



INTER

Inter Media and Communication S.p.A

As the issuer of

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

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

For the six months ended December 31, 2023

Date: February 29, 2024

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 36 domestic trophies, including nineteen Serie A championships, nine Domestic Cup titles (“Coppa Italia”), of which the last one in May 2023, and eight domestic Super Cup titles (“Supercoppa Italiana”), of which the last one in January 2024, 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). In the current sporting season (2023/2024), the team has won the Supercoppa Italiana played in Riyadh in January 2024.

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 six-month period ended December 31, 2023 (the "Interim Financial Statements").

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

INCOME STATEMENT

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

	For the six months ended December 31	
	2022	2023
<i>(in thousands of €)</i>		
Revenue	28,062	42,299
Other Income	539	132
Total revenue	28,600	42,432
Personnel costs	1,833	2,120
Cost of services	5,757	6,259
Other operating costs	115	249
Write-downs of trade receivables	206	-
Depreciation and amortization	10,302	10,283
Provisions for risks and charges	-	-
Total operating costs	18,213	18,911
Operating profit	10,387	23,521
Net financial expenses	(5,778)	(5,704)
Profit/(Loss) before tax	4,610	17,817
Income taxes	(1,819)	(5,466)
Profit/(Loss) for the period	2,791	12,351

BALANCE SHEET

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

	As at	
	June 30 2023	December 31 2023
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	324,779	314,553
Property, plant and equipment	200	170
Financial assets	17,579	17,584
Loan to parent company	328,328	337,561
Trade receivables	76	50
Prepaid expenses	28	20
Non-current Assets	670,989	669,939
Current assets		
Financial assets	1	4
Trade receivables	5,872	29,230
Trade receivables from parent companies and their affiliated	21,529	11,581
Tax receivables	0	6
Deferred tax assets	15,958	15,946
Other receivables	26	21
Prepaid expenses	214	2,856
Cash at bank and on hand	50,525	30,325
Current Assets	94,124	89,969
Total Assets	765,113	759,908

	As at	
	June 30	December 31
	2023	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	4,115
Profit/(Loss) for the period	9,603	12,351
Total Shareholders' equity	201,994	204,742
Non-current Liabilities		
Deferred tax liabilities	53,266	51,778
Other provisions	247	247
Provisions for employee severance indemnities	379	409
Senior Secured Notes	405,739	402,771
Deferred income	10,222	9,784
Non-current Liabilities	469,853	464,988
Current Liabilities		
Senior Secured Notes	3,573	7,344
Trade payables	4,153	4,216
Trade payables to parents companies and their affiliated	69,035	44,688
Dividends Payable	2,645	6,908
Tax Payables	1,354	3,380
Social security payables	219	229
Other payables	636	279
Accrued expenses	105	90
Deferred income	11,545	23,044
Current Liabilities	93,266	90,177
Total Liabilities and Shareholders' equity	765,113	759,908

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for six months ended on December 31, 2023 compared with six months ended on December 31, 2022.

	For the six months ended	
	2022	2023
<i>(in thousands of €)</i>		
Profit for the period	2,791	12,351
Current taxes	6,347	6,942
Net Financial Expenses	5,774	5,704
Profit for the period before taxes and interest	14,912	24,997
Depreciation and amortization	10,301	10,283
Write-downs /release/uses) of trade receivables	56	(33)
Employee severance indemnities	102	119
Accrual for risks	-	-
Deferred tax assets and liabilities	(4,528)	(1,476)
Cash flow from operating activities before changes in working capital	20,843	33,889
(Increase)/Decrease in trade and other receivables	(11,138)	(13,352)
Increase/(Decrease) in trade and other payables	(6,199)	(29,548)
Other variations in net working capital	(2,073)	8,412
Cash flow from operating activities after changes in working capital	1,432	(599)
Taxes paid	(24)	-
Interest and other financial expenses paid	(14,006)	(14,144)
Employee severance indemnities paid	(61)	(89)
A. Cash flow from operating activities	(12,659)	(14,832)
Investments in Intangible Assets	(6)	(20)
Investments in Property, Plant and Equipment	0	(6)
Investments on Financial Assets (Debt service and reserve account)	0	0
B. Cash flow from investing activities	(6)	(27)
Intercompany loans	-	-
Senior Secured Notes	-	-
Capital/dividend distributions	(2,535)	(5,340)
C. Cash flow from financing activities	(2,535)	(5,340)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(15,200)	(20,199)
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	10,323	30,325

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 €76M (€23M 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. 40 in total of which some signed starting from 23/24 fiscal year – e.g. Enel, Mastercard, Banca BPER, SWM, and Qatar Airways, the latter signed in November 2023)

Sponsorship revenues already contracted for FY 24/25 amount to €72M.

