



INTER

Inter Media and Communication S.p.A

As the issuer of

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

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

For the nine months ended March 31, 2024

Date: May 30, 2024

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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.

Since May 22, 2024, TeamCo is controlled by Oaktree Capital Management, L.P. (“Oaktree”), as described in the next paragraph “Update on TeamCo’s shareholders”.

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 37 domestic trophies, including twenty Serie A championships (of which the last one in the current sporting season 2023/2024), 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 the current sporting season 2023/2024), 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 seasons 2020/2021 and 2023/2024 (the current one). 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). Inter has got the right to play the 2024/2025 UCL (7 years in a row since 2018/2019).

UPDATE ON TEAMCO’S SHAREHOLDERS

On May 22, 2024, TeamCo received a notice from its shareholder Grand Tower S.à r.l. (“GT”) – holding a 68.55% stake in the share capital of TeamCo - with which it has been informed, inter alia, (i) of the enforcement of the pledge on the shares of Great Horizon S.à r.l. (sole shareholder of Grand Sunshine S.à r.l. which, in turn, is the sole shareholder of GT) (“GH”) by GLAS Trust Corporation Limited (“Security Agent”), as agent, and OCM Luxembourg Sunshine S.à r.l. (“OCM” an entity related to funds managed by/entities affiliated with

Oaktree), as vehicle designated, appointed and authorised by the Security Agent; and (ii) of the circumstance that, as a result of the aforesaid enforcement, OCM acquired direct control of 100% of the share capital of GH and, therefore, indirect control of Inter. On the same date Inter was further informed that GH has also acquired control and ownership of LionRock Zuqiu Limited, a company that indirectly holds 31.05% of TeamCo's shares through its subsidiary International SportsCapital S.p.A..

As a result of the above, Oaktree has acquired overall indirect control of 99.6% of the share capital of Inter. The remaining 0.4% stake belongs to other minority shareholders.

CORPORATE BOARDS, MANAGEMENT AND AUDITORS

MediaCo Board of Directors as of the date of this report (in extension until June 4, 2024 when the shareholder meeting is going to appoint the new board)

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 as of the date of this report

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

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.

Announcement

No Change of Control Triggering Event is outstanding under the Notes and none of the events described in the previous paragraph “Update on TeamCo’s shareholders” have caused any Default or Event of Default under the Notes. No forward-looking statements are being made in this announcement and all statements are made only as of the date of the announcement.

FINANCIAL INFORMATION

INTRODUCTION

The financial information presented in this section is based on the unaudited interim financial statements of MediaCo as of and for the nine-month period ended March 31, 2024 (the "Interim Financial Statements").

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

INCOME STATEMENT

The following table sets forth Income Statement data for MediaCo for the nine months ended on March 31, 2024 compared with the nine months ended on March 31, 2023.

	For the nine months ended March 31	
	2023	2024
<i>(in thousands of €)</i>		
Revenue	44,363	65,256
Other Income	633	178
Total revenue	44,996	65,434
Personnel costs	2,742	3,260
Cost of services	8,413	9,589
Other operating costs	144	492
Write-downs of trade receivables	48	109
Depreciation and amortization	15,342	15,368
Provisions for risks and charges	-	-
Total operating costs	26,689	28,818
Operating profit	18,307	36,615
Net financial expenses	(8,639)	(8,553)
Profit/(Loss) before tax	9,668	28,062
Income taxes	(3,340)	(8,502)
Profit/(Loss) for the period	6,328	19,560

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as of March 31, 2024 compared with June 30, 2023.

	As at	
	June 30 2023	March 31 2024
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	324,779	309,488
Property, plant and equipment	200	152
Financial assets	17,579	17,584
Loan to parent company	328,328	342,128
Trade receivables	76	50
Prepaid expenses	28	15
Non-current Assets	670,989	669,418
Current assets		
Financial assets	1	4
Trade receivables	5,872	48,591
Trade receivables from parent companies and their affiliated	21,529	6,305
Tax receivables	0	6
Deferred tax assets	15,958	15,940
Other receivables	26	19
Prepaid expenses	214	1,669
Cash at bank and on hand	50,525	52,015
Current Assets	94,124	124,549
Total Assets	765,113	793,967

