



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 three months ended September 30, 2023

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

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

FINANCIAL INFORMATION

INTRODUCTION

The financial information presented in this section is based on the unaudited interim financial statements of MediaCo as of and for the three-month period ended September 30, 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 three months ended on September 30, 2023 compared with the three months ended on September 30, 2022.

	For the three months ended September 30	
	2022	2023
<i>(in thousands of €)</i>		
Revenue	19,324	19,643
Other Income	400	10
Total revenue	19,724	19,653
Personnel costs	823	886
Cost of services	2,724	2,771
Other operating costs	30	59
Write-downs of trade receivables	5,984	-
Depreciation and amortization	5,151	5,141
Provisions for risks and charges	-	-
Total operating costs	14,711	8,857
Operating profit	5,013	10,796
Net financial expenses	(2,835)	(2,863)
Profit/(Loss) before tax	2,178	7,933
Income taxes	(960)	(2,523)
Profit/(Loss) for the period	1,218	5,410

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as of September 30, 2023 compared with June 30, 2023.

	As at	
	June 30 2023	September 30 2023
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	324,779	319,676
Property, plant and equipment	200	188
Financial assets	17,579	17,579
Loan to parent company	328,328	332,944
Trade receivables	76	76
Prepaid expenses	28	24
Non-current Assets	670,989	670,487
Current assets		
Financial assets	1	1
Trade receivables	5,872	39,729
Trade receivables from parent companies and their affiliated	21,529	28,706
Tax receivables	0	0
Deferred tax assets	15,958	15,793
Other receivables	26	26
Prepaid expenses	214	244
Cash at bank and on hand	50,525	44,330
Current Assets	94,124	128,830
Total Assets	765,113	799,317

	As at	
	June 30 2023	September 30 2023
<i>(in thousands of €)</i>		
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	187,776	187,776
Retained earnings	4,115	13,718
Profit/(Loss) for the period	9,603	5,410
Total Shareholders' equity	201,994	207,405
Non-current Liabilities		
Deferred tax liabilities	53,266	52,522
Other provisions	247	247
Provisions for employee severance indemnities	379	385
Senior Secured Notes	405,739	406,102
Deferred income	10,222	10,002
Non-current Liabilities	469,853	469,258
Current Liabilities		
Senior Secured Notes	3,573	10,615
Trade payables	4,153	4,137
Trade payables to parents companies and their affiliated	69,035	86,277
Dividends Payable	2,645	2,645
Tax Payables	1,354	1,756
Social security payables	219	186
Other payables	636	381
Accrued expenses	105	198
Deferred income	11,545	16,460
Current Liabilities	93,266	122,654
Total Liabilities and Shareholders' equity	765,113	799,317

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for three months ended on September 30, 2023 compared with three months ended on September 30, 2022.

	For the three months ended September 30	
	2022	2023
<i>(in thousands of €)</i>		
Profit for the period	1,218	5,410
Current taxes	2,996	3,102
Net Financial Expenses	2,835	2,863
Profit for the period before taxes and interest	7,049	11,375
Depreciation and amortization	5,151	5,141
Write-downs /release/uses) of trade receivables	5,834	(8)
Employee severance indemnities	38	44
Accrual for risks	-	-
Deferred tax assets and liabilities	(2,036)	(580)
Cash flow from operating activities before changes in working capital	16,036	15,973
(Increase)/Decrease in trade and other receivables	(22,561)	(41,026)
Increase/(Decrease) in trade and other payables	29,110	14,236
Other variations in net working capital	(9,241)	4,762
Cash flow from operating activities after changes in working capital	13,343	(6,055)
Taxes paid	-	-
Interest and other financial expenses paid	0	(76)
Employee severance indemnities paid	(27)	(38)
A. Cash flow from operating activities	13,317	(6,168)
Investments in Intangible Assets	(2)	(20)
Investments in Property, Plant and Equipment	-	(6)
Investments on Financial Assets (Debt service and reserve account)	0	0
B. Cash flow from investing activities	(1)	(26)
Intercompany loans	-	-
Senior Secured Notes	-	-
Capital/dividend distributions	(2,535)	-
C. Cash flow from financing activities	(2,535)	-
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	10,781	(6,194)
Cash at bank and on hand at the beginning of the period	25,522	50,525
Cash at bank and on hand at the end of the period	36,303	44,330

BUSINESS UPDATE

SPONSORSHIP REVENUE

As of the date of this report, contracted sponsorship fees for the current fiscal year ending on June 30, 2024 amount to approximately €75M (€22M higher than actual figure recorded in the fiscal year ended on 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 mid-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. 35 in total of which some signed starting from 23/24 fiscal year – e.g. Enel, Mastercard, Banca BPER and Qatar Airways, the latter signed in November 2023)

We are working to finalize 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 suspend 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 order 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

Current sporting season 2023/2024, is the last of 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, nevertheless 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 international rights assignment is still in progress.