We are working to finalize/renew 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 revenue (for the portion assigned to MediaCo) for €2M related to the performance of the team in Coppa Italia (elimination at Ro16) and Supercoppa Italiana (victory).

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 €65M. This amount can increase depending on any further progression of the team in the competition (the return match of Ro16 vs. Atletico Madrid is scheduled on March 13, 2024).

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. (the review performed to date by UEFA date does not have highlighted any issue). Based on YTD results and most updated projection for the remainder of the fiscal year, we expect to meet the financial target set by Settlement Agreement also for the fiscal year ending June 30, 2024.

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.

On December, 1, 2023, Fitch Ratings has affirmed the "B+" issue rating and has confirmed the "Stable" outlook.

MANAGEMENT'S DISCUSSION AND ANALYSIS

KEY PERFORMANCE INDICATORS

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

Adjusted Revenue

The following table details Adjusted Revenue for six months ended on December 31, 2023 compared with the six months ended on December 31, 2022.

	For the six months ended December 31	
	2022	2023
<i>(in thousands of €)</i>		
A. Direct Media Revenue	4,865	5,055
B. Other Income	539	132
C. Sponsorship Revenue	23,196	37,245
D. Total Revenue (A+B+C)	28,600	42,432
E. Serie A and similar Indirect Media Revenue *	60,759	63,737
F. UEFA Indirect Media Revenue *	44,278	57,866
G. Adjusted Media Revenue (A+E+F)	109,903	126,658
B. Other Income	539	132
C. Sponsorship Revenue	23,196	37,245
Adjusted Revenue (G+B+C)	133,638	164,035

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

Our Adjusted Revenue increased by €30.4 million or 22.7%, to 164.0 million for the six months ended December 31, 2023 from €133.6 million for the six months ended December 31, 2022.

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

- a €14.0 million increase (or + 60.6%) in Sponsorship Revenue driven by a growth recorded across all the streams (jersey, technical and other global and regional partners) as better described further on.

- a €13.6 million increase (or + 30.7%) in UEFA Indirect Media Revenue which was mainly due to (i) the fact that, in H1 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 € 7.3 million mainly related to the final match, (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 H1 of prior fiscal year, UEFA withheld €4.0 million from due prize money in the period relating to the unconditional financial contribution defined by the Settlement Agreement
- a €3.0 million increase (or + 4.9%) in Serie A and similar Indirect Media Revenue, mainly due to 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)

The €14.0 million increase in Sponsorship Revenue is detailed in the following table:

	For the six months ended December 31	
	2022	2023
<i>(in thousands of €)</i>		
Shirt	2,514	8,261
Technical	6,250	10,625
EU/Global	12,429	16,148
Regional and naming rights	2,003	2,211
Sponsorship Revenue	23,196	37,245

- Shirt

Shirt Sponsorship Revenue increased by €5.7 million (+228.6%) to €8.3 million mainly due to (i) new main jersey sponsorship contract signed with Paramount+ (H1 23/24 pro-rata revenue equal to €5.5M vs. €0 booked in H1 of prior fiscal year due to Digitalbits' contractual breach) and (ii) sleeve sponsorship contract in place with eBay since second half of prior fiscal year (H1 23/24 pro-rata revenue equal to €1.7 million). Finally, the negative impact from the expiration of Lenovo contract as back jersey sponsor at June 30, 2023 (pro-rata revenue in H1 of prior year equal to €2.5 million) has been partially mitigated by the new partnership with U-Power signed in mid-September 2023 (H1 23/24 pro-rata revenue equal to €1.1 million).

