



## Wanda Sports Group Company Limited Reports Second Quarter 2020 Results

September 1, 2020

BEIJING, Sept. 01, 2020 (GLOBE NEWSWIRE) -- Wanda Sports Group Company Limited (the "Company" and, together with its consolidated entities, "Wanda Sports Group," the "Group" or "we") (Nasdaq: WSG), a leading global sports events, media and marketing platform, today announced its unaudited financial results for the second quarter ended June 30, 2020.

As the sale of The IRONMAN Group was completed in July, The IRONMAN Group was treated for purposes of the Group's results for the second quarter of 2020 as an asset held for sale and its historical results were reflected in those results as discontinued operations. In addition, The IRONMAN Group's results and operating data were excluded from the comparative second quarter 2019 results and operating data. Unless otherwise indicated, the financial statement line items and non-IFRS financial measures are presented on a continuing operations basis.

### Second Quarter 2020 Highlights:

- Total revenue from continuing operations for the second quarter of 2020 was €51.8 million (US\$58.2 million), representing a decrease of 75% year-over-year, primarily attributable to a decrease in revenue from the Spectator Sports and DPSS segments due to the broad effects of COVID-19 mitigation efforts. Excluding reimbursement revenue,<sup>1</sup> total revenue was €51.4 million (US\$57.8 million), a decrease of 72% over the second quarter of 2019.
- Net Profit for the period from continuing operations was €5.5 million (US\$6.2 million), compared to €19.0 million in the second quarter of 2019.
- Adjusted EBITDA from continuing operations was €20.9m million (US\$23.5 million), compared to €41.2 million in the second quarter of 2019.
- The Group's liquidity position remained solid in the second quarter of 2020. The Group had total cash and cash equivalents of €167.5 million (US\$188.3 million), as of June 30, 2019.
- The German Ice Hockey Federation extended its exclusive media and marketing agreement with the Group until the 2023/2024 season. The Group expanded the scope of the renewed agreement and will also be responsible for all German women's and men's national ice hockey team merchandise across all age groups.
- The Group extended its exclusive international media rights partnership with the Czech Republic Ski Federation from 2026 to 2031, and the Norway Ski Federation from 2021 to 2026, respectively, to cover all FIS World Cup events including men's and women's alpine skiing, cross-country skiing, ski jumping and Nordic-combined.
- The Group recently reached an agreement with mobile network provider Verizon for four separate deals to support new Verizon 5G technology for multi-camera features for some larger US sports associations (including the NBA), consumer entertainment (including Fox's "The Masked Singer") and motor sports ( NASCAR, IndyCar).
- There were no mass participation events reflected in the continuing operations in the second quarter of 2020 due to event cancellations as a result of the COVID-19 pandemic. Despite that, the Group used new, innovative formats and hosted several mass participation events virtually in Europe and China.

<sup>1</sup> Reimbursement revenues represent revenue that has associated costs of a similar, generally matching, amount (reimbursement costs), thereby resulting in a negligible gross margin impact.

Mr. Hengming Yang, Chief Executive Officer of Wanda Sports Group, commented, "As expected, the entire second quarter was affected by the global spread of the pandemic and the related severe impact on business activity, travel and personal routines. However, given the diversity of our business model with long-term contracts, and our employees' ability to adapt to uncertainties and new norms of working, we were able to continue to focus on business development, delivering alternative sports service solutions, while effectively managing our costs and liquidity. Despite our revenue of €51.8 million in the second quarter being much lower than the previous year, our gross margin was significantly enhanced. Looking forward, although visibility is still unclear in terms of public health and macroeconomic conditions, we remain positive about our partnerships with clients and our business opportunities. We are confident in the ability of our global workforce to persevere and navigate the challenges ahead. We will remain vigilant in managing our operations and in investing in our future, so that we can be well-positioned to return to revenue and profit growth once the markets recover."

