



INTER

Inter Media and Communication S.p.A

As the issuer of

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

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

For the fiscal year ended June 30, 2023

Date: October 27, 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 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 last sporting season (2022/2023), after having won two domestic trophies (Coppa Italia and Supercoppa Italiana), the team achieved the UCL final (where it was defeated by Manchester City) and got the right to play the 2023/2024 UCL (6 years in a row since 2018/2019).

CORPORATE BOARDS, MANAGEMENT AND AUDITORS

MediaCo Board of Directors

Zhang Kangyang	President & Director
Alessandro Antonello	Executive Director
Ying Ruohan	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 audited financial statements of MediaCo for the fiscal year ended June 30, 2023 (the "Annual Financial Statements").

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

INCOME STATEMENT

The following table sets forth Income Statement data for MediaCo for the fiscal year ended June 30, 2023 compared with the fiscal year ended June 30, 2022. The Income Statement data presented in this document have been prepared using the data included in Annual Financial Statements which are prepared for statutory purposes according to Italian law and Italian GAAP. The Annual Financial Statements do not conform with Generally Accepted Accounting principles (GAAP) in other countries or International Financial Reporting Standards (IFRS).

	For the fiscal year ended June 30	
	2022	2023
<i>(in thousands of €)</i>		
Revenue	77,717	63,414
Other Income	4,305	669
Total revenue	82,022	64,083
Personnel costs	3,421	4,109
Cost of services	11,279	12,767
Other operating costs	835	195
Write-downs of trade receivables	25,426	361
Depreciation and amortization	20,441	20,452
Provisions for risks and charges	-	-
Total operating costs	61,402	37,884
Operating profit	20,620	26,199
Net financial expenses	(16,689)	(11,499)
Profit/(Loss) before tax	3,931	14,700
Income taxes	(2,035)	(5,097)
Profit/(Loss) for the period	1,896	9,603

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as at June 30, 2023 compared with June 30, 2022. The Balance Sheet data presented in this document have been prepared using the data included in Annual Financial Statements which are prepared for statutory purposes according to Italian law and Italian GAAP. The Annual Financial Statements do not conform with Generally Accepted Accounting principles (GAAP) in other countries or International Financial Reporting Standards (IFRS).

	As at	
	June 30 2022	June 30 2023
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	345,151	324,779
Property, plant and equipment	108	200
Financial assets	17,579	17,579
Loan to parent company	307,147	328,328
Trade receivables	101	76
Prepaid expenses	3	28
Non-current Assets	670,089	670,989
Current assets		
Financial assets	0	1
Trade receivables	20,188	5,872
Trade receivables from parent companies and their affiliated	12,577	21,529
Tax receivables	2,201	0
Deferred tax assets	8,880	15,958
Other receivables	46	26
Prepaid expenses	156	214
Cash at bank and on hand	25,522	50,525
Current Assets	69,571	94,124
Total Assets	739,660	765,113

	As at	
	June 30 2022	June 30 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	9,603
Total Shareholders' equity	194,287	201,994
Non-current Liabilities		
Deferred tax liabilities	56,227	53,266
Other provisions	247	247
Provisions for employee severance indemnities	325	379
Senior Secured Notes	407,945	405,739
Deferred income	11,582	10,222
Non-current Liabilities	476,325	469,853
Current Liabilities		
Senior Secured Notes	-	3,573
Trade payables	2,519	4,153
Trade payables to parents companies and their affiliated	31,461	69,035
Dividends Payable	10,963	2,645
Tax Payables	153	1,354
Social security payables	364	219
Other payables	565	636
Accrued expenses	92	105
Deferred income	22,930	11,545
Current Liabilities	69,048	93,266
Total Liabilities and Shareholders' equity	739,660	765,113

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for the fiscal year ended June 30, 2023 compared with the fiscal year ended June 30, 2022. The Cash Flow Statement data presented in this document have been prepared using the data included in Annual Financial Statements which are prepared for statutory purposes according to Italian law and Italian GAAP. The Annual Financial Statements do not conform with Generally Accepted Accounting principles (GAAP) in other countries or International Financial Reporting Standards (IFRS).

	For the fiscal year ended	
	June 30	
	2022	2023
<i>(in thousands of €)</i>		
Profit for the period	1,896	9,603
Current taxes	2,333	15,135
Net Financial Expenses	16,686	11,495
Profit for the period before taxes and interest	20,915	36,233
Depreciation and amortization	20,441	20,451
Write-downs /release/uses) of trade receivables	25,299	211
Write-downs Non-current Assets		1
Employee severance indemnities	177	200
Accrual for risks	(3,091)	-
Deferred tax assets and liabilities	(298)	(10,038)
Cash flow from operating activities before changes in working capital	63,443	47,059
(Increase)/Decrease in trade and other receivables	(9,236)	7,399
Increase/(Decrease) in trade and other payables	(16,309)	26,722
Other variations in net working capital	9,603	(12,814)
Cash flow from operating activities after changes in working capital	47,501	68,366
Taxes paid	(3,871)	(1,523)
Interest and other financial expenses paid	(21,800)	(28,308)
Employee severance indemnities paid	(206)	(146)
A. Cash flow from operating activities	21,624	38,389
Investments in Intangible Assets	(43)	(10)
Investments in Property, Plant and Equipment	-	(162)
Investments on Financial Assets (Debt service and reserve account)	(3,957)	(0)
B. Cash flow from investing activities	(4,000)	(172)
Intercompany loans	(50,458)	(3,000)
Senior Secured Notes	53,935	-
Capital/dividend distributions	(23,921)	(10,214)
C. Cash flow from financing activities	(20,445)	(13,214)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(2,821)	25,003
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	25,522	50,525

