assets	0	0
Trade receivables	20,188	19,309
Trade receivables from parent companies and their affiliated	12,577	15,863
Tax receivables	2,201	46
Deferred tax assets	8,880	13,613
Other receivables	46	35
Prepaid expenses	156	1,580
Cash at bank and on hand	25,522	20,743
Current Assets	69,571	71,188
Total Assets	739,660	742,561

	As at	
	June 30 2022	March 31 2023
<i>(in thousands of €)</i>		
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	187,777	187,776
Retained earnings	4,114	4,115
Profit/(Loss) for the period	1,896	6,328
Total Shareholders' equity	194,287	198,719
Non-current Liabilities		
Deferred tax liabilities	56,227	54,004
Other provisions	247	247
Provisions for employee severance indemnities	325	355
Senior Secured Notes	407,945	408,964
Deferred income	11,582	10,825
Non-current Liabilities	476,325	474,396
Current Liabilities		
Senior Secured Notes	-	7,003
Trade payables	2,519	2,176
Trade payables to parents companies and their affiliated	31,461	33,715
Dividends Payable	10,963	2,645
Tax Payables	153	1,179
Social security payables	364	113
Other payables	565	225
Accrued expenses	92	166
Deferred income	22,930	22,224
Current Liabilities	69,048	69,446
Total Liabilities and Shareholders' equity	739,660	742,561

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for the nine months ended March 31, 2023 compared with the nine months ended March 31, 2022

	For the nine months ended	
	March 31	
	2022	2023
<i>(in thousands of €)</i>		
Profit for the period	(4,883)	6,328
Current taxes	(2,447)	10,296
Net Financial Expenses	13,638	8,635
Profit for the period before taxes and interest	6,309	25,259
Depreciation and amortization	15,344	15,341
Write-downs /release/uses) of trade receivables	23,614	(109)
Write-downs Non-current Assets	-	1
Employee severance indemnities	117	146
Deferred tax assets and liabilities	(1,287)	(6,955)
Cash flow from operating activities before changes in working capital	44,097	33,683
(Increase)/Decrease in trade and other receivables	(12,679)	(106)
Increase/(Decrease) in trade and other payables	897	(7,855)
Other variations in net working capital	5,049	(3,061)
Cash flow from operating activities after changes in working capital	37,364	22,660
Taxes paid	(1,611)	(96)
Interest and other financial expenses paid	(10,676)	(14,007)
Employee severance indemnities paid	(139)	(115)
A. Cash flow from operating activities	24,939	8,442
Investments in Intangible Assets	(21)	(7)
Investments in Property, Plant and Equipment	-	0
Investments on Financial Assets (Debt service and reserve account)	(14,928)	0
B. Cash flow from investing activities	(14,949)	(7)
Intercompany loans	(50,458)	(3,000)
Senior Secured Notes	53,950	-
Capital/dividend distributions	(11,437)	(10,214)
C. Cash flow from financing activities	(7,945)	(13,214)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	2,044	(4,779)
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	30,387	20,743

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 (in line with what already reported in the Q2 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, 2024 after the partner executed the option for the renewal for the fiscal year ending June 30, 2024
 - the contract with LeoVegas News announced in February 2023 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 bonuses triggered to date for a total amount of €5.75 million (of which €3.5 million after March 31, 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, and, since the end of April 2023, we also removed 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 (i) growing annual instalments due by domestic broadcasters over the three years cycle and (ii) 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 and the current Serie A ranking, for the Serie A 22/23 we expect an amount in the region of €88M which could not materially fluctuate depending on final Serie A 22/23 ranking and attendance/TV audience figures. We also highlight, on top, additional rights for the Coppa Italia 22/23 (for a total amount expected

in the region of €9M) and the Supercoppa Italia 22/23 (expected in the region of €3M). (all the amounts indicated in this paragraph exclude any VAT assigned from TeamCo to MediaCo with the assignment of the related receivable).

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 achieved the final of the ongoing UCL, we expect an amount in the region of €100M.

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.

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

No update compared to what we have already described on the Q2 Report.