- Technical

Technical Sponsorship Revenue increased by €4.4 million (+70%) to €10.6 as a result of the described renewal of Nike technical sponsorship (for the period 2024-2031)

- EU/Global & Regional and naming rights

EU/Global Sponsorship Revenue increased by €3.7 million (+29.9%) to €16.1 million mainly due to the impact of new contracts signed and or renewed after H1 of prior fiscal year and until December 31, 2023 (such as, among the others, the ones with LeoVegas, Enel, Mastercard/Banca BPER and Qatar Airways).

- Regional and naming rights

Regional and naming rights Sponsorship Revenue also recorded an increase (+10% to €2.2 million) driven by certain new partnerships such as the one with SWM Motorcycles.

Cash Available for Debt Service

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

	For the six months ended December 31	
	2022	2023
<i>(in thousands of €)</i>		
Sponsorship Revenue		
- Shirt	2,514	8,261
- Technical	6,250	10,625
- EU/Global	12,429	16,148
- Regional and naming rights	2,003	2,211
Direct Media Revenue	4,865	5,055
Other Income	539	132
Total revenue	28,600	42,432
Indirect Media Revenue		
- Serie A and similar Indirect Media Revenue *	60,759	63,737
- UEFA Indirect Media Revenue *	44,278	57,866
Adjusted Revenue	133,638	164,035
Change in Current/Non current operating assets **	(13,535)	(2,319)
Cash Inflows	120,102	161,716
Personnel costs	(1,833)	(2,120)
Cost of services	(5,757)	(6,259)
Other costs	(115)	(249)
Adjusted Tax Expenses	(1,239)	(1,243)
Change in Current/Non-current operating liabilities **	1,046	(898)
Adjusted Services Agreement Fees	3,621	3,614
Cash Outflows	(4,277)	(7,156)
Cash Available for Debt Service	115,825	154,560

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

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

Cash Available for Debt Service increased by €38.7 million (or 33.4%) to €154.6 million for the six months ended December 31, 2023 from 115.8 million for the six months ended December 31, 2022. With cash outflows relatively limited in size (reflecting the nature of the MediaCo business), such increase has been driven by a €41.6 million growth in Cash Inflows (+34.6% from €120.1 million to €161.7 million).

The growth in cash inflows has been driven by the (i) €30.4 million increase in Adjusted Revenue and (ii) by a €11.2 million lower negative impact from the dynamics of trade receivables.

Historical Debt Service Coverage Ratio ("DSCR")

In the last twelve months ended December 31, 2023, we represent a DSCR equal to 9.86. The calculation is summarized in the table below:

Currency (€ 000)	For the Twelve months ended December 31, 2023
Aggregate Inflows	291,160
Aggregate Outflows	(14,911)
Cash Available for Debt Service	276,249
Mandatory Amortisation	-
Interest paid	28,013
Debt Service Payments	28,013
Debt Service Coverage Ratio	9.86

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

The DCSR pro-forma for the 12 months from January 1, 2024 to December 31, 2024 is currently estimated at 6.79 as presented in the table below:

Currency (€ 000)	Estimated for the Twelve months ending December 31, 2024
Aggregate Inflows	261,739
Aggregate Outflows	(23,140)
Cash Available for Debt Service	238,599
Mandatory Amortisation	7,267
Interest Expense	27,892
Debt Service Payments	35,159
Debt Service Coverage Ratio	6.79

The DCSR pro-forma has been estimated as follows:

Inflows:

- Sponsorship Revenue - based on contracted revenues to date (hence excluding those contracts expiring on June 30, 2024 although we will start soon the negotiations for renewal or replacement). No inflow has been assumed in respect of outstanding receivables fully written-down as of December 31, 2023 (mainly from Digitalbits and Imedia)
- Direct Media Revenue: based on contracted revenues to the date of this report and, hence, for the period July-December 2024, excluding contracts expiring as at June 30, 2024 (such as the ones for the national and international distribution of the historical archive)
- 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 relatively 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 Ro16 of 23/24 UCL (already achieved by the team) and the participation to 24/25 new UCL format (the latter assumption has been made considering the current ranking of the 23/24 Serie A).