BUSINESS UPDATE

SPONSORSHIP REVENUE

As of the date of this report, contracted sponsorship fees for the current fiscal year ending June 30, 2024 amount to approximately €71M (€18M higher than actual figure recorded in the fiscal year ended June 30, 2023). We note that this figure includes:

- contract renewed with Nike as Technical Sponsor beginning of July 2023 for the period 2024-2031, extending the partnership previously expiring on June 30, 2024 for a fee increased by 70%.
- contract signed beginning of July 2023 with Paramount+ as Official Front Jersey Partner for the 23/24 sporting season (contract expiring on June 30, 2024). Paramount+ has been on the front of our main jersey in the last two official matches of the 22/23 sporting season (including the UCL final) after that, on May 26, 2023, we terminated Digitalbits contract following their contractual breach in respect of payments of due fees (please refer to next paragraph for more details).
- contract signed in September 2023 with U-Power as Official Back Jersey Partner until June 2027 (i.e. four sporting seasons). U-Power replaced Lenovo, whose contract expired on June 30, 2022.
- contract with eBay announced in December 2022 as Official eCommerce Partner and shirt sleeve partner. This contract expires as of June 30, 2024 after that the partner executed the option for the renewal for the fiscal year ending June 30, 2024.
- contract with LeoVegas News announced in February 2023 as Official Training Kit front partner until June 2025 (expanding the partnership previously signed with LeoVegas as Official Infotainment Partner).
- 6 years contract with Konami announced in July 2022 as Global Football Videogame Partner, Youth Development Centre Partner e Training Kit Back Partner.
- a number of other global and regional sponsorship partners (ca. 30 in total)

We are working to close further contracts which are currently under negotiation.

Update on the situation regarding the relationship with Zytara Labs LLC (Digitalbits brand)

As described in our previous reports, since the end of the 21/22 sporting season no payment has been made by Zytara Labs LLC to Inter Media in respect of due contractual fees and performance bonuses relating to the sponsorship agreement which was in place between the two parties since September 2021 (in the 21/22 sporting season as Official Global Cryptocurrency and Sleeve Partner and in 22/23 to 24/25 sporting season as Global Main Jersey Partner).

Initially we reacted removing the logos of the partner (Digitalbits) from our website, billboards and jerseys of youth and women's sector teams, while continuing to grant visibility on the front position of the jersey playing kit of the first male football team.

At the end of April 2023, we took the decision (i) to suspending with immediate effect the performance of sponsorship agreement also in connection with visibility on the front position of the jersey playing kit of the first male football team and (ii) to ordering the immediate payment of any outstanding amounts contractually due at that date (including triggered performance bonuses) – i.e. €31.4M, of which €1.6M relating to the 21/22 sporting season and €29.8M relating to the 22/23 sporting season.

On May 26, 2023, we exercised a plea of full default against the sponsor, declaring the sponsorship agreement terminated for non-performance by Zytara Labs. In order to protect our interests, with the support of an outside law firm, we then proceeded to file with the Court of Milan an appeal for an injunction against Zytara Labs, also taking into due consideration the costs associated with the respective alternatives envisaged and the concrete possibilities of obtaining from the sponsor the sums owed by them under the aforementioned agreement. The Court of Milan issued the injunction as per our request and we are currently proceeding with the fulfilments necessary to properly notify the counterparty.

MEDIA REVENUE

Serie A

The current 2023/2024 sporting season is the last of the three years-cycle started in the 21/22 sporting season. For this season, net available distributable revenues for the twenty clubs are expected to increase from €1.018 billion to €1.073 billion (+€55 million or + 5.4%) mainly as a result of growing annual instalments due by domestic broadcasters over the three years cycle.

Based on the distribution model in place, we expect a minimum guaranteed amount in the region of €78M (in a worst scenario of last position in the 23/24 Serie A ranking) which increases up to approximately €100M in case of 23/24 Serie A victory (all these amounts exclude any VAT assigned from TeamCo to MediaCo with the assignment of the related

receivable). We also highlight additional upside depending on the performance of the team in Coppa Italia and Supercoppa Italiana.

Finally, we highlight that Serie A league, on October 23, 2023, has assigned domestic rights to DAZN and Sky (the same broadcasters of current cycle) for the next five sporting seasons (24/25 to 28/29) for an average annual value of €900 million. This represents a 2.9% decrease compared to the average amount of €927 million of the current cycle, but the new assignment gives a long term stability to the league and, also, includes a revenue share mechanism over a turnover threshold realized by DAZN which could increase the fixed amount.