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 nine months ended March 31, 2023 compared with the nine months ended March 31, 2022.

	For the nine months ended March 31	
	2022	2023
<i>(in thousands of €)</i>		
A. Direct Media Revenue	7,013	7,453
B. Other Income	1,075	633
C. Sponsorship Revenue	47,046	36,910
D. Total Revenue (A+B+C)	55,134	44,996
E. Serie A and similar Indirect Media Revenue *	65,691	79,215
F. UEFA Indirect Media Revenue *	58,205	53,878
G. Adjusted Media Revenue (A+E+F)	130,909	140,546
B. Other Income	1,075	633
C. Sponsorship Revenue	47,046	36,910
Adjusted Revenue (G+B+C)	179,030	178,089

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

Our Adjusted Revenue decreased by €0.9 million or 0.5% to €178.1 million for the nine months ended March 31, 2023 from €179.0 million for the nine months ended March 31, 2022.

With the total amount in line, main variances at each single line are explained below:

Direct Media Revenue

Direct Media Revenue increased by €0.4 million or 6.3% to €7.5 million for the nine months ended March 31, 2023 from €7.0 million for the nine months ended March 31, 2022 mainly due to an increase in the sale of our domestic and international archive rights (from €5.1 million to €5.6 million).

Other Income

Other Income decreased by €0.4 million or 41.1% to €0.6 million for the nine months ended March 31, 2023 from €1.1 million for the nine months ended March 31, 2022. While prior period was positively affected by the release of a liability accrued in prior fiscal year in respect of the former Chinese marketing agency IMedia (versus the accrual of a provision for doubtful accounts to cover all the outstanding receivable from the client), main components of the €0.6 million income booked in the current period are:

- 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 €10.1 million or 21.5% to €36.9 million for the nine months ended March 31, 2023 from €47.0 million for the nine months ended March 31, 2022. This is detailed on the following table:

	For the nine months ended March 31	
	2022	2023
<i>(in thousands of €)</i>		
Shirt	19,833	5,214
Technical	9,375	9,375
EU/Global	10,429	19,600
Regional and naming rights	7,410	2,721
Sponsorship Revenue	47,046	36,910

- Shirt

In the nine months ended March 31, 2023 we booked €5.2 million pro-rata revenue relating to the contract in place Lenovo and eBay, respectively for the back and the sleeve of the main jersey (the latter starting from the second half of the 22/23 season). The €14.6 million decrease (73.7%) from €19.8M in the same period of prior fiscal year is mainly due to:

1. No revenue recognized in the first nine months 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 nine months of the prior fiscal year we recognized revenue for € 12 million relating to the main jersey agreement we had in place with Socios
2. The fact that the sleeve sponsor with eBay has been signed starting from the beginning of the second half of the current season 22/23 for a lower value compared to the contract with Digitalbits in place for the full season 21/22.

Technical

Technical Sponsorship Revenue is in line at €9.4 million as this refers to the pro-rata revenue recognized in the first nine months of the fiscal year 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 €9.2 million (or 88.0%) from €10.4 million to €19.6 million mainly driven by the impact of the new contracts signed with Konami and LeoVegas for the current sporting season 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 €4.7 million (or – 63.3%) from €7.4 million to €2.7 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 €13.5 million or 20.6% to €79.2 for the nine months ended March 31, 2023 from €65.7 million for the nine months ended March 31, 2022 mainly due to:

- the fact that in the first nine months and the last quarter 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 as described in the paragraph “Business Update” on the previous pages.

UEFA Indirect Media Revenue

UEFA indirect Media Revenue decreased by €4.3 million or 7.4% to €53.9 for the nine months ended March 31, 2023 from €58.2 million for the nine months ended March 31, 2022. Such decrease is mainly related to the fact that in the first nine months 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. Please note that the positive impact of the further progression of the team in UCL will be booked in Q4.

.

Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the nine months ended March 31, 2023 compared with the nine months ended March 31, 2022.