Mr. Brian Liao, Chief Financial Officer of Wanda Sports Group commented, "Despite the expected contraction in our revenue and profitability, our personnel expenses and selling, office and administrative expenses in the second quarter of 2020 decreased by approximately 28% year-over-year, mainly driven by our cost reduction efforts from the start of the pandemic. Several cost categories will continue to decrease throughout the year as we continue to respond to the crisis, such as personnel costs, office and travel expenses, and marketing expenses. In addition, regrettably we had to reduce the number of employees by 13% since the first quarter 2020, but will continue to invest in core capabilities. We will continue to further streamline our operations in order to preserve cash and protect our profitability. In terms of liquidity, after the IRONMAN transaction, as of July 31, 2020, we have a €208.7 million cash balance. We intend to use the balance of the net proceeds of the IRONMAN transaction, subject to business conditions, to return capital to its shareholders (either through a special dividend or a share repurchase program; in either case, subject to shareholder approval), and/or for general corporate purposes. Meanwhile, we are intensely focused on positioning our company optimally to return to revenue growth as we weather the unprecedented uncertainty of the COVID-19 crisis."

## Second Quarter 2020 Business Highlights

Core Business Segments:

### *Spectator Sports*

In the second quarter, the Spectator Sports business leveraged its digital ecosystem innovation and resources by successfully delivering a number of virtual events. These virtual events attracted a wide range of coverage, while expanding new business wins, despite the uncertainty of the operating environment.

### Key events

- The Group, as the [International Ice Hockey Federation's](#) (or IIHF) long-standing exclusive media and marketing rights partner, launched the IIHF Esports Fan Championship on May 15. Fans from the 16 nations which had qualified for the [2020 IIHF Ice Hockey World Championship](#) were given the chance to represent their countries in the digital tournament, which was hosted on a new IIHF esports online platform.
- The Group acted as the promoter, producer and organizer of an alternative online esports tournament for the Italian football league's eSerie A TIM clubs after the suspension of the tournament due to the pandemic. Fans were able to watch exclusive live content on [eSerie A TIM's YouTube channel](#).
- The [Coppa Italia Coca Cola](#) final, Italy's top football knock-out tournament, celebrated a broadcast reach of over 10 million viewers with the match distributed to almost 220 territories globally. Virtual overlay technology provided by the Group covered the empty stands which were decorated with the clubs' colors, the competition logo and the Italian flag.
- The Group jointly supported the launch of the first digital pro-cycling race series – the Digital Swiss 5, which saw professional cyclists competing across five digital races as an alternative to the cancelled Tour de Suisse. The event achieved strong coverage on major public broadcast networks across almost 30 countries.
- The Group launched a new digital ecosystem for the European Handball Federation (EHF), which is designed to amplify the outreach and awareness of handball across all platforms of TV, OTT, digital and social media. All of the digitally-optimized, high-quality content is created by experts from the Group and its partners through more than 5,000 pieces of video content for all major EHF competitions, in order to connect, interact and entertain fans globally.

### Major Prolongations

- The Group successfully arranged for the renewal of a commercial agreement between Nike and Top 14 rugby club [Stade Toulousain](#). The sports apparel company will continue its role as the French club's official supplier until the end of the 2025 season.
- The German Ice Hockey Federation extended its exclusive media and marketing agreement with the Group until the 2023/2024 season. The Group expanded the scope of the renewed agreement and will also be responsible for all German women's and men's national ice hockey team merchandise across all age groups.
- The Group extended its exclusive international media rights partnership with the Czech Republic Ski Federation from 2026 to 2031, and the Norway Ski Federation from 2021 to 2026, respectively, to cover all FIS World Cup events including men's and women's alpine skiing, cross-country skiing, ski jumping and Nordic-combined.
- The Group successfully extended the partnership between LGT and the World Curling Federation (WCF), securing the Liechtenstein-based financial group as the official sponsor for the 2022 European Curling Championships and official title sponsor for the World Women's Curling Championship 2024.
- German door manufacturer Hörmann extended its agreement with the International Biathlon Union (IBU) in a deal signed by the Group. The prolonged partnership will run for four more years covering all IBU World Cup events until the end of the 2023/2024 season.
- Finland Biathlon also extended its long-running agreement with the Group for exclusive marketing rights for all IBU events until the 2029/30 season.

### Key New Business Wins

- Broadcaster Pragosport reached an agreement covering 15 different media properties for a period up to 2028 in the territories of Czech Republic, Slovakia and Hungary, with the Group serving as the exclusive media rights partner for all clients.
- Besiktas Sports Club, one of Turkey's top football, basketball, volleyball, handball and esports clubs reached an exclusive marketing and sales agreement with the Group for all sports as well as all relevant venues from 2021 to 2024.
- The Group completed media agreements for the Scottish Premier Football League (SPFL) in over 30 countries. These contracts will run through until at least the conclusion of the 2022/23 season.