The process for the assignment of international rights is still in progress.

UEFA

Current sporting season 2023/2024 is the last of the three years-cycle started in the 21/22 sporting season.

Based on the resources available at UEFA level and the distribution model in place, we expect a minimum guaranteed amount in the region of €45/50M in a worst scenario of elimination at the Group Stage finishing in last position. This amount can increase depending on the progression of the team either in the UCL competition (if it finishes in the first two positions) or in Europa League (if it finishes in the first two positions).

We notice that, based on group consolidated results for the fiscal year ended June 30, 2023, we expect to have met the financial target set for this year according to Settlement Agreement signed with UEFA in August 2022. As a consequence, we do not expect any financial contribution to be withheld from prize money due in the 23/24 sporting season. All this is subject to UEFA final confirmation once they will have performed their review.

Finally, we highlight that next sporting season (2024/2025) will be the first year of the new UEFA three years-cycle (involving a new format for UCL), for which total net distributable resources for the participating clubs are expected to increase by ca. 30%.

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, 2024 are in the region of € 9.0 million, close to actual figure recorded in full fiscal year ended June 30, 2023.

RATING UPDATE

On October 25, 2023, S&P Global issued an update where they affirmed the 'B' issue rating on MediaCo's bonds and removed it from CreditWatch negative. The outlook is stable. In their view, the multiple sponsorship contracts signed over the past three months have mitigated the risk of a material drop in cash flows, thereby preserving the debt-servicing ability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

KEY PERFORMANCE INDICATORS

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

Adjusted Revenue

The following table details Adjusted Revenue for the fiscal year ended June 30, 2023 compared with the fiscal year ended June 30, 2022.

	For the fiscal year ended June 30	
	2022	2023
<i>(in thousands of €)</i>		
A. Direct Media Revenue	9,367	9,997
B. Other Income	4,305	669
C. Sponsorship Revenue	68,350	53,417
D. Total Revenue (A+B+C)	82,022	64,083
E. Serie A and similar Indirect Media Revenue *	91,489	100,746
F. UEFA Indirect Media Revenue *	61,527	92,415
G. Adjusted Media Revenue (A+E+F)	162,383	203,157
B. Other Income	4,305	669
C. Sponsorship Revenue	68,350	53,417
Adjusted Revenue (G+B+C)	235,038	257,243

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

Our Adjusted Revenue increased by €22.2 million or 9.4% to €257.2 million for the fiscal year ended June 30, 2023 from €235.0 million for the fiscal year ended June 30, 2022.

Such increase has been driven by the growth of Media Revenue, particularly affected by team sporting performance in UCL (with the achievement of the final), which more than offset the decrease in Sponsorship Revenue which mainly suffered the contractual breach of Zytara LLC.

Main variances at each single line are explained below:

Direct Media Revenue

Direct Media Revenue increased by €0.6 million or 6.7% to €10.0 million for the fiscal year ended June 30, 2023 from €9.4 million for fiscal year ended June 30, 2022 mainly due to an increase in the sale of our domestic and international archive rights (from €6.8 million to €7.5 million).

Other Income

Other Income decreased by €3.6 million or 84.5% to €0.7 million for the fiscal year ended June 30, 2023 from €4.3 million for the fiscal year ended June 30, 2022. While prior fiscal year was positively affected by release of certain risk provisions, main components of the €0.7 million income booked in the current fiscal year 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 €14.9 million or 21.8% to €53.4 million for the fiscal year ended June 30, 2023 from €68.4 million for the fiscal year ended June 30, 2022. This is detailed on the following table:

	For the fiscal year ended June 30	
	2022	2023
<i>(in thousands of €)</i>		
Shirt	28,850	9,200
Technical	12,500	12,500
EU/Global	16,781	28,090
Regional and naming rights	10,219	3,628
Sponsorship Revenue	68,350	53,417

- Shirt

Shirt Sponsorship Revenue decreased by €19.7 million (or 68.1%) from €28.9 million to €9.2 million due to:

- €15.7 million decrease in main jersey sponsorship because of Digitalbits contractual breach (€1.5 million from Paramount+ for last two official matches of the season vs. €17.2 million from Socios in prior fiscal year)
- €4.0 million decrease in sleeve sponsorship (€2.7 million from eBay for the second half of the season vs. €6.7 million from Digitalbits in prior fiscal year of which €1.6 million uncollected and, accordingly, written-off)

Technical

Technical Sponsorship Revenue is in line at €12.5 million as this refers to the total annual fixed fee set forth by contract with Nike which was in place until June 30, 2023 (before the renewal already described for the sporting seasons 23/24 to 30/31).

- EU/Global & Regional and naming rights

EU/Global Sponsorship Revenue increased by €11.3 million (or 67.4%) from €16.8 million to €28.1 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 €6.6 million (or – 64.5%) from €10.2 million to €3.6 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 €9.3 million or 10.1% to €100.7 million for the fiscal year ended June 30, 2023 from €91.5 million for the fiscal year ended June 30, 2022 mainly due to:

- the fact that in 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 impact of higher net distributable revenue for the current fiscal year 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).