	For the nine months ended Mar 31	
	2022	2023
<i>(in thousands of €)</i>		
Sponsorship Revenue		
- Shirt	19,833	5,214
- Technical	9,375	9,375
- EU/Global	10,429	19,600
- Regional and naming rights	7,410	2,721
Direct Media Revenue	7,013	7,453
Other Income	1,075	633
Total revenue	55,134	44,996
Indirect Media Revenue		
- Serie A and similar Indirect Media Revenue *	65,691	79,215
- UEFA Indirect Media Revenue *	58,205	53,878
Adjusted Revenue	179,030	178,089
Change in Current/Non current operating assets **	(5,926)	(3,730)
Cash Inflows	173,105	174,359
Personnel costs	(2,181)	(2,742)
Cost of services	(8,327)	(8,413)
Other costs	(654)	(144)
Adjusted Tax Expenses	3,734	(1,986)
Change in Current/Non-current operating liabilities **	(1,132)	(2,170)
Adjusted Services Agreement Fees	2,521	4,853
Cash Outflows	(6,040)	(10,600)
Cash Available for Debt Service	167,064	163,758

*Represented based on actual cash value (incl. VAT where applicable) of Media Revenue assigned from TeamCo to MediaCo for the six months ended March 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 €3.3 million (or – 2.0%) to €163.8 million for the nine months ended March 31, 2023 from €167.0 million for the nine months ended March 31, 2022 with no major changes to be highlighted.

Cash inflows remained overall stable driven by the trend of Adjusted Revenue described on the previous paragraph. Cash outflows increase is mainly related to higher Adjusted Tax Expenses which, in the first nine months of prior fiscal year were positively affected by certain

tax refunds, while other components of cash outflows remained relatively stable and limited in size due to the nature of the MediaCo business.

RESULTS OF OPERATIONS

The following table sets forth Income Statement data for MediaCo for the nine months ended March 31, 2023 compared with the nine months ended March 31, 2022.

	For the nine months ended March 31	
	2022	2023
<i>(in thousands of €)</i>		
Revenue	54,060	44,363
Other Income	1,075	633
Total revenue	55,134	44,996
Personnel costs	2,181	2,742
Cost of services	8,327	8,413
Other operating costs	654	144
Write-downs of trade receivables	23,614	48
Depreciation and amortization	15,344	15,342
Provisions for risks and charges	-	-
Total operating costs	50,120	26,689
Operating profit	5,014	18,307
Net financial expenses	(13,630)	(8,639)
Profit/(Loss) before tax	(8,616)	9,668
Income taxes	3,734	(3,340)
Profit/(Loss) for the period	(4,883)	6,328

Revenue. Revenues for the nine months ended March 31, 2023 decreased by €10.1 million (or 18.4%) to €45.0 million from €55.1 million for the nine months ended March 31, 2022. driven by €10.1 million decrease in sponsorship revenue (refer to the Section "Adjusted Revenues" for more details).

Personnel costs, Cost of services and Other Operating costs. The sum of Personnel costs, Cost of services and Other Operating costs for the nine months ended March 31, 2023 are overall in line with the nine months ended March 31, 2022 in the region of €11.3 million.

Write-downs of trade receivables. Write-downs of trade receivables required in the nine months ended March 31, 2023 are immaterial in respect of our business at €48 thousands (as already described on previous pages of this report, with regard to the insolvency of Digitalbits we decided not to book any revenue). In the same period of prior fiscal year we accrued a significant amount of €23.6M related to a 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 our Q3 and Q4 2022 reports for more details).

Depreciation and amortization. Depreciation and amortization for the nine months ended March 31, 2023 are in line with the nine months ended March 31, 2022 at €15.3 million.