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 six months ended December 31, 2023 compared with the six months ended December 31, 2022.

	For the six months ended December 31	
	2022	2023
<i>(in thousands of €)</i>		
Revenue	28,062	42,299
Other Income	539	132
Total revenue	28,600	42,432
Personnel costs	1,833	2,120
Cost of services	5,757	6,259
Other operating costs	115	249
Write-downs of trade receivables	206	-
Depreciation and amortization	10,302	10,283
Provisions for risks and charges	-	-
Total operating costs	18,213	18,911
Operating profit	10,387	23,521
Net financial expenses	(5,778)	(5,704)
Profit/(Loss) before tax	4,610	17,817
Income taxes	(1,819)	(5,466)
Profit/(Loss) for the period	2,791	12,351

Revenue. Revenues for the six months ended December 31, 2023 increased by €13.8 million (or 48.4%) to €42.4 million from €28.6 million for the six months ended December 31, 2022 driven by the €14.0 million growth in Sponsorship Revenue described in the section “Adjusted Revenues”.

Operating costs. The sum of **Personnel Costs**, **Cost of services** and **Other Operating costs** for the six months ended December 31, 2023 increased by €0.9 million (or +12.0%) to €8.6 million from €7.7 million for the six months ended December 31, 2022 mainly as a result of the strengthening of the sales department and more fulfillment costs related to increased Sponsorship Revenue.

Write-downs of trade receivables. No write-downs of trade receivables booked in the six months ended December 31, 2023. In the same period of prior fiscal year, we booked an amount of €0.2 million relating to minor overdue receivables.

Depreciation and amortization. Depreciation and amortization for the six months ended December 31, 2023 are in line with the six months ended December 31, 2022 at €10.3 million. They mainly refer to the amortization of the brand, of the goodwill and of the historical archive.

Net Financial expenses. Net Financial expenses for the six months ended December 31, 2023 are in line with the six months ended December 31, 2022 at €5.7 million. They mainly refer to the interest expense of the Notes (€14.8 million) net of interest income accrued on intercompany loans to TeamCo (€9.2 million).

Income taxes. Income taxes for the six months ended December 31, 2023 increased by €3.6 million to €5.5 million from €1.8 million for the six months ended December 31, 2022 mainly as a result of the increase in Profit Before Tax.

Profit for the period. For the reasons described above (mainly related to growth in Sponsorship Revenue), Profit for the six months ended December 31, 2023 increased by €9.6 (or + 342.5%) million to €12.4 million from €2.8 million for the six months ended December 31, 2022.

CASH FLOW

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

	For the six months ended	
	December 31 2022	2023
<i>(in thousands of €)</i>		
Profit for the period	2,791	12,351
Current taxes	6,347	6,942
Net Financial Expenses	5,774	5,704
Profit for the period before taxes and interest	14,912	24,997
Depreciation and amortization	10,301	10,283
Write-downs /release/uses) of trade receivables	56	(33)
Employee severance indemnities	102	119
Accrual for risks	-	-
Deferred tax assets and liabilities	(4,528)	(1,476)
Cash flow from operating activities before changes in working capital	20,843	33,889
(Increase)/Decrease in trade and other receivables	(11,138)	(13,352)
Increase/(Decrease) in trade and other payables	(6,199)	(29,548)
Other variations in net working capital	(2,073)	8,412
Cash flow from operating activities after changes in working capital	1,432	(599)
Taxes paid	(24)	-
Interest and other financial expenses paid	(14,006)	(14,144)
Employee severance indemnities paid	(61)	(89)
A. Cash flow from operating activities	(12,659)	(14,832)
Investments in Intangible Assets	(6)	(20)
Investments in Property, Plant and Equipment	0	(6)
Investments on Financial Assets (Debt service and reserve account)	0	0
B. Cash flow from investing activities	(6)	(27)
Intercompany loans	-	-
Senior Secured Notes	-	-
Capital/dividend distributions	(2,535)	(5,340)
C. Cash flow from financing activities	(2,535)	(5,340)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(15,200)	(20,199)
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	10,323	30,325