UEFA

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

Based on resources available at UEFA level and the distribution model in place, and having the team already achieved the UCL Ro16, we expect a minimum guaranteed amount in the region of €60M. This amount can increase depending on the further progression of the team in the competition.

We highlight 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. Therefore, 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 approx. 30%.

Other Media Revenue

Other Media Revenue mainly relate to revenues arising from distribution of Inter TV and licensing of Inter's archive content rights at both domestic and international level. 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 three months ended on September 30, 2023 compared with the three months ended on September 30, 2022.

	For the three months ended September 30	
	2022	2023
<i>(in thousands of €)</i>		
A. Direct Media Revenue	2,394	2,432
B. Other Income	400	10
C. Sponsorship Revenue	16,930	17,211
D. Total Revenue (A+B+C)	19,724	19,653
E. Serie A and similar Indirect Media Revenue *	45,566	47,100
F. UEFA Indirect Media Revenue *	28,218	40,766
G. Adjusted Media Revenue (A+E+F)	76,179	90,298
B. Other Income	400	10
C. Sponsorship Revenue	16,930	17,211
Adjusted Revenue (G+B+C)	93,508	107,519

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

Our Adjusted Revenue increased by €14.0 million or 15.0%, to 107.5 million for the three months ended September 30, 2023 from €93.5 million for the three months ended September 30, 2022.

The main drivers of the net increase of our Adjusted Revenue are:

- a €12.5 million increase (or + 44.5%) in UEFA Indirect Media Revenue which was due to (i) the fact that, in Q1 of the current fiscal year ending June 30, 2024, UEFA has performed the final settlement of prize money due for the 22/23 UCL and we were recognized an additional revenue of € 5.5 million related to the final match (with a further amount of €1.8 million recognized in Q2), (ii) a €4.5 million increase in the fee

related to historical ranking thanks to the performance in the 22/23 UCL, and (iii) the fact that in Q1 of prior fiscal year, UEFA withheld €2.5 million from due prize money in the period as first tranche of the €4 million unconditional financial contribution defined by the Settlement Agreement

- a €1.5 million increase (or + 3.4%) in Serie A and similar Indirect Media Revenue because of the described growth in net available distributable revenues for the twenty Serie A clubs (resulting from growing annual instalments due by domestic broadcasters over the three years cycle)

Regarding Sponsorship Revenue, reported figures show a total amount in line (+ €0.3M) as presented in the following table:

	For the three months ended September 30	
	2022	2023
<i>(in thousands of €)</i>		
Shirt	7,230	3,731
Technical	3,125	5,313
EU/Global	5,637	7,369
Regional and naming rights	937	799
Sponsorship Revenue	16,930	17,211

However, we highlight that in Q1 of prior fiscal year, we booked pro-rata revenue for €6.0 million relating to the jersey sponsorship contract which was in place with Digitalbits and, due to contractual breach of the client in respect of due payments, we booked a write-down of related trade receivable under Operating Costs (while starting from Q2, due to contractual breach continuation, we started to reclassify the write-down in direct deduction of Revenue). Accordingly, from a business standpoint, the real Q1 increase in Sponsorship Revenue is €6.3 million.

Going into details of each line:

- Shirt

Excluding the 6.0M revenue booked in Q1 of prior year related to Digitalbits, Shirt Sponsorship Revenue increased by €2.5 million to €3.7 million mainly due to (i) new jersey sponsorship contract signed with Paramount+ (Q1 23/24 pro-rata revenue equal to €2.75M), (ii) sleeve sponsorship contract in place with eBay since second half of prior fiscal year (Q1 23/24 pro-rata revenue equal to €0.825 million) whose positive impact was partially offset by the expiration of Lenovo contract as back jersey sponsor at June 30, 2023 (pro-rata revenue in Q1 of prior year equal to €1.25 million). As previously described, Lenovo has

been replaced by U-Power in mid-September 2023 (accordingly, with regard to the new sponsor, pro-rata revenue for €0.2 million only have been booked in Q1 23/24).