	As at	
	June 30 2023	March 31 2024
<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	19,560
Total Shareholders' equity	201,994	211,951
Non-current Liabilities		
Deferred tax liabilities	53,266	51,042
Other provisions	247	247
Provisions for employee severance indemnities	379	436
Senior Secured Notes	405,739	403,142
Deferred income	10,222	9,567
Non-current Liabilities	469,853	464,434
Current Liabilities		
Senior Secured Notes	3,573	14,308
Trade payables	4,153	3,711
Trade payables to parents companies and their affiliated	69,035	55,970
Dividends Payable	2,645	6,908
Tax Payables	1,354	2,267
Social security payables	219	169
Other payables	636	14,275
Accrued expenses	105	199
Deferred income	11,545	19,775
Current Liabilities	93,266	117,582
Total Liabilities and Shareholders' equity	765,113	793,967

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for nine months ended on March 31, 2024 compared with nine months ended on March 31, 2023.

	For the nine months ended March 31	
	2023	2024
<i>(in thousands of €)</i>		
Profit for the period	6,328	19,560
Current taxes	10,296	10,709
Net Financial Expenses	8,635	8,553
Profit for the period before taxes and interest	25,259	38,822
Depreciation and amortization	15,341	15,368
Write-downs /release/uses) of trade receivables	(109)	35
Write-downs Non-current Assets	1	-
Employee severance indemnities	146	171
Deferred tax assets and liabilities	(6,955)	(2,207)
Cash flow from operating activities before changes in working capital	33,683	52,189
(Increase)/Decrease in trade and other receivables	(106)	(27,503)
Increase/(Decrease) in trade and other payables	(7,855)	(8,399)
Other variations in net working capital	(3,061)	6,227
Cash flow from operating activities after changes in working capital	22,660	22,513
Taxes paid	(96)	(1,316)
Interest and other financial expenses paid	(14,007)	(14,224)
Employee severance indemnities paid	(115)	(113)
A. Cash flow from operating activities	8,442	6,860
Investments in Intangible Assets	(7)	(23)
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	(7)	(29)
Intercompany loans	(3,000)	-
Senior Secured Notes	-	-
Capital/dividend distributions	(10,214)	(5,340)
C. Cash flow from financing activities	(13,214)	(5,340)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(4,779)	1,491
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	20,743	52,015

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 €77M (€24M 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, 2023.
- 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 €78M.

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. In particular, the attempt to notify the injunction to the registered office of the counterparty in Wyoming resulted unsuccessful, as confirmed by US authority, and – on May 16, 2024 - we obtained an additional 90-day period from the Court of Milan to serve the injunction to the counterparty.

MEDIA REVENUE

Serie A

Sporting season 2023/2024 has been the last of three years-cycle started in 2021/2022. For this season, net available distributable revenues for the twenty clubs increased 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, and having won the 2023/2024 Serie A league, we expect an amount in the region of €100M (excluding 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

Sporting season 2023/2024 has been the last of three years-cycle started in the 2021/2022.

Based on resources available at UEFA level and the distribution model in place and taking into consideration the performance of the team in the 2023/2024 UCL (exit at Ro16), we expect an amount in the region of €65M.

We highlight that, based on group consolidated results for the fiscal year ended June 30, 2023, we have met the financial target set for this year according to Settlement Agreement signed with UEFA in August 2022. Therefore, we did not trigger any financial contribution to be withheld from prize money due in the 23/24 sporting season. 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.

On May 24, 2024 Fitch Ratings issued a note stating affirming Inter Media's Notes at "B+", Stable outlook; under Fitch's base case scenario, the change of control described in previous paragraph "Update on TeamCo's shareholders" will not significantly impact Inter's Milan financial or sporting performance.

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 nine months ended on March 31, 2024 compared with the nine months ended on March 31, 2023.

	For the nine months ended March 31	
	2023	2024
<i>(in thousands of €)</i>		
A. Direct Media Revenue	7,453	7,400
B. Other Income	633	178
C. Sponsorship Revenue	36,910	57,855
D. Total Revenue (A+B+C)	44,996	65,434
E. Serie A and similar Indirect Media Revenue *	79,215	99,196
F. UEFA Indirect Media Revenue *	53,878	67,466
G. Adjusted Media Revenue (A+E+F)	140,546	174,062
B. Other Income	633	178
C. Sponsorship Revenue	36,910	57,855
Adjusted Revenue (G+B+C)	178,089	232,096

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

Our Adjusted Revenue increased by €54.0 million or 30.3%, to 232.1 million for the nine months ended March 31, 2024 from €178.1 million for the nine months ended March 31, 2023.