Cash flow from operating activities. Cash flow from operating activities for the six months ended December 31, 2023, decreased by €2.1 million to negative €14.8 million from negative €12.7 million for the six months ended December 31, 2022. This is a result of the combined opposite impact of the described increase in profits (operating cash flow before changes in working capital increased by € 13.0 million) more than offset by the impact in the semester from the change in working capital (negative €34.5 million in H1 of current fiscal year versus negative €19.4 million in H1 of prior fiscal year), the latter mainly affected by the timing and size 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 (€27 thousands versus €6 thousands)

Cash flow from financing activities. Cash flow from financing activities for the six months ended December 31, 2023 amounted to negative €5.3 million which were fully related to the payment of dividends to the immediate parent company TeamCo (vs. €2.5 million dividends paid to the other parent company – BrandCo -in the first semester of prior year). We remind that both dividends and Intercompany loans (together with payments made under the Tax Consolidation Regime) can be provided to TeamCo as a permitted distribution under the waterfall rules defined by the Refinancing Transaction.

Net change in cash and cash equivalent. Net change in cash and cash equivalent for the six months ended December 31, 2023 decreased by €5.0 million to negative €20.2 million from negative €15.2 million for the six months ended December 31, 2022 as a consequence of what above described.

BALANCE SHEET

The following table sets forth the detail of Balance Sheet data for the issuer as of December 31, 2023, compared with June 30, 2023

Assets:

	As at	
	June 30 2023	December 31 2023
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	324,779	314,553
Property, plant and equipment	200	170
Financial assets	17,579	17,584
Loan to parent company	328,328	337,561
Trade receivables	76	50
Prepaid expenses	28	20
Non-current Assets	670,989	669,939
Current assets		
Financial assets	1	4
Trade receivables	5,872	29,230
Trade receivables from parent companies and their affiliated	21,529	11,581
Tax receivables	0	6
Deferred tax assets	15,958	15,946
Other receivables	26	21
Prepaid expenses	214	2,856
Cash at bank and on hand	50,525	30,325
Current Assets	94,124	89,969
Total Assets	765,113	759,908

Non-current assets. Non-current assets decreased by €1.1 million from €671.0 million on June 30, 2023 to €669.9 million on December 31, 2023 mainly as a consequence of the combined opposite impact of:

- the €10.2 million reduction in Intangible Assets related to amortization of the period.
- the € 9.2 million increase in Loans to parent company related to accrual of interest income of the period.

Current assets. Current assets decreased by €4.1 million from €94.1 million on June 30, 2023 to €90.0 million on December 31, 2023 mainly as a consequence of the combined opposite impact of:

- €20.2 million decrease in Cash at bank and on hand (for the reasons described in the previous section "Cash Flow Statement")
- €13.4 million net increase in Total Trade receivables (as better described below)
- €2.6 million increase in prepaid expenses affected by invoice received in H1 from TeamCo for the full €5.0 million annual fee of the intercompany Service Agreement (accordingly, on December 31, 2023, half of pertains to H2 and is booked as prepaid).

The €13.4 million net increase in Total Trade receivables is detailed in the table below:

	As at June 30 2023	As at December 31 2023	Var.
<i>(in thousands of €)</i>			
Other International/Regional Sponsorship Agreements- Receivables from Agencies	29,492	29,492	-
(Provision for doubtful accounts - international/Regional Agencies)	(22,955)	(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)	29,750	29,750	-
(Provision for doubtful accounts - Digitalbits)	(31,350)	(31,350)	-
Trade Receivables from Digitalbits	-	-	-
Receivables relating to UEFA Indirect Media Revenue (from Teamco)	15,437	5,402	(10,035)
Receivables relating to Serie A Indirect Media Revenue	-	16,637	16,637
Other trade receivables	18,221	24,671	6,450
(Provision for doubtful accounts - other trade receivables)	(6,181)	(5,848)	333
Other Trade Receivables - Net	27,477	40,862	13,385
Total Trade receivables (incl. from parent companies and affiliated) - Net	27,477	40,862	13,385
Breakdown in the Balance Sheet			
Trade receivables (Non-current Assets) [A]	76	50	(25)
Trade receivables (Current Assets)	5,872	29,230	23,358
Trade receivables from parent companies and their affiliated	21,529	11,581	(9,948)
Total Trade receivables (Current Assets) [B]	27,401	40,811	13,410
Total Trade receivables (incl. from parent companies and affiliated) - Net [A] + [B]	27,477	40,862	13,385