UEFA Indirect Media Revenue

UEFA indirect Media Revenue increased by €30.9 million or 50.2% to €92.4 million for the fiscal year ended June 30, 2023 from €61.5 million for the fiscal year ended June 30, 2022 due to the better progression in the UCL (achievement of the final vs. Ro16 exit in prior year). We highlight that (i) the amount of €92.4 million is net of €4 million unconditional financial contribution defined by the Settlement Agreement (withheld by UEFA from the prize money due for the participation to 22/23 UCL) and (ii) in Q1 of current fiscal year ending June 30, 2024 UEFA has performed the final settlement of prize money due for the 22/23 UCL and additional revenues of € 5.5M were recognized (with a further potential smaller amount to be recognized in Q2).

Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the fiscal year ended June 30, 2023 compared with the fiscal year ended June 30, 2022.

	For the fiscal year ended June 30	
	2022	2023
<i>(in thousands of €)</i>		
Sponsorship Revenue		
- Shirt	28,850	9,200
- Technical	12,500	12,500
- EU/Global	16,781	28,090
- Regional and naming rights	10,219	3,628
Direct Media Revenue	9,367	9,997
Other Income	4,305	669
Total revenue	82,022	64,083
Indirect Media Revenue		
- Serie A and similar Indirect Media Revenue *	91,489	100,746
- UEFA Indirect Media Revenue *	61,527	92,415
Adjusted Revenue	235,038	257,243
Change in Current/Non current operating assets **	(692)	(7,696)
Cash Inflows	234,346	249,547
Personnel costs	(3,421)	(4,109)
Cost of services	(11,279)	(12,767)
Other costs	(294)	(195)
Adjusted Tax Expenses	(1,075)	(2,831)
Change in Current/Non-current operating liabilities **	(5,547)	1,769
Adjusted Services Agreement Fees	6,100	6,100
Cash Outflows	(15,516)	(12,033)
Cash Available for Debt Service	218,830	237,514

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

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

Cash Available for Debt Service increased by €18.7 million (or 8.5%) to €237.5 million for fiscal year ended June 30, 2023 from €218.8 million for fiscal year ended June 30, 2022 driven by Adjusted Revenue increase above described.

Historical Debt Service Coverage Ratio ("DSCR")

In the fiscal year ended June 30, 2023, we represent a DSCR equal to 8.48. The calculation is summarized in the table below:

Currency (€ 000)	For the fiscal year ended June 30, 2023
Aggregate Inflows	249,547
Aggregate Outflows	(12,033)
Cash Available for Debt Service	237,514
Mandatory Amortisation	-
Interest paid	28,013
Debt Service Payments	28,013
Debt Service Coverage Ratio	8.48

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

The DCSR pro-forma for the 12 months from July 1, 2023 to June 30, 2024 is currently estimated at 7.68 as presented in the table below:

Currency (€ 000)	Estimated for the Twelve months ending June 30, 2024
Aggregate Inflows	259,900
Aggregate Outflows	(17,300)
Cash Available for Debt Service	242,600
Mandatory Amotization	3,573
Interest Expense	28,013
Debt Service Payments	31,586
Debt Service Coverage Ratio	7.68

The DCSR pro-forma has been estimated as follows:

Inflows:

- Sponsorship Revenue: based on contracted revenues to date. No inflow has been assumed in respect of outstanding receivables fully written-down as of June 30, 2023 (mainly from Digitalbits and Imedia)

- 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 23/24 Serie A ranking (with low volatility in the event of different final position)
- UEFA Indirect Media Revenue: based on expected amount of total available resources at central level to be allocated to Inter assuming elimination at 23/24 UCL Group Stage (with no further progression in UEFA competitions)

Outflows: based on current run-rate and latest opex and tax budget

Debt Service Payments: based on the amortisation plan of the Notes

RESULTS OF OPERATIONS

The following table sets forth Income Statement data for MediaCo for the fiscal year ended June 30, 2023 compared with the fiscal year ended June 30, 2022. The Income Statement data presented in this document have been prepared using the data included in Annual Financial Statements which are prepared for statutory purposes according to Italian law and Italian GAAP. The Annual Financial Statements do not conform with Generally Accepted Accounting principles (GAAP) in other countries or International Financial Reporting Standards (IFRS).

	For the fiscal year ended June 30	
	2022	2023
<i>(in thousands of €)</i>		
Revenue	77,717	63,414
Other Income	4,305	669
Total revenue	82,022	64,083
Personnel costs	3,421	4,109
Cost of services	11,279	12,767
Other operating costs	835	195
Write-downs of trade receivables	25,426	361
Depreciation and amortization	20,441	20,452
Provisions for risks and charges	-	-
Total operating costs	61,402	37,884
Operating profit	20,620	26,199
Net financial expenses	(16,689)	(11,499)
Profit/(Loss) before tax	3,931	14,700
Income taxes	(2,035)	(5,097)
Profit/(Loss) for the period	1,896	9,603

Revenue. Revenues for the fiscal year ended June 30, 2023 decreased by €17.9 million (or 21.9%) to €64.1 million from €82.0 million for the fiscal year ended June 30, 2022, mainly as a result of the €14.9 million decrease in sponsorship revenue driven by the Digitalbits contractual breach (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 fiscal year ended June 30, 2023 increased by €1.5 million (or 9.9%) to 17.1 million from €15.5 million for fiscal year ended June 30, 2022, mainly as a result of direct costs related to the achievement of the UCL final (three more top matches, including the final in Istanbul, compared to prior sporting season). Overall,

operating costs are relatively stable and limited in size, reflecting the nature of the MediaCo business.