### *Digital, Production, Sports Solutions (DPSS)*

- As sports events and games such as the German Bundesliga football matches proceeded without spectators, the Group developed additional venue advertising including installing extra rows of LED boards in place of empty seats in order to provide more visibility and increased exposure for sponsors and advertisers.

- The Group has renewed its contract with France's Ligue Football Professional (LFP) for the next four seasons continuing a long-running and successful partnership.
- The Group obtained a project mandate with the Professional Golf Tour (PGAT) to release the API Live Scoring and the TourCast, which enables shots to be viewable virtually in real time.
- An agreement was reached with mobile network provider Verizon for four separate deals to support new Verizon 5G technology for multi-camera features for some larger US sports associations (including the NBA), consumer entertainment (including Fox's "The Masked Singer") and motor sports (NASCAR, IndyCar).
- English Premier League club Chelsea FC extended its partnership with the Group until 2021, with new products including a subscription-based paid video production that is currently being developed.
- The Group signed a new three-year agreement with the Badminton World Federation (BWF). The Group will be working with the federation on new content for its digital platforms.
- The Group extended its relationship with video game developer Activision Blizzard to work on its esports platforms, including a new proprietary platform that integrated with Activision Blizzard's existing website. This has enabled Activision Blizzard to develop a modern and efficient site infrastructure and completely upgrade the website for the popular esports Overwatch league and 20 Overwatch League team sites.
- IGBS, a joint venture between HBS and IMG, won the "Outstanding Production Achievement –Event" award category for its production of the Rugby World Cup Japan 2019 by the SVG (Sports Video Group) Europe TV Awards, one of the most prestigious bodies for sports broadcasting and production across Europe. The tournament set new standards in rugby broadcast production with the first 8K production, the use of augmented reality graphics and Hawk-Eye Smart Replay technology.

#### Mass Participation

In the second quarter, although many mass participation events were cancelled or postponed due to the global pandemic, the Group still hosted a few successful events to provide participants with a stimulating outlet during the pandemic.

- Group company Megamarsch launched the #Wirgehenweiter ("we go further") challenge that took place from June 20-21. The virtual event covered several walking distances and was sold out in two weeks. This initial success led to the launch of further editions in August and September.
- Throughout the Covid-19 lockdown, HYROX, the World Series of Fitness (in which the Group currently has a minority investment), sought new ways to provide fitness competitions for its worldwide community. After the success of the Home Series, its first initiative, which attracted 5,000 participants from 51 countries, HYROX launched the Virtual Championships of Fitness, which began on July 3 and includes a bodyweight and equipment division comprising five workouts over three weeks.

#### China Business Highlights

In the second quarter of 2020, almost all sports events were cancelled or postponed across China as a result of the COVID-19 pandemic.

- The 2020 Chengdu Double Heritage Marathon was held online from May 1 to May 31, as an alternative solution for one of the largest annual road races in Western China – the Chengdu Double Heritage International Marathon. There were more than 6,500 runners registered for the online race's three categories, including 6km, half-marathon, and marathon.

## Second Quarter 2020 Financial Results

### Revenue

Total revenue for the second quarter of 2020 was €51.8 million (US\$58.2 million), representing a decrease of 75% year-over-year, primarily attributable to a decrease in revenue from the Spectator Sports and DPSS segments. Excluding reimbursement revenue<sup>2</sup>, total revenue was €51.4 million (US\$57.8 million), a decrease of 72% over the second quarter of 2019.

The following table sets forth a breakdown of revenue by segment for the periods indicated:

(in millions, except percentages)	Three Months Ended June 30,			2019			YoY Change
	2020			2019			
	USD	EUR	% of Revenue	EUR	% of Revenue		
Core segments:							
Spectator Sports	43.2	38.4	74 %	138.1	66 %	(72 %)	
DPSS	14.7	13.1	25 %	54.8	26 %	(76 %)	
Mass Participation	0.3	0.3	1 %	16.9	8 %	(98 %)	
<b>Total Revenue</b>	<b>58.2</b>	<b>51.8</b>	<b>100 %</b>	<b>209.8</b>	<b>100 %</b>	<b>(75 %)</b>	
<i>DPSS excluding reimbursement revenue</i>	<i>14.3</i>	<i>12.7</i>		<i>27.1</i>		<i>(53 %)</i>	
<i>Total Revenue excluding reimbursement revenue</i>	<i>57.8</i>	<i>51.4</i>		<i>182.1</i>		<i>(72 %)</i>	