- UEFA Indirect Media Revenue (receivables from TeamCo): the amount of €5.4 million on December 31, 2023 (- €10.0 million compared to June 30, 2023) relates to the portion of 23/24 UCL Group stage performance bonuses collected by TeamCo from UEFA on the dedicated bank account at the end of December 2023 and for which TeamCo, according to the rules of the Notes' indenture, immediately assigned the receivable to MediaCo (receivable then collected at the beginning of January 2024)
- Receivables relating to Serie A Indirect Media Revenue: the amount of €16.6 million mainly relates to the portion of Serie A Indirect Media Revenue booked in Q2 23/24 upon assignment from TeamCo of the receivable generated from the invoice of the fourth 23/24 instalment issued in December 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 Q3 23/24.

- Other trade receivables: the €6.5 million increase reflects the dynamic of collections and new receivables booked in the six months ended December 31, 2023 (mainly affected by timing of invoicing of sponsorship contracts).

Liabilities:

	As at	
	June 30 2023	December 31 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	4,115
Profit/(Loss) for the period	9,603	12,351
Total Shareholders' equity	201,994	204,742
Non-current Liabilities		
Deferred tax liabilities	53,266	51,778
Other provisions	247	247
Provisions for employee severance indemnities	379	409
Senior Secured Notes	405,739	402,771
Deferred income	10,222	9,784
Non-current Liabilities	469,853	464,988
Current Liabilities		
Senior Secured Notes	3,573	7,344
Trade payables	4,153	4,216
Trade payables to parents companies and their affiliated	69,035	44,688
Dividends Payable	2,645	6,908
Tax Payables	1,354	3,380
Social security payables	219	229
Other payables	636	279
Accrued expenses	105	90
Deferred income	11,545	23,044
Current Liabilities	93,266	90,177
Total Liabilities and Shareholders' equity	765,113	759,908

Shareholders' equity. Shareholders' equity increased by €2.7 million from €202.0 million on June 30, 2023 to €204.7 million on December 31, 2023 as a consequence of the combined impact of:

- (positive) the €12.4 million Net Profit of the period
- (negative) the resolution of the Shareholders' Meeting held on October 26, 2023 for the distribution in kind as a dividend of the €9.6 million Net Profit of the fiscal year ended June 30, 2023 to its immediate shareholders (TeamCO and BrandCo).

Non-current liabilities. Non-current liabilities decreased by €4.9 million from €469.9 million on June 30, 2023 to €465.0 million on December 31, 2023 mainly due to reclassification to Current Liabilities of the €3.7 million mandatory amortization installment to be paid in December 2024.

Current liabilities. Current liabilities decreased by €3.1 million from €93.3 million on June 30, 2023, to €90.2 million on December 31, 2023, mainly due to:

- €24.3 million decrease in trade payables to parent companies and their affiliated primarily relating to the decrease 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 has been mostly entirely offset by:

- €11.5 million increase in Deferred Income which mainly relates to sponsorship installments already invoiced according to contractual terms as of December 31, 2023, but whose revenues pertain and, accordingly, will be recognized, in the remaining part of the fiscal year ending June 30, 2024 (such increase is reflected in the increase of Other Trade receivables previously described)
- €3.8 million increase in the current element of the Notes which mainly relates to the reclassification from Non-Current Liabilities of the €3.7 million mandatory amortization installment to be paid in December 2024.
- €4.3 million increase in Dividends Payable driven by (i) the resolution of the Shareholders' Meeting held on October 26, 2023 for the distribution in kind as a dividend of the €9.6 million net profit of the fiscal year ended June 30, 2023 and partially offset by (ii) 5.3 million dividends paid to TeamCo in December 2023 (as previously described in the paragraph “Cash Flow Statement”)
- €2.0 million increase in Tax Payables mainly related to VAT payable generated by sponsorship installments invoiced in December 2023.