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

- a €20.9 million increase (or + 56.7%) 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 €20.0 million increase (or + 25.2%) in Serie A and similar Indirect Media Revenue, mainly due the combined impact of (i) timing of invoicing to broadcasters of the sixth installment of the season (March 2024 in current fiscal year for €12.9 million vs. April 2023 – i.e. Q4 - in prior fiscal year) and (ii) 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)
- a €13.6 million increase (or + 25.2%) in UEFA Indirect Media Revenue which was mainly due to (i) the fact that, in 9M 23/24, 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 9M 22/23, UEFA withheld €4.0 million from due prize money in the period relating to the unconditional financial contribution defined by the Settlement Agreement

The €20.9 million increase in Sponsorship Revenue is detailed in the following table:

	For the nine months ended March 31	
	2023	2024
<i>(in thousands of €)</i>		
Shirt	5,214	13,380
Technical	9,375	15,938
EU/Global	19,600	24,925
Regional and naming rights	2,721	3,613
Sponsorship Revenue	36,910	57,855

- Shirt

Shirt Sponsorship Revenue increased by €8.2 million (+156.6%) to €13.4 million mainly due to (i) new main jersey sponsorship contract signed with Paramount (no revenue booked in 9M 22/23 due to Digitalbits' contractual breach) and (ii) increased fee of sleeve sponsorship contract in place with eBay since second half of prior fiscal year. Finally, the negative impact from the expiration of Lenovo contract as back jersey sponsor at June 30, 2023 has been partially mitigated by the new partnership with U-Power signed in mid-September 2023.

- Technical

Technical Sponsorship Revenue increased by €6.6 million (+70%) to €15.9 million 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 €5.3 million (+27.2%) to €24.9 million mainly due to the impact of new contracts signed and or renewed in the period 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 (+32.8% to €3.6 million) driven by certain new partnerships for the sporting season 23/24 such as the one with SWM Motorcycles.

Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the nine months ended on March 31, 2024 compared with the nine months ended on March 31, 2023.

	For the nine months ended March 31	
	2023	2024
<i>(in thousands of €)</i>		
Sponsorship Revenue		
- Shirt	5,214	13,380
- Technical	9,375	15,938
- EU/Global	19,600	24,925
- Regional and naming rights	2,721	3,613
Direct Media Revenue	7,453	7,400
Other Income	633	178
Total revenue	44,996	65,434
Indirect Media Revenue		
- Serie A and similar Indirect Media Revenue *	79,215	99,196
- UEFA Indirect Media Revenue *	53,878	67,466
Adjusted Revenue	178,089	232,096
Change in Current/Non current operating assets **	(3,730)	(19,996)
Deposits received from clients	-	14,000
Cash Inflows	174,359	226,099
Personnel costs	(2,742)	(3,260)
Cost of services	(8,413)	(9,589)
Other costs	(144)	(492)
Adjusted Tax Expenses	(1,986)	(1,920)
Change in Current/Non-current operating liabilities ***	(2,170)	(1,123)
Adjusted Services Agreement Fees	4,853	4,857
Cash Outflows	(10,600)	(11,528)
Cash Available for Debt Service	163,758	214,571

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

** excluding change relating to Write-down of trade receivables and other Non-cash items

*** excluding change relating to accruals to/releases of risk provisions, deposits received from clients (the latter reclassified under Inflows) and other Non-cash items

Cash Available for Debt Service increased by €50.8 million (or 31.0%) to €214.6 million for the nine months ended March 31, 2024 from 163.8 million for the nine months ended March 31, 2023. With cash outflows relatively stable and limited in size (reflecting the nature of the

MediaCo business), such increase has been driven by a €51.7 million growth in Cash Inflows (+29.7% from €174.4 million to €226.1 million).

The growth in cash inflows has been driven by the combined impact of:

- the €54.0 million increase in Adjusted Revenue described on previous pages
- a €(16.3) million higher negative impact from the dynamics of Operating Assets, mainly relating to an increase in trade receivables resulting from the timing of invoicing to sponsors and to Serie A broadcasters of the sixth installment of the season (as previously described in the section "Adjusted Revenue" and further presented in the Balance Sheet section on the next pages)
- Deposits for €14.0 million received in Q3 23/24 in respect of a new sponsorship agreement effective starting from next sporting season 24/25.

RESULTS OF OPERATIONS

The following table sets forth Income Statement data for MediaCo for the nine months ended March 31, 2024 compared with the nine months ended March 31, 2023.