Write-downs of trade receivables. Write-downs of trade receivables required in fiscal year ended June 30, 2023 are immaterial in respect of our business at €361 thousands. In the same period of prior fiscal year we accrued a significant amount of €25.4 million mainly related (€23.6 million) 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 fiscal year ended June 30, 2023 equal to €20.5 million, are in line with fiscal year ended June 30, 2022 at.

Net Financial expenses. Net Financial expenses for fiscal year ended June 30, 2023 decreased by €5.2 million (or 31.1%) to €11.5 million from €16.7 million for the fiscal year ended June 30, 2022 due to the combined opposite effect of:

- (decrease) higher interest income by €4.0 million (€18.2 million vs. 14.2 million) accrued on Intercompany Loans granted to TeamCo due to higher value of loaned amount (as a result of the new €50.5M loan provided to TeamCo on Refinancing Transaction Date to repay the outstanding amount of the Revolving Credit Facility).
- (decrease) the fact that in the fiscal year ended June 30, 2022 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 fiscal year)
- (increase) Increase in interest expense related to the Senior Secured Notes by €4.0 million as a result of the Refinancing Transaction

Income taxes. Income taxes for the fiscal year ended June 30, 2023 increased by €3.1 million to €5.1 million from €2.0 million for fiscal year ended June 30, 2022 mainly due to (i) higher direct income taxes of the year (IRES and IRAP) as a result of improved results and (ii) the fact that FY22 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, Profit for the fiscal year ended June 30, 2023 increased by €7.7 million (406,4%) to €9.6 million.

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for fiscal year ended June 30, 2023 compared with fiscal year ended June 30, 2022. The Cash Flow Statement data presented in this document have been prepared using the data included in Annual Financial Statements which are prepared for statutory purposes according to Italian law and Italian GAAP. The Annual Financial Statements do not conform with Generally Accepted Accounting principles (GAAP) in other countries or International Financial Reporting Standards (IFRS).

	For the fiscal year ended	
	June 30	
	2022	2023
<i>(in thousands of €)</i>		
Profit for the period	1,896	9,603
Current taxes	2,333	15,135
Net Financial Expenses	16,686	11,495
Profit for the period before taxes and interest	20,915	36,233
Depreciation and amortization	20,441	20,451
Write-downs /release/uses) of trade receivables	25,299	211
Write-downs Non-current Assets		1
Employee severance indemnities	177	200
Accrual for risks	(3,091)	-
Deferred tax assets and liabilities	(298)	(10,038)
Cash flow from operating activities before changes in working capital	63,443	47,059
(Increase)/Decrease in trade and other receivables	(9,236)	7,399
Increase/(Decrease) in trade and other payables	(16,309)	26,722
Other variations in net working capital	9,603	(12,814)
Cash flow from operating activities after changes in working capital	47,501	68,366
Taxes paid	(3,871)	(1,523)
Interest and other financial expenses paid	(21,800)	(28,308)
Employee severance indemnities paid	(206)	(146)
A. Cash flow from operating activities	21,624	38,389
Investments in Intangible Assets	(43)	(10)
Investments in Property, Plant and Equipment	-	(162)
Investments on Financial Assets (Debt service and reserve account)	(3,957)	(0)
B. Cash flow from investing activities	(4,000)	(172)
Intercompany loans	(50,458)	(3,000)
Senior Secured Notes	53,935	-
Capital/dividend distributions	(23,921)	(10,214)
C. Cash flow from financing activities	(20,445)	(13,214)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(2,821)	25,003
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	25,522	50,525

Cash flow from operating activities. Cash flow from operating activities for the fiscal year ended June 30, 2023 increased by €16.8 million to €38.4 million from €21.6 million for the fiscal year ended June 30, 2022 driven by the combined opposite effect of the following main items:

- (negative) a €16.4 million decrease in Cash flow from operating activities before changes in working capital driven by the described €14.9 million reduction in sponsorship revenue
- (positive) a €37.2 million increase in favorable impact of Working Capital mainly driven by the impact of €43.0 million improvement from the variation of the line "trade and other payables" mainly due to the impact of the €42.8 million increase, in the fiscal year ended June 30, 2023, in payables due to TeamCo in respect of assignment of media rights receivables not yet repaid ("up-streamed") at the balance sheet date through the payment waterfall mechanism set out by the indenture. This increase has been mainly affected by significant inflows at the end of the fiscal year related to the progression in UCL until the final, then "up-streamed" to TeamCo in Q1 of the fiscal year ending June 30, 2024
- (negative) €6.5 million increase in interest paid on the Senior Secured Notes because of the Refinancing Transaction.