CAPITAL EXPENDITURES

The level of capital expenditure in intangible and tangible assets (€ 27 thousands) was not considered material for the period under review.

NET FINANCIAL POSITION

Net Financial position increased by €21.0 million from €341.2 million on June 30, 2023 to €362.2 million on December 31, 2023.

	As at	
	June 30 2023	December 31 2023
<i>(in thousands of €)</i>		
Cash at bank and on hand	50,525	30,325
Current financial assets (Debt Service Account)	1	4
Current financial receivables	1	4
Senior Secured Notes 2027 - current portion (face value)	(3,573)	(7,267)
Seniore Secrued Notes 2027 - Accrued interest charges and other financial expenses	(0)	(77)
Current financial liabilities	(3,573)	(7,344)
Net current financial assets/(liabilities)	46,952	22,986
Senior Secured Notes 2027 - long term portion (face value)	(411,427)	(407,733)
Senior Secured Notes 2027 - unamortized transaction fees	5,688	4,962
Financial Assets (Debt Reserve Account)	17,579	17,584
Non-current financial liabilities	(388,160)	(385,186)
Net financial position	(341,208)	(362,200)

As shown by the table above, the increase has been driven by the €20.2 million decrease in Cash at bank and on hand (from €50.5 million to €30.3 million), due to negative net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement").

As previously described, on December 31, 2023, the €3.7 million mandatory amortization installment of the Notes to be paid in December 2024 has been reclassified from Non-Current Liabilities to Current Liabilities.

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 26 matches), twelve points ahead of the team in 2nd position
- qualified to the Round of 16 of 23/24 UCL (third time in a row), where, in the home match versus Atletico Madrid played in February, we won 1 -0 ; the return match in Madrid is scheduled on March 13, 2024

In December 2023 the team has been eliminated from the Round of 16 domestic Cup ("Coppa Italia") from Bologna

In January 2024 the team won the domestic Supercup (third time in a row) played in Saudi Arabia (Ryad) defeating Lazio in the semi-final and Naples in the final.

MATCHDAY

In the eighteen home matches of the 2023/2024 sporting season played to the date of this report (thirteen in Serie A, four in UCL and one in Coppa Italia), the average attendance has been over 70,000 (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)

Winter 2024 – Incoming Players:

- Buchanan (acquired from Brugge)

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)

Winter 2024 – Outgoing Players

None.

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 December 31, 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 (non-waived to date) for €30.5 million.

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

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

The Interim Financial Statements include the balance sheet, the income statement and the cash flow statement and are unaudited. These Interim Financial Statements have been prepared in accordance with the accounting standards of the Italian Accountants Profession Board (Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili), revised and supplemented by the Italian Accounting Organization (Organismo Italiano di Contabilità, O.I.C.) ("**Italian GAAP**").

Italian GAAP has recently been modified in order to take into account changes introduced in the Italian law governing Financial Statements by Decree No. 139 of August 18, 2015, which implemented Directive 34/2013/UE of the European Parliament and of the European Council on annual Financial Statements, consolidated Financial Statements and related reports of certain types of undertakings.

In preparing these Financial Statements, however, MediaCo reclassified and renamed certain Italian GAAP line items in a format of presentation more similar to international format.

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

These Financial Statements are shown in Euro, which is the functional currency of the Group. All amounts shown in this document are expressed in thousands of Euro, unless otherwise specified.

SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared in accordance with the OIC 30 Interim Financial Statements; therefore the Interim Financial Statements do not include all the information required in the annual Financial Statements.

The Interim Financial Statements have been prepared on a going concern basis. The accounting policies adopted in preparing the Interim Financial Statements are the same as for the previous fiscal years and therefore reference should be made to the Financial Statements for the fiscal year ended June 30, 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 December 31, 2023 since no impairment indicators were brought to Directors' attention.

For more information about the main accounting estimates, please refer to the annual Financial Statements.

GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

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

SUBSEQUENT EVENTS OCCURRED AFTER DECEMBER 31, 2023

In addition to what is already described in this document, and in particular in the sections "Business Update" and "TeamCo Update", there are no further matters to be highlighted occurring between January 1st, 2024 and the current date.