	For the nine months ended March 31	
	2023	2024
<i>(in thousands of €)</i>		
Revenue	44,363	65,256
Other Income	633	178
Total revenue	44,996	65,434
Personnel costs	2,742	3,260
Cost of services	8,413	9,589
Other operating costs	144	492
Write-downs of trade receivables	48	109
Depreciation and amortization	15,342	15,368
Provisions for risks and charges	-	-
Total operating costs	26,689	28,818
Operating profit	18,307	36,615
Net financial expenses	(8,639)	(8,553)
Profit/(Loss) before tax	9,668	28,062
Income taxes	(3,340)	(8,502)
Profit/(Loss) for the period	6,328	19,560

Revenue. Revenues for the nine months ended March 31, 2024 increased by €20.4 million (or 45.4%) to €65.4 million from €45.0 million for the nine months ended March 31, 2023 driven by the €20.9 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 nine months ended March 31, 2024 increased by €2.0 million (or +18.1%) to €13.3 million from €11.3 million for the nine months ended March 31, 2023 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. In both the periods under analysis, we booked not material write-downs relating to minor overdue receivables.

Depreciation and amortization. Depreciation and amortization for the nine months ended March 31, 2024 are in line with the nine months ended March 31, 2023 at €15.4 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 nine months ended March 31, 2024 are in line with the nine months ended March 31, 2023 at €8.6 million. They mainly refer to the interest expense of the Notes (€22.1 million) net of interest income accrued on intercompany loans to TeamCo (€13.8 million).

Income taxes. Income taxes for the nine months ended March 31, 2024 increased by €5.2 million to €8.5 million from €3.3 million for the nine months ended March 31, 2024 mainly as a result of the increase in Profit Before Tax.

Profit for the period. For the reasons described above, driven by the growth in Sponsorship Revenue, Profit for the nine months ended March 31, 2024 increased by €13.2 million (or + 209.1%) million to €19.6 million from €6.3 million for the nine months ended March 31, 2023.

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for the nine months ended March 31, 2024 compared with the nine months ended March 31, 2023

	For the nine months ended March 31	
	2023	2024
<i>(in thousands of €)</i>		
Profit for the period	6,328	19,560
Current taxes	10,296	10,709
Net Financial Expenses	8,635	8,553
Profit for the period before taxes and interest	25,259	38,822
Depreciation and amortization	15,341	15,368
Write-downs /release/uses) of trade receivables	(109)	35
Write-downs Non-current Assets	1	-
Employee severance indemnities	146	171
Deferred tax assets and liabilities	(6,955)	(2,207)
Cash flow from operating activities before changes in working capital	33,683	52,189
(Increase)/Decrease in trade and other receivables	(106)	(27,503)
Increase/(Decrease) in trade and other payables	(7,855)	(8,399)
Other variations in net working capital	(3,061)	6,227
Cash flow from operating activities after changes in working capital	22,660	22,513
Taxes paid	(96)	(1,316)
Interest and other financial expenses paid	(14,007)	(14,224)
Employee severance indemnities paid	(115)	(113)
A. Cash flow from operating activities	8,442	6,860
Investments in Intangible Assets	(7)	(23)
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	(7)	(29)
Intercompany loans	(3,000)	-
Senior Secured Notes	-	-
Capital/dividend distributions	(10,214)	(5,340)
C. Cash flow from financing activities	(13,214)	(5,340)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(4,779)	1,491
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	20,743	52,015

Cash flow from operating activities. Cash flow from operating activities for the nine months ended March 31, 2024, decreased by €1.6 million to €6.9 million from €8.4 million for the nine months ended March 31, 2023. This is mainly a result of the combined impact of:

- the described increase in profits (operating cash flow before changes in working capital increased by € 18.5 million)
- the impact in the period from the change in working capital (negative €29.7 million in 9M 23/24 versus negative €11.0 million in H1 of prior fiscal year), offsetting the increase in profits. This was a result of the increase in trade receivables (related to timing of the invoicing/collection cycle) partially offset by for €14.0 million received in Q3 23/24 in respect of sponsorships agreements effective starting from next sporting season 24/25.
- a €1.2 million increase in income tax payments (reflecting growing profits in the period)

Cash flow from investing activities. Capital investments in intangible and tangible assets remained immaterial in respect of our business (€29 thousands versus €7 thousands)

Cash flow from financing activities. Cash flow from financing activities for the nine months ended March 31, 2024 amounted to negative €5.3 million which were fully related to the payment of dividends to the immediate parent company TeamCo (vs. €10.2 million dividends paid in 9M 22/23). In addition, in 9M 22/23 we recorded a €3.0 million outflow relating to an Intercompany Loan to TeamCo.