Cash flow from investing activities. Cash flow from investing activities for fiscal year ended June 30, 2023 amounted to €172 thousands compared to €4.0 million in fiscal year ended June 30, 2022.

While capital investments in intangible and tangible assets remained immaterial in respect of our business (€172 thousands versus €43 thousands), the €4.0 million cash outflow in prior fiscal year was mainly related to the increase of the debt reserve account related to the Notes on the Refinancing date.

Cash flow from financing activities. Cash flow from financing activities for fiscal year ended June 30, 2023 amounted to negative €13.2 million compared to negative €20.4 million in the fiscal year ended June 30, 2022. The breakdown and comparison is as follows:

- Intercompany loans provided to TeamCo: €3M in the fiscal year ended June 30, 2023 compared to €50.5 million in 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 fiscal year ended June 30, 2023 compared to €23.9 million in prior fiscal year.

In addition, in the fiscal year ended June 30, 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 fiscal year ended June 30, 2023 increased by €27.8 million to €25.0 million from negative €2.8 million for the fiscal year ended June 30, 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 June 30, 2023 compared with June 30, 2022. Balance Sheet data presented in this document have been prepared using data included in Annual Financial Statements which are prepared for statutory purposes according to Italian law and Italian GAAP. The Annual Financial Statements do not conform with Generally Accepted Accounting principles (GAAP) in other countries or International Financial Reporting Standards (IFRS).

Assets:

	As at	
	June 30 2022	June 30 2023
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	345,151	324,779
Property, plant and equipment	108	200
Financial assets	17,579	17,579
Loan to parent company	307,147	328,328
Trade receivables	101	76
Prepaid expenses	3	28
Non-current Assets	670,089	670,989
Current assets		
Financial assets	0	1
Trade receivables	20,188	5,872
Trade receivables from parent companies and their affiliated	12,577	21,529
Tax receivables	2,201	0
Deferred tax assets	8,880	15,958
Other receivables	46	26
Prepaid expenses	156	214
Cash at bank and on hand	25,522	50,525
Current Assets	69,571	94,124
Total Assets	739,660	765,113

Non-current assets. Non-current assets remained overall stable in the region of €670 million with the following two main variations offsetting each other:

- € 21.2 million increase in Loans to parent company related to (i) accrual of interest income of the period (€18.2 million) and (ii) the new €3.0 million Intercompany Loan provided to TeamCo in the period (as described on the previous pages)

- the €20.4 million reduction in Intangible Assets related to amortization of the period.

Current assets. Current assets increased by €24.6 million from €69.6 million as of June 30, 2022 to €94.1 million at June 30, 2023 mainly as a result of the combined effect of:

- €25.0 million increase in Cash at bank and on hand due to positive net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement")
- €7.1 million increase in Deferred Tax assets mainly related to the accrual made in respect of the provision for doubtful accounts posted for €26.3 million to cover gross receivables arisen from the contract with Digitalbits (as further explained below commenting the evolution of Trade Receivables).
- €5.4 million net decrease in Total Trade receivables as detailed by the table below:

	As at June 30 2022	As at June 30 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 bonu (Provision for doubtful accounts -Digitalbits)	8,000 (1,600)	29,750 (31,350)	21,750 (29,750)
Trade Receivables from Digitalbits	8,000	-	(8,000)
Receivables relating to UEFA Indirect Media Revenue	-	15,437	15,437
Other trade receivables (Provision for doubtful accounts - other trade receivables)	30,686 (5,820)	18,221 (6,181)	(12,464) (362)
Other Trade Receivables - Net	24,866	27,477	2,611
Total Trade receivables (incl. from parent companies and affiliated) - Net	32,866	27,477	(5,389)
Breakdown in the Balance Sheet			
Trade receivables (Non-current Assets) [A]	101	76	(25)
Trade receivables (Current Assets)	20,188	5,872	(14,316)
Trade receivables from parent companies and their affiliated	12,577	21,529	8,952
Total Trade receivables (Current Assets) [B]	32,765	27,401	(5,364)
Total Trade receivables (incl. from parent companies and affiliated) - Net [A] + [B]	32,866	27,477	(5,389)

Receivables from International/Regional Agencies

In the fiscal year ended June 30, 2023 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 June 30, 2023 we have outstanding gross receivables from Digitalbits for €31.4 million (€1.6 million relating to 21/22 season and €26.3 million relating to 22/23 season) following their contractual breach starting from the end of fiscal year ended June 30, 2022. Due to the described status of the litigation with the former client, this amount is fully covered through a provision for doubtful accounts as at June 30, 2023 (€1.6 million accrued in the Income Statement of fiscal year ended June, 2022 and €26.3 million accrued in the Income Statement of fiscal year ended June 30, 2023 – the latter reclassified in full deduction of 2022/2023 contractual revenue).

The €8M receivable as of June 30, 2022 was fully offset by deferred income for the same amount, as it was related to the first 22/23 installment invoiced in June 2022.