- Technical

Technical Sponsorship Revenue increased by €2.2 million (+70%) to €5.3 million for the three months ending September 30, 2023 from €3.1 million for the three months ended September 30, 2022. This is a result of the described renewal of Nike technical sponsorship (for the period 2024-2031) for an annual fee increased by 70% (on annual basis the increase of the sponsorship fee is from €12.5 million to €21.25M).

- EU/Global & Regional and naming rights

EU/Global Sponsorship Revenue increased by €1.7 million (or 30.7%) from €5.6 million to €7.4 million mainly due to the impact of new contracts signed and or renewed after Q1 of prior fiscal year and until September 30, 2023 (such as, among the others, the ones with LeoVegas, Enel, Mastercard and Banca BPER).

- Regional and naming rights

Regional and naming rights Sponsorship Revenue remained overall in line (€0.8M vs. € 0.9M).

Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the three months ended on September 30, 2023 compared with the three months ended on September 30, 2022.

	For the three months ended September 30	
	2022	2023
<i>(in thousands of €)</i>		
Sponsorship Revenue		
- Shirt	7,230	3,731
- Technical	3,125	5,313
- EU/Global	5,637	7,369
- Regional and naming rights	937	799
Direct Media Revenue	2,394	2,432
Other Income	400	10
Total revenue	19,724	19,653
Indirect Media Revenue		
- Serie A and similar Indirect Media Revenue *	45,566	47,100
- UEFA Indirect Media Revenue *	28,218	40,766
Adjusted Revenue	93,508	107,519
Change in Current/Non current operating assets **	(30,284)	(36,339)
Cash Inflows	63,224	71,180
Personnel costs	(823)	(886)
Cost of services	(2,724)	(2,771)
Other costs	(30)	(59)
Adjusted Tax Expenses	(589)	(581)
Change in Current/Non-current operating liabilities **	(1,853)	(789)
Adjusted Services Agreement Fees	2,360	1,257
Cash Outflows	(3,659)	(3,829)
Cash Available for Debt Service	59,566	67,351

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

** 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 €7.8 million (or 13.1%) to €67.4 million for the three months ending September 30, 2023 from 59.6 million for the three months ended September 30, 2022. With cash outflows relatively stable and limited in size (reflecting the nature of the MediaCo business), such increase has been driven by a €8.0 million growth in Cash Inflows (+12.6% from €63.2 million to €71.2 million).

The growth in cash inflows has been driven by the €14.0 million increase in Adjusted Revenue, partially mitigated by the dynamics of trade receivables, and particularly by the size, and related collection timing, of a portion of Serie A and UEFA Media revenue invoiced by TeamCo (and hence booked MediaCo upon assignment of receivables) in Q1 and then collected in Q2 according to Serie A and UEFA scheduling.

RESULTS OF OPERATIONS

The following table sets forth Income Statement data for MediaCo for the three months ended September 30, 2023 compared with the three months ended September 30, 2022.

	For the three months ended September 30	
	2022	2023
<i>(in thousands of €)</i>		
Revenue	19,324	19,643
Other Income	400	10
Total revenue	19,724	19,653
Personnel costs	823	886
Cost of services	2,724	2,771
Other operating costs	30	59
Write-downs of trade receivables	5,984	-
Depreciation and amortization	5,151	5,141
Provisions for risks and charges	-	-
Total operating costs	14,711	8,857
Operating profit	5,013	10,796
Net financial expenses	(2,835)	(2,863)
Profit/(Loss) before tax	2,178	7,933
Income taxes	(960)	(2,523)
Profit/(Loss) for the period	1,218	5,410

Revenue. Revenues for the three months ended September 30, 2023 are in line with the same period of prior fiscal year driven by the size of Sponsorship Revenue (please refer to the Section "Adjusted Revenues" for more details).

Operating costs. The sum of **Personnel Costs**, **Cost of services** and **Other Operating costs** for the three months ended September 30, 2023 are in line at €3.7 million with the same period of prior fiscal year with no relevant change at single item level to be highlighted.

Write-downs of trade receivables. No write-downs of trade receivables booked in the three months ended September 30, 2023. In the same period of prior fiscal year, we booked an amount of €6.0 million relating to receivables from Digitalbits (as explained in the paragraph "Adjusted Revenue").