We remind that both dividends and Intercompany loans (together with payments made under the Tax Consolidation Regime) can be provided to TeamCo as a permitted distribution under the waterfall rules defined by the Refinancing Transaction.

Net change in cash and cash equivalent. Net change in cash and cash equivalent for the nine months ended March 31, 2024 increased by €6.3 million to €1.5 million from negative €4.8 million for the nine months ended March 31, 2023 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 March 31, 2024, compared with June 30, 2023

Assets:

	As at	
	June 30 2023	March 31 2024
<i>(in thousands of €)</i>		
Non-current assets		
Intangible assets	324,779	309,488
Property, plant and equipment	200	152
Financial assets	17,579	17,584
Loan to parent company	328,328	342,128
Trade receivables	76	50
Prepaid expenses	28	15
Non-current Assets	670,989	669,418
Current assets		
Financial assets	1	4
Trade receivables	5,872	48,591
Trade receivables from parent companies and their affiliated	21,529	6,305
Tax receivables	0	6
Deferred tax assets	15,958	15,940
Other receivables	26	19
Prepaid expenses	214	1,669
Cash at bank and on hand	50,525	52,015
Current Assets	94,124	124,549
Total Assets	765,113	793,967

Non-current assets. Non-current assets decreased by €1.6 million from €671.0 million on June 30, 2023 to €669.4 million on March 31, 2024 mainly as a consequence of the combined opposite impact of:

- the €15.3 million reduction in Intangible Assets related to amortization of the period.
- the € 13.8 million increase in Loans to parent company (TeamCo) related to accrual of interest income of the period.

Current assets. Current assets increased by €30.4 million from €94.1 million on June 30, 2023 to €124.5 million on March 31, 2024 mainly as a consequence of:

- €27.5 million net increase in Total Trade receivables (as better described below)
- €1.5 million increase in prepaid expenses affected by invoice received in 9M 23/24 from TeamCo for the full €5.0 million annual fee of the intercompany Service Agreement (accordingly, on March 31, 2024, a quarter of it pertains to Q4 and is booked as prepaid).
- €1.5 million increase in Cash at bank and on hand (for the reasons described in the previous section "Cash Flow Statement")

The €27.5 million net increase in Total Trade receivables is detailed in the table below:

	As at June 30 2023	As at March 31 2024	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	9,600	(5,837)
Receivables relating to Serie A Indirect Media Revenue	-	20,543	20,543
Other trade receivables	18,221	30,720	12,499
(Provision for doubtful accounts - other trade receivables)	(6,181)	(5,917)	265
Other Trade Receivables - Net	27,477	54,946	27,469
Total Trade receivables (incl. from parent companies and affiliated) - Net	27,477	54,946	27,469
Breakdown in the Balance Sheet			
Trade receivables (Non-current Assets) [A]	76	50	(25)
Trade receivables (Current Assets)	5,872	48,591	42,718
Trade receivables from parent companies and their affiliated	21,529	6,305	(15,224)
Total Trade receivables (Current Assets) [B]	27,401	54,895	27,494
Total Trade receivables (incl. from parent companies and affiliated) - Net [A] + [B]	27,477	54,946	27,469

- UEFA Indirect Media Revenue (receivables from TeamCo): the amount of €9.6 million on March 31, 2024 relates to the prize money for the qualification to Round of 16 of the UCL (assigned to MediaCo in March 2024 and collected in April 2024)
- Receivables relating to Serie A Indirect Media Revenue: the amount of €20.5 million on March 31, 2024 mainly relates to the portion of Serie A Indirect Media Revenue booked in Q3 23/24 upon assignment from TeamCo of the receivable generated from the invoice of the sixth 23/24 instalment issued in March 2024 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 Q4 23/24.

- Other trade receivables: the €12.5 million increase reflects the dynamic of collections and new receivables booked in the nine ended March 31, 2024 (mainly affected by timing of invoicing of sponsorship contracts).