Net Financial expenses. Net Financial expenses for the nine months ended March 31, 2023 decreased by €5.0 million (or 36.6%) to €8.6 million from €13.6 million for the nine months ended March 31, 2022 due to the combined opposite effect of:

- (decrease) higher interest income by €3.9 million (€13.6 million vs. 9.7 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).
- (decrease) the fact that in the first nine months of prior fiscal year we booked a €5.2 million write-off of the unamortized portion of transaction fees and Original Issue Discount of the Old Notes on the date of the Refinancing Transaction (non-cash cost in the Income statement of that period)
- (increase) Increase in interest expense related to the Senior Secured Notes by €4.1 million as a result of the Refinancing Transaction

Income taxes. Income taxes for the nine months ended March 31, 2023 increased by €7.1 million to €3.3 million from €3.7 million positive for the nine months ended March 31, 2022 as the first nine months of prior fiscal year was positively affected by (i) the recovery of certain taxes paid in prior years due to the possibility to exploit the so called "patent box". and (ii) the net positive balance resulting from (a) deferred tax assets accrued on the write-downs of trade receivables booked in the current period and (b) reversal of deferred tax assets booked on the use of the provision for doubtful accounts made in the same period.

Profit for the period. For the reasons described above, Profit for the nine months ended March 31, 2023 increased by €11.2 million (or - 75.4%) to €6.4 million

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for the nine months ended March 31, 2023 compared with the nine months ended March 31, 2022.

	For the nine months ended	
	2022	2023
<i>(in thousands of €)</i>		
Profit for the period	(4,883)	6,328
Current taxes	(2,447)	10,296
Net Financial Expenses	13,638	8,635
Profit for the period before taxes and interest	6,309	25,259
Depreciation and amortization	15,344	15,341
Write-downs /release/uses) of trade receivables	23,614	(109)
Write-downs Non-current Assets	-	1
Employee severance indemnities	117	146
Deferred tax assets and liabilities	(1,287)	(6,955)
Cash flow from operating activities before changes in working capital	44,097	33,683
(Increase)/Decrease in trade and other receivables	(12,679)	(106)
Increase/(Decrease) in trade and other payables	897	(7,855)
Other variations in net working capital	5,049	(3,061)
Cash flow from operating activities after changes in working capital	37,364	22,660
Taxes paid	(1,611)	(96)
Interest and other financial expenses paid	(10,676)	(14,007)
Employee severance indemnities paid	(139)	(115)
A. Cash flow from operating activities	24,939	8,442
Investments in Intangible Assets	(21)	(7)
Investments in Property, Plant and Equipment	-	0
Investments on Financial Assets (Debt service and reserve account)	(14,928)	0
B. Cash flow from investing activities	(14,949)	(7)
Intercompany loans	(50,458)	(3,000)
Senior Secured Notes	53,950	-
Capital/dividend distributions	(11,437)	(10,214)
C. Cash flow from financing activities	(7,945)	(13,214)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	2,044	(4,779)
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	30,387	20,743

Cash flow from operating activities. Cash flow from operating activities for the nine months ended March 31, 2023 decreased by €16.5 million to positive €8.4 million from positive €24.9 million for the nine months ended March 31, 2022 mainly due to:

- a €10.4M decrease in Cash flow from operating activities before changes in working capital driven by the described €10.1 million reduction in sponsorship revenue
- €3.3 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 nine months ended March 31, 2023 amounted to €7 thousand compared to €14.9 million in the nine months ended March 31, 2022.

While capital investments in intangible and tangible assets remained immaterial in respect of our business (€7 thousands versus €21 thousands), the €14.9 million cash outflow in the first nine months of prior fiscal year was related to the filling of the debt reserve and debt service accounts related to the Notes (in the current fiscal year, according to the Indenture of the Notes, we have filled the debt service account in April and May 2022 relating to the installment to be paid in June 2023).

Cash flow from financing activities. Cash flow from financing activities for the nine months ended March 31, 2023 amounted to negative €13.2 million compared to negative €7.9 million in the nine months ended March 31, 2022. The breakdown and comparison is as follows:

- Intercompany loans provided to TeamCo: €3M in the nine months ended March 31, 2023 compared to €50.5 million in same the period of prior fiscal year (the latter through cash collected upon the issuance of the New Notes to repay the RCF on the Refinancing Transaction date);
- payment of dividends to the immediate parent companies: €10.2 million in the nine months ended March 31, 2023 compared to €11.4 million in same the period of prior fiscal year

In addition, in the nine months ended March 31, 2022, we had a net inflow of €54.0M in respect of the Notes, affected by the Refinancing Transaction.