Depreciation and amortization. Depreciation and amortization for the three months ended September 30, 2023 are in line with the three months ended September 30, 2022 at €5.1 million.

Net Financial expenses. Net Financial expenses for the three months ended September 30, 2023 are in line with the three months ended September 30, 2022 at €2.9 million

Income taxes. Income taxes for the three months ended September 30, 2023 increased by €1.6 million to €2.5 million from €1.0 million for the three months ended September 30, 2022 mainly as a result of the increase in Profit Before Tax.

Profit for the period. For the reasons described above (mainly related to the Digitalbits contractual breach in prior fiscal year and the ability to sign new sponsorship contracts for the current fiscal year), Profit for the three months ended September 30, 2023 increased by €4.2 million to €5.4 million from €1.2 million for the three months ended September 30, 2022.

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for the three months ended September 30, 2023 compared with the three months ended September 30, 2022.

	For the three months ended September 30	
	2022	2023
<i>(in thousands of €)</i>		
Profit for the period	1,218	5,410
Current taxes	2,996	3,102
Net Financial Expenses	2,835	2,863
Profit for the period before taxes and interest	7,049	11,375
Depreciation and amortization	5,151	5,141
Write-downs /release/uses) of trade receivables	5,834	(8)
Employee severance indemnities	38	44
Accrual for risks	-	-
Deferred tax assets and liabilities	(2,036)	(580)
Cash flow from operating activities before changes in working capital	16,036	15,973
(Increase)/Decrease in trade and other receivables	(22,561)	(41,026)
Increase/(Decrease) in trade and other payables	29,110	14,236
Other variations in net working capital	(9,241)	4,762
Cash flow from operating activities after changes in working capital	13,343	(6,055)
Taxes paid	-	-
Interest and other financial expenses paid	0	(76)
Employee severance indemnities paid	(27)	(38)
A. Cash flow from operating activities	13,317	(6,168)
Investments in Intangible Assets	(2)	(20)
Investments in Property, Plant and Equipment	-	(6)
Investments on Financial Assets (Debt service and reserve account)	0	0
B. Cash flow from investing activities	(1)	(26)
Intercompany loans	-	-
Senior Secured Notes	-	-
Capital/dividend distributions	(2,535)	-
C. Cash flow from financing activities	(2,535)	-
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	10,781	(6,194)
Cash at bank and on hand at the beginning of the period	25,522	50,525
Cash at bank and on hand at the end of the period	36,303	44,330

Cash flow from operating activities. Cash flow from operating activities for the three months ended September 30, 2023, decreased by €19.5 million to negative €6.2 million from positive €13.3 million positive for the three months ended September 30, 2022 mainly due to the impact in the quarter from the change in working capital (negative €22.0 million in Q1 of current fiscal year versus negative €2.7 million in Q1 of prior fiscal year). This was mainly a result of (i) the dynamics of trade receivables (as already explained in the paragraph “Cash Available for Debt Service” and commented in the next paragraph “Balance Sheet” affected by timing of collection of Serie A and UEFA rights) combined with (ii) the timing of cash “up-streams” (“up-streamed”) to TeamCo according to the payment waterfall mechanism set out by the bond indenture.

Cash flow from investing activities. Capital investments in intangible and tangible assets remained immaterial in respect of our business (€26 thousands versus €1 thousands)

Cash flow from financing activities. No cash flow from financing activities has been recorded in the three months ended September 30, 2023, last year it amounted to negative €2.5 million and was fully related to the payment of dividends to the immediate parent company BrandCo.

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 three months ended September 30, 2023 decreased by €17.0 million to negative €6.2 million from positive €10.8 million for the three months ended September 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 of September 30, 2023, compared with June 30, 2023

Assets:

	As at	
	June 30 2023	September 30 2023
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	324,779	319,676
Property, plant and equipment	200	188
Financial assets	17,579	17,579
Loan to parent company	328,328	332,944
Trade receivables	76	76
Prepaid expenses	28	24
Non-current Assets	670,989	670,487
Current assets		
Financial assets	1	1
Trade receivables	5,872	39,729
Trade receivables from parent companies and their affiliated	21,529	28,706
Tax receivables	0	0
Deferred tax assets	15,958	15,793
Other receivables	26	26
Prepaid expenses	214	244
Cash at bank and on hand	50,525	44,330
Current Assets	94,124	128,830
Total Assets	765,113	799,317

Non-current assets. Non-current assets are overall in line (from €671.0 million on June 30, 2023 to €670.5 million at September 30, 2023) as a consequence of the combined opposite impact of:

- the €5.1 million reduction in Intangible Assets related to amortization of the period.
- the € 4.6 million increase in Loans to parent company related to accrual of interest income of the period.