Liabilities:

	As at	
	June 30 2023	March 31 2024
<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	19,560
Total Shareholders' equity	201,994	211,951
Non-current Liabilities		
Deferred tax liabilities	53,266	51,042
Other provisions	247	247
Provisions for employee severance indemnities	379	436
Senior Secured Notes	405,739	403,142
Bank loans	-	-
Tax Payables	-	-
Social security payables	-	-
Deferred income	10,222	9,567
Non-current Liabilities	469,853	464,434
Current Liabilities		
Senior Secured Notes	3,573	14,308
Trade payables	4,153	3,711
Trade payables to parents companies and their affiliated	69,035	55,970
Dividends Payable	2,645	6,908
Tax Payables	1,354	2,267
Social security payables	219	169
Other payables	636	14,275
Accrued expenses	105	199
Deferred income	11,545	19,775
Current Liabilities	93,266	117,582
Total Liabilities and Shareholders' equity	765,113	793,967

Shareholders' equity. Shareholders' equity increased by €10.0 million from €202.0 million on June 30, 2023 to €212.0 million on March 31, 2024 as a consequence of the combined impact of:

- (positive) the €19.6 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 €5.4 million from €469.9 million on June 30, 2023 to €464.4 million on March 31, 2024 mainly due to ordinary reversal of deferred tax liabilities and amortization plan of the long term liability relating to the Senior Secured Notes

Current liabilities. Current liabilities increased by €24.3 million from €93.3 million on June 30, 2023, to €117.6 million on March 31, 2024, mainly due to:

- €13.6 million increase in Other Payables mainly resulting from €14.0 million payable arisen in Q3 23/24 relating to deposits received in respect of a new sponsorship agreement effective starting from next sporting season 24/25 (as already described)
- €10.7 million increase in the current element of the Notes which relates to (i) the portion of interest accrued in Q3 23/24 (€7.0M) to be paid in June 2024 and (ii) the reclassification from Non-Current Liabilities of the €3.7 million mandatory amortization installment to be paid in December 2024.
- €8.2 million increase in Deferred Income which mainly relates to sponsorship installments already invoiced according to contractual terms as of March 31, 2024, but whose revenues pertain and, accordingly, will be recognized, in the last quarter of the fiscal year ending June 30, 2024 (such increase is reflected in the increase of Other Trade receivables previously described)
- €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")
- €13.1 million decrease in trade payables to parent companies and their affiliated (partially offsetting the impact of the items listed above) 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.

CAPITAL EXPENDITURES

The level of capital expenditure in intangible and tangible assets (€ 29 thousands) was not considered material for the period under review.

NET FINANCIAL POSITION

Net Financial position increased by €6.6 million from €341.2 million on June 30, 2023 to €347.8 million on March 31, 2024.

	As at	
	June 30 2023	March 31 2024
<i>(in thousands of €)</i>		
Cash at bank and on hand	50,525	52,015
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)	(7,041)
Current financial liabilities	(3,573)	(14,308)
Net current financial assets/(liabilities)	46,952	37,711
Senior Secured Notes 2027 - long term portion (face value)	(411,427)	(407,733)
Senior Secured Notes 2027 - unamortized transaction fees	5,688	4,591
Financial Assets (Debt Reserve/Service Account)	17,579	17,584
Non-current financial liabilities	(388,160)	(385,558)
Net financial position	(341,208)	(347,847)

As shown by the table above, the increase has been driven by the €7,0 million accrual of Q3 23/24 interest on the Notes (to be paid in June 2024) partially mitigated by €1.5 million increase in Cash at bank and on hand resulting from the positive net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement").

As previously described, on March 31, 2024, 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

In December 2023 the team has been eliminated from the Round of 16 of the 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.

In March 2024 the team has been eliminated from the Round of 16 of the UCL from Atletico Madrid .

On April 22, 2024 the team has secured the victory of the 23/24 Serie A League and got the right to play the 24/25 UCL (seventh time in a row).

MATCHDAY

In the twenty-four home matches of the 2023/2024 sporting season (nineteen 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 €76 million waiver made on September 25, 2023, further shareholder loans for €22 million have been waived by Grand Tower and converted into equity reserve on March 31, 2024. Accordingly, the outstanding amount in the TeamCo balance sheet as at March 31, 2024 is €3 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 €31.2 million.

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

The Interim Financial Statements as of and for the nine-months period ended March 31, 2024 have been prepared for the purposes of the preparation of the nine-months consolidated accounts of the TeamCo group as at March 31, 2024.

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 March 31, 2024 since no impairment indicators were brought to Directors' attention.

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

GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

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

SUBSEQUENT EVENTS OCCURRED AFTER MARCH 31, 2024

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