Other Trade Receivables - net

- Receivables relating to UEFA Indirect Media Revenue: the amount of €15.4 million relates to the fee due from UEFA for the achievement of the UCL final and the second tranche of UCL market pool net of a provisional deduction made by UEFA waiting for final calculation of 22/23 prize money due to the clubs. This amount, in line with UEFA payment schedule, has been collected from TeamCO on the UEFA dedicated account in the last days of June 2023 and immediately paid to MediaCo in the first days of July 2023 (according to rules of the indenture of the Notes).
- Other trade receivables: they decreased by €12.5 million in the period (mainly affected by timing of invoicing and collection) with an outstanding amount of €18.2 million as of June 30, 2023, of which a stable amount in the region of € 6.0 million covered by Provision for doubtful accounts.

Liabilities:

	As at	
	June 30 2022	June 30 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	9,603
Total Shareholders' equity	194,287	201,994
Non-current Liabilities		
Deferred tax liabilities	56,227	53,266
Other provisions	247	247
Provisions for employee severance indemnities	325	379
Senior Secured Notes	407,945	405,739
Deferred income	11,582	10,222
Non-current Liabilities	476,325	469,853
Current Liabilities		
Senior Secured Notes	-	3,573
Trade payables	2,519	4,153
Trade payables to parents companies and their affiliated	31,461	69,035
Dividends Payable	10,963	2,645
Tax Payables	153	1,354
Social security payables	364	219
Other payables	565	636
Accrued expenses	92	105
Deferred income	22,930	11,545
Current Liabilities	69,048	93,266
Total Liabilities and Shareholders' equity	739,660	765,113

Shareholders' equity. Shareholders' equity increased by €7.7 million from €194.3 million at June 30, 2022 to €202.0 million at June 30, 2023 due to the combined opposite effect of:

- (positive) the €9.6 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 fiscal year ended June 30, 2022 to its immediate shareholders (TeamCO and BrandCo).

Non-current liabilities. Non-current liabilities decreased by €6.5 million from €476.3 million at June 30, 2022 to €469.9 million at June 30, 2023 mainly due to:

- €3.0 million decrease in Deferred tax liabilities representing the annual movement related to the amortization of the book value of Brand and Archive under Intangible Assets
- €2.2 million decrease Senior Secured Notes resulting from the (i) reclassification under Current Liabilities of the €3.6 million first mandatory amortization installment due in June 2024 and (ii) the impact of the amortization cost accounting treatment.

Current liabilities. Current liabilities increased by €24.2 million from €69.0 million at June 30, 2022 to €93.3 million at June 30, 2023 mainly due to:

- €37.6 million increase in Trade payables to parents companies and their affiliated mainly due the increase in payables due to TeamCo in respect of the assignment of media rights receivables not yet distributed at the balance sheet date through the waterfall mechanism set forth by the indenture (increase mainly affected by significant inflows at the end of the fiscal year related to the progression in UCL until the final, then “up-streamed” to TeamCo in Q1 of the fiscal year ending June 30, 2024)
- €3.6 million increase in Senior Secured Notes resulting from the reclassification from Non-Current Liabilities of the first mandatory amortization installment due in June 2024

This has been partially offset by:

- €11.4 million decrease in Deferred Income. This item mainly relates to the total value of sponsorship installments already invoiced at the end of the fiscal year, but whose revenues pertain and, accordingly, will be recognized, in the following one and, as of June 30, 2022 was particularly affected by the first €8 million installment invoiced in June 2022 to Zytara/Digitalbits with regard to the contractual fee due for the 2022/2023 sporting season.
- €8.3 million decrease in Dividends Payable which is a result of:
 - (+) 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)
 - (-) €10.2 million payment of dividends to the immediate parent companies BrandCo and TeamCo (as explained in the paragraph “Cash Flow Statement”).

CAPITAL EXPENDITURES

The level of capital expenditure in intangible and tangible assets (€ 172 thousand) was not considered material for the period under review.

NET FINANCIAL POSITION

Net Financial position as at June 30, 2023 amounted to €341.2 million compared to €364.8 million as at June 30, 2022 (decrease of €23.6 million)

	As at	
	June 30 2022	Jun 30 2023
<i>(in thousands of €)</i>		
Cash at bank and on hand	25,522	50,525
Current financial assets (Debt Service Account)	0	1
Current financial receivables	0	1
Senior Secured Notes 2027 - current portion (face value)	-	(3,573)
Seniore Secrued Notes 2027 - Accrued interest charges and other financial expense:	-	(0)
Current financial liabilities	-	(3,573)
Net current financial assets/(liabilities)	25,522	46,952
Senior Secured Notes 2027 - long term portion (face value)	(415,000)	(411,427)
Senior Secured Notes 2027 - unamortized transaction fees	7,055	5,688
Financial Assets (Debt Reserve Account)	17,579	17,579
Non-current financial liabilities	(390,365)	(388,160)
Net financial position	(364,843)	(341,208)

As shown by the table above, the decrease is mostly related to the €25.0 million increase in Cash at bank and on hand resulting from the positive net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement").