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 nine months ended March 31, 2023 decreased by €6.8 million to negative €4.8 million from €2.0 million positive for the nine months ended March 31, 2022 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 March 31, 2023 compared with June 30, 2022

Assets:

	As at	
	June 30 2022	March 31 2023
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	345,151	329,858
Property, plant and equipment	108	67
Financial assets	17,579	17,579
Loan to parent company	307,147	323,761
Trade receivables	101	76
Prepaid expenses	3	33
Non-current Assets	670,089	671,374
Current assets		
Financial assets	0	0
Trade receivables	20,188	19,309
Trade receivables from parent companies and their affiliated	12,577	15,863
Tax receivables	2,201	46
Deferred tax assets	8,880	13,613
Other receivables	46	35
Prepaid expenses	156	1,580
Cash at bank and on hand	25,522	20,743
Current Assets	69,571	71,188
Total Assets	739,660	742,561

Non-current assets. Non-current assets increased by €1.2 million from €670.1 million at June 30, 2022 to €671.4 million at March 31, 2023 mainly as a consequence of combined opposite impact of:

- the € 16.6 million increase in Loans to parent company related to (i) accrual of interest income of the period (€13.6 million) and (ii) the new €3.0 million Intercompany Loan provided to TeamCo in the period (as described on the previous pages)
- the €15.3 million reduction in Intangible Assets related to amortization of the period.

Current assets. Current assets increased by €1.6 million from €69.6 million at June 30, 2022 to €71.2 million at March 31, 2023 with no material change to be highlighted.

In the table below we provide an update on Total Trade receivables::

	As at June 30 2022	As at Mar 31 2023	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 bonus) (Provision for doubtful accounts -Digitalbits)	8,000 (1,600)	26,250 (21,883)	18,250 (20,283)
Trade Receivables from Digitalbits *	8,000	5,967	(2,033)
Receivables relating to UEFA Indirect Media Revenue	-	9,600	9,600
Other trade receivables (Provision for doubtful accounts - other trade receivables)	30,686 (5,820)	25,547 (5,868)	(5,138) (48)
Other Trade Receivables - Net	24,866	29,280	4,414
Total Trade receivables (incl. from parent companies and affiliated) - Net	32,866	35,247	2,381
Breakdown in the Balance Sheet			
Trade receivables (Non-current Assets) [A]	101	76	(25)
Trade receivables (Current Assets)	20,188	19,309	(880)
Trade receivables from parent companies and their affiliated	12,577	15,863	3,286
Total Trade receivables (Current Assets) [B]	32,765	35,171	2,406
Total Trade receivables (incl. from parent companies and affiliated) - Net [A] + [B]	32,866	35,247	2,381

Receivables relating to International/Regional Sponsorship Agreement

In the first nine months of 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 March 31, 2023 we have outstanding gross receivables from Digitalbits for €27.9 million (€1.6 million relating to 21/22 season and €26.3 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 €21.9 million
- deferred income for €6.0 million (relating to the portion already invoiced as at March 31, 2023 but pertaining to Q4 of the current fiscal year)

Other Trade Receivables - net

- Receivables relating to UEFA Indirect Media Revenue: the amount of €9.6 million relates to the fee due from UEFA for the Ro16 played by the team versus FC Porto in March 2023. This amount, in line with UEFA payment schedule, has been collected from TeamCO on the UEFA dedicated account in the last days of March 2023 and immediately paid to MediaCo in the first days of April 2023 (according to rules of the indenture of the Notes).
- Other trade receivables: they decreased by €5.1 million in the period with an outstanding amount of €25.5 million as of March 31, 2023, of which a stable amount of € 5.9 million covered by Provision for doubtful accounts

With regard to the €4.8 million decrease in Cash at bank and on hand, we refer to the paragraph "Cash Flow Statement"

Liabilities:

	As at	
	June 30 2022	March 31 2023
<i>(in thousands of €)</i>		
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	187,777	187,776
Retained earnings	4,114	4,115
Profit/(Loss) for the period	1,896	6,328
Total Shareholders' equity	194,287	198,719
Non-current Liabilities		
Deferred tax liabilities	56,227	54,004
Other provisions	247	247
Provisions for employee severance indemnities	325	355
Senior Secured Notes	407,945	408,964
Deferred income	11,582	10,825
Non-current Liabilities	476,325	474,396
Current Liabilities		
Senior Secured Notes	-	7,003
Trade payables	2,519	2,176
Trade payables to parents companies and their affiliated	31,461	33,715
Dividends Payable	10,963	2,645
Tax Payables	153	1,179
Social security payables	364	113
Other payables	565	225
Accrued expenses	92	166
Deferred income	22,930	22,224
Current Liabilities	69,048	69,446
Total Liabilities and Shareholders' equity	739,660	742,561

Shareholders' equity. Shareholders' equity increased by €4.4 million from €194.3 million at June 30, 2022 to €198.7 million at March 31, 2023 due to the combined opposite effect of:

- (positive) the €6.3 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 March 31, 2023 amounted to €474.4 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 March 31, 2023 amounted to €69.4, overall in line with the balance at June 30, 2022 (€69.0 million). Below we describe the two main changes in the period (mostly offsetting each other):

- €7.0 million increase in the current element of the Notes which relates to the portion of interest accrued in Q3 to be paid in June 2023
- €8.3 million decrease in Dividends Payable which is a result of:
 - €10.2 million payment of dividends to the immediate parent companies BrandCo and TeamCo (as explained in the paragraph "Cash Flow Statement").
 - 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) (as explained when commenting Equity movements)

CAPITAL EXPENDITURES

The level of capital expenditure in intangible and tangible assets (€ 7 thousand) was not considered material for the period under review.

NET FINANCIAL POSITION

Net Financial position as at March 31, 2023 amounted to €377.6 million compared to €364.8 million as at June 30, 2022 (increase of €12.8 million)

	As at	
	June 30 2022	Mar 31 2023
<i>(in thousands of €)</i>		
Cash at bank and on hand	25,522	20,743
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 expenses	-	(7,003)
Current financial liabilities	-	(7,003)
Net current financial assets/(liabilities)	25,522	13,740
Senior Secured Notes 2027 - long term portion (face value)	(415,000)	(415,000)
Senior Secured Notes 2027 - unamortized transaction fees	7,055	6,036
Financial Assets (Debt Reserve Account)	17,579	17,579
Non-current financial liabilities	(390,365)	(391,385)
Net financial position	(364,843)	(377,646)

As shown by the table above, the increase is mostly related to:

- the €4.8 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").
- The €7,0 million accrual of Q3 interest on the Notes (to be paid in June 2023).

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 sitting in 3rd position in the Serie A table and, with one last match still to be played, has already achieved the qualification to the 23/24 UCL.
- is qualified to the final of the 22/23 UCL vs. Manchester City to be played in Istanbul on June 10, 2023.

On January 18, 2023, the team won the Italian SuperCup (the seventh in the history of the Club) defeating AC Milan.

On May 24, 2023 the team won the Italian Cup (the ninth in the history of the Club) defeating AC Fiorentina in the final.

MATCHDAY

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

In the 28 home matches played (19 in Serie A, 6 in UCL and 3 in Coppa Italia), 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)
- Mkhitarjan (free transfer)
- Onana (free transfer)
- Aslani (from Empoli)
- 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 March 31, 2023 is €86 million (all related to loans provided by Grand Tower, of which €60 million during the last part of the fiscal year ended June 30, 2021 and €26 million in Q3 of the current fiscal year - €10 million in February 2023 and €16 million in March 2023), plus accrued interest for €25.0 million of which €9.0 million related to shareholder loans provided 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 €25 million has been received from Grand Tower on April 17, 2023.

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

The Interim Financial Statements as of and for the nine-months period ended March 31, 2023 have been prepared for the purposes of the preparation of the nine-months consolidated accounts of the TeamCo group as at March 31, 2023.

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 March 31, 2023 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 MARCH 31, 2023

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 April 1, 2023 and the current date.