Current assets. Current assets increased by €34.7 million from €94.1 million on June 30, 2023 to €128.8 million on September 30, 2023 mainly driven by a €41.0 million net increase in Total Trade receivables, partially offset by a €6.2 million decrease in Cash at bank and on

hand. While we refer to the section “Cash Flow Statement” on previous pages for the comment on decrease in Cash at bank and on hand, here below we present a table summarizing net increase in Total Trade receivables:

	As at June 30 2023	As at September 30 2023	Var.
<i>(in thousands of €)</i>			
Other International/Regional Sponsorship Agreements- Receivables from Agencies (Provision for doubtful accounts - international/Regional Agencies)	29,492 (22,955)	29,492 (22,955)	- -
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 installment) (Provision for doubtful accounts -Digitalbits)	29,750 (31,350)	29,750 (31,350)	- -
Trade Receivables from Digitalbits	-	-	-
Receivables relating to UEFA Indirect Media Revenue (from Teamco)	15,437	20,466	5,029
Receivables relating to Serie A Indirect Media Revenue	-	21,472	21,472
Other trade receivables (Provision for doubtful accounts - other trade receivables)	18,221 (6,181)	32,746 (6,173)	14,525 8
Other Trade Receivables - Net	27,477	68,511	41,034
Total Trade receivables (incl. from parent companies and affiliated) - Net	27,477	68,511	41,034
Breakdown in the Balance Sheet			
Trade receivables (Non-current Assets) [A]	76	76	-
Trade receivables (Current Assets)	5,872	39,729	33,856
Trade receivables from parent companies and their affiliated	21,529	28,706	7,178
Total Trade receivables (Current Assets) [B]	27,401	68,435	41,034
Total Trade receivables (incl. from parent companies and affiliated) - Net [A] + [B]	27,477	68,511	41,034

- UEFA Indirect Media Revenue (receivables from TeamCo): €20.5 million receivable relates to the portion of UEFA Indirect Media Revenue booked in Q1 23/24 relating to the coefficient based on historical results. This amount, in line with UEFA recurring annual payment schedule, has been collected in October 2023 from TeamCO on the UEFA dedicated account and immediately paid to MediaCo (in line with the rules of the indenture).
- Receivables relating to Serie A Indirect Media Revenue: the amount of €21.5 million relates to the portion of Serie A Indirect Media Revenue booked in Q1 23/24 upon assignment from TeamCo of the receivable generated from the invoice of the first 22/23 instalments issued until September 2023 according to the schedule defined by Lega Serie A. This amount, in line with payment schedule agreed by Lega Serie A with broadcasters, has been collected in Q2 23/24.
- Other trade receivables: the €14.5 million increase reflects the dynamic of collections and new receivables booked in the three months ended September 30, 2023.

Liabilities:

	As at	
	June 30 2023	September 30 2023
<i>(in thousands of €)</i>		
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	187,776	187,776
Retained earnings	4,115	13,718
Profit/(Loss) for the period	9,603	5,410
Total Shareholders' equity	201,994	207,405
Non-current Liabilities		
Deferred tax liabilities	53,266	52,522
Other provisions	247	247
Provisions for employee severance indemnities	379	385
Senior Secured Notes	405,739	406,102
Deferred income	10,222	10,002
Non-current Liabilities	469,853	469,258
Current Liabilities		
Senior Secured Notes	3,573	10,615
Trade payables	4,153	4,137
Trade payables to parents companies and their affiliated	69,035	86,277
Dividends Payable	2,645	2,645
Tax Payables	1,354	1,756
Social security payables	219	186
Other payables	636	381
Accrued expenses	105	198
Deferred income	11,545	16,460
Current Liabilities	93,266	122,654
Total Liabilities and Shareholders' equity	765,113	799,317

Shareholders' equity. Shareholders' equity increased by €5.4 million from €202.0 million on June 30, 2023 to €207.4 million on September 30, 2023 as a consequence of Net Profit of the period.

Non-current liabilities. Non-current liabilities on September 30, 2023 amounted to €469.3 million, overall in line with the balance on June 30, 2023 (€469.9 million), with no relevant movements to be highlighted in the period.