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 2023/2024 sporting season played as of the date of this report, the team is currently:

- 1st in the Serie A table (after 9 matches), one point ahead of the team in 2nd position
- Sharing the 1st position in the UCL Group Stage (after 3 matches), four points ahead of the team in third position (we remind that the first two positions give the access to the Round of 16).

In January 2024 the team will play the semi-final of Supercoppa Italiana vs. SS Lazio in Saudi Arabia and will start to play the domestic Cup ("Coppa Italia") from the Round of 16.

MATCHDAY

In the seven home matches of the 2023/2024 sporting season played to the date of this report (five Serie A and 2 UCL), the average attendance has been 72,022 (among the top clubs in Europe, consistently with prior sporting seasons).

TRANSFER MARKET SUMMARY

The main players signed in the transfer market windows affecting the current fiscal year ending June 30, 2024 are:

Summer 2023 – Incoming Players:

- Acerbi (permanently acquired from Lazio after one year on loan)
- Thuram (free transfer)
- Fratesi (on loan from Sassuolo with conditioned obligation to buy)
- Bisseck (acquired from Aarhus)
- Cuadrado (free transfer)
- Sommer (acquired from Bayern Munich)
- Audero (on loan from Sampdoria with conditioned obligation to buy)
- Carlos Augusto ((on loan from Monza with conditioned obligation to buy)
- Arnautovic (on loan from Bolognas with conditioned obligation to buy)
- Klaassen (acquired from Ajax)
- Pavard (acquired from Bayern Munich)
- Sanchez (free transfer)

The main players who left TeamCo in the transfer market windows affecting the current fiscal year ending June 30, 2024 are:

Summer 2023 – Outgoing Players

- Brozovic (sold to Al-Nassr)
- Onana (sold to Manchester United)
- Mulattieri (in the past season on loan to Frosinone and now sold to Sassuolo)
- Handanovic (contract termination)
- Skrinjar (contract termination)
- D'Ambrosio (contract termination)
- Gagliardini (contract expiration)
- Dzeko (contract termination)
- Lukaku (loan contract termination)
- Bellanova (loan contract termination)
- Gosens (sold to Union Berlin)
- Correa (on loan to Olympique Marseille with conditioned obligation to buy)

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 June 30, 2023 was €101 million (all related to loans provided by Grand Tower), of which €50 million during the last part of the fiscal year ended June 30, 2021 (after €10 million conversion into equity reserve made on June 30, 2023) and €51 million in the second half of the fiscal year ended June 30, 2023, plus accrued interest for €27.5 million of which €11.4 million related to shareholder loans provided by Grand Tower and €16.1 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 past fiscal years).

We highlight that on September 25, 2023, further shareholder loans for Euro 76 million have been waived by Grand Tower and converted into equity reserve.

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

The financial information presented in this document is sourced from and based on the Annual Financial Statements. The independent auditor has been PricewaterhouseCoopers SpA.

SIGNIFICANT ACCOUNTING POLICIES

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

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

The accounting policies adopted in preparing the Annual Financial Statements are the same as for the previous fiscal year and therefore reference should be made to the Financial Statements for the fiscal year ended June 30, 2022 for further considerations.

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

Here, we notice that:

- In preparing the financial information presented in this document, MediaCo reclassified and renamed certain Italian GAAP line items in line with international format.
- Italian GAAP has been modified in order to take into account changes introduced in the Italian law governing financial statements by Decree No. 139 of August 18, 2015, which implemented Directive 34/2013/UE of the European Parliament and of the European Council on annual financial statements, consolidated financial statements and related reports of certain types of undertakings, with the aim, among other things, to align certain differences between Italian GAAP and IFRS. Such provisions were adopted in the Annual Financial Statements retrospectively beginning in the fiscal year ended June 30, 2015.

Use of estimates

For Annual Financial Statements preparation, it is necessary that the Management make estimates and assumptions which have effects on the values of assets and liabilities accounted for the Balance Sheet and even on potential assets and liabilities at the Annual Financial Statements date. The estimates and assumptions used are based on experience and on other relevant factors. For this reason, the final results could therefore differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of each of their variation are reflected on the income statement in the year when the estimate is revised (if this review has effects only in the current year), or also in subsequent years (if the review has effects on both the current and future years). The Balance Sheet items that are affected by these assumptions, are the bad debt reserve, the provisions for risks and charges and the evaluation of the recoverable value of property, plant and equipment and intangible assets (impairment test). The impairment test carried out as of June 30, 2023 did not highlight any requirement of impairment.

GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

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

SUBSEQUENT EVENTS OCCURRED AFTER JUNE 30, 2023

The Shareholders' Meeting of MediaCo held on October 26, 2023 has approved the Annual Financial Statements of the fiscal year ended June 30, 2023 and the distribution in kind as a dividend of the €9.6 million net profit to its immediate shareholders (TeamCo and BrandCo).

In addition to this and to what is already described in this document, and in particular in the sections "Business Update" and "TeamCo Update", there are no further matters to be highlighted occurring between July 1st, 2023 and the current date.

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APPENDIX 1 – ANNUAL FINANCIAL STATEMENTS

Please refer to separate document provided with this report.