(in millions, except percentages)	Six Months Ended June 30,			2019			YoY Change
	2020						
	USD	EUR	% of Revenue	EUR	% of Revenue		
Core segments:							
Spectator Sports	200.1	178.1	83 %	332.2	77 %	(46 %)	
DPSS	40.5	36.0	16 %	76.3	18 %	(53 %)	
Mass Participation	1.5	1.3	1 %	21.2	5 %	(94 %)	
<b>Total Revenue</b>	<b>242.1</b>	<b>215.4</b>	<b>100 %</b>	<b>429.7</b>	<b>100 %</b>	<b>(50 %)</b>	
<i>DPSS excluding reimbursement revenue</i>	<i>39.3</i>	<i>35.0</i>		<i>48.7</i>		<i>(28 %)</i>	
<i>Total Revenue excluding reimbursement revenue</i>	<i>241.0</i>	<i>214.4</i>		<i>402.1</i>		<i>(47 %)</i>	

<sup>2</sup> Reimbursement revenues represent revenue that has associated costs of a similar, generally matching, amount (reimbursement costs), thereby resulting in a negligible gross margin impact.

- *Spectator Sports*: The decrease in revenue was primarily due to postponement or cancellation of events as a result of the COVID-19 mitigation efforts. For example, the IIHF Ice Hockey World Championships were cancelled, and the Italian football events were suspended in April and May this year.
- *DPSS*: The decrease in revenue was primarily driven by the cyclical effect, as the Women's FIFA World Cup took place in 2019.
- *Mass Participation*: The decrease in revenue was due to the cancellation of all scheduled events as a result of the COVID-19 mitigation efforts. The number of events was nil and 50 in the second quarter of 2020 and of 2019, respectively. The number of gross-paid athletes was nil and 225,000 in the second quarter of 2020 and of 2019, respectively.

### Gross profit

The following table sets forth a breakdown of gross profit and the corresponding gross margin by segment for the periods indicated:

(in millions, except percentages)	Three Months Ended June 30,			2019			YoY Change in Gross Profit
	2020			EUR	Gross margin		
	USD	EUR	Gross margin	EUR	Gross margin		
Core segments:							
Spectator Sports	32.7	29.0	76 %	55.4	40 %	(48 %)	
DPSS	6.7	6.0	46 %	13.1	24 %	(54 %)	
Mass Participation	(0.6)	(0.5)	(189 %)	8.0	47 %	(106 %)	
<b>Total Gross Profit</b>	<b>38.8</b>	<b>34.5</b>	<b>67 %</b>	<b>76.5</b>	<b>36 %</b>	<b>(55 %)</b>	

(in millions, except percentages)	Six Months Ended June 30,			2019			YoY Change in Gross Profit
	2020			EUR	Gross margin		
	USD	EUR	Gross margin	EUR	Gross margin		
Core segments:							
Spectator Sports	85.9	76.5	43 %	99.4	30 %	(23 %)	
DPSS	18.2	16.2	45 %	22.4	29 %	(28 %)	
Mass Participation	(0.4)	(0.4)	(31 %)	8.3	39 %	(105 %)	
<b>Total Gross Profit</b>	<b>103.7</b>	<b>92.3</b>	<b>43 %</b>	<b>130.1</b>	<b>30 %</b>	<b>(29 %)</b>	

- *Spectator Sports*: The decrease in gross profit was primarily due to the cancellation of the IIHF World Championships and the cancellation or postponement of the summer sport events.
- *DPSS*: The decrease in gross profit was primarily driven by cyclical effect, as the Women's FIFA World Cup took place in 2019.
- *Mass Participation*: The decrease in gross profit was due to the cancellation of all scheduled events as a result of the COVID-19 mitigation efforts.

**Gross margin**, or gross profit as a percentage of revenue, was 67%, compared with 36% in the corresponding quarter of 2019, primarily reflecting a higher weight of commission-model based business in football, which commands a higher gross margin.

**Personnel expenses** were €22.8 million (US\$25.6 million), compared with €27.4 million in the second quarter in 2019, primarily attributable to the

Group's strict cost control measures during COVID-19 outbreak, such as a hiring freeze, salary reductions and reduced hours. In addition, the Group received "reduced working time" compensation from local authorities which partially offset personnel expenses in the second quarter of 2020.

**Selling, office and administrative expenses