Current liabilities. Current liabilities increased by €29.4 million from €93.3 million on June 30, 2023, to €122.7 million on September 30, 2023, mainly due to:

- €17.2 million increase in trade payables to parent companies and their affiliated primarily relating to the increase 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.
- €7.0 million increase in the current element of the Notes which relates to the portion of interest accrued in the three months ended September 30, 2023, and to be paid in December 2023.
- €4.9 million increase in Deferred Income which mainly relates to sponsorship installments already invoiced as of September 30, 2023, according to contractual terms but whose revenues pertain and, accordingly, will be recognized, in the remaining part of the fiscal year ending June 30, 2024.

CAPITAL EXPENDITURES

The level of capital expenditure in intangible and tangible assets (€ 26 thousands) was not considered material for the period under review.

NET FINANCIAL POSITION

Net Financial position increased by €13.6 million from €341.2 million on June 30, 2023 to €354.8 million on September 30, 2023.

	As at	
	June 30 2023	September 30 2023
<i>(in thousands of €)</i>		
Cash at bank and on hand	50,525	44,330
Current financial assets (Debt Service Account)	1	1
Current financial receivables	1	1
Senior Secured Notes 2027 - current portion (face value)	(3,573)	(3,573)
Seniore Secrued Notes 2027 - Accrued interest charges and other financial expense:	(0)	(7,041)
Current financial liabilities	(3,573)	(10,615)
Net current financial assets/(liabilities)	46,952	33,716
Senior Secured Notes 2027 - long term portion (face value)	(411,427)	(411,427)
Senior Secured Notes 2027 - unamortized transaction fees	5,688	5,325
Financial Assets (Debt Reserve Account)	17,579	17,579
Non-current financial liabilities	(388,160)	(388,523)
Net financial position	(341,208)	(354,806)

As shown by the table above, the increase is a result of:

- The €6.2 million decrease in Cash at bank and on hand (from €50.5 million to €44.3 million), due to negative net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement").
- The €7.0 million increase in Current Financial Liabilities (from €3.6 million to €10.6 million), due to the Q1 23/24 pro-rata accrual of the €14.0 million interest on the Notes to be paid in December 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 2023/2024 sporting season played as of the date of this report, the team is currently:

- 1st in the Serie A table (after 13 matches), two points ahead of the team in 2nd position
- Sharing the 1st position in the UCL Group Stage (after 4 matches). We highlight that, based on current Group ranking, the team has already achieved, with two matches still to be played, the access the Ro16 of the UCL competition scheduled in February 2023

In December 2023 the team will start to play the domestic Cup ("Coppa Italia") from the Round of 16, while in January 2024 will play the semi-final of Supercoppa Italiana vs. SS Lazio in Saudi Arabia.

MATCHDAY

In the nine home matches of the 2023/2024 sporting season played to the date of this report (seven in Serie A and 2 in UCL), the average attendance has been 72,282 (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)
- Skriniar (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. After the most recent waiver, for an amount of €76 million (converted into equity reserve on September 25, 2023), the outstanding amount in the TeamCo balance sheet as at September 30, 2023 is €25 million (all related to loans provided by Grand Tower in the second half of the fiscal year ended June 30, 2023), plus accrued interest for €29.8 million of which €13.7 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).

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

The Interim Financial Statements as of and for the three-months period ended September 30, 2023 have been prepared for the purposes of the preparation of the three-months consolidated accounts of the TeamCo group as at September 30, 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, 2023 for further considerations.

OTHER INFORMATION

Use of estimates

For Financial Statements preparation, it is necessary that the Management make estimates and assumptions which have effects on the values of assets and liabilities accounted for the Balance Sheet and even on potential assets and liabilities at the Financial Statements date. The estimates and assumptions used are based on experience and on other relevant factors. For this reason, the final results could therefore differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of each of their variation are reflected on the income statement in the year when the estimate is revised (if this review has effects only in the current year), or also in subsequent years (if the review has effects on both the current and future years). The Balance Sheet items that are affected by these assumptions, are the bad debt reserve, the provisions for risks and charges and the evaluation of the recoverable value of property, plant and equipment and intangible assets (impairment test). The impairment test is generally carried out only when the audited Financial Statements for the fiscal year are prepared, unless there are indicators which require updates to estimates. No impairment test has been performed as of September 30, 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 SEPTEMBER 30, 2023

The Shareholders' Meeting of MediaCo held on October 26th, 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 October 1st, 2023 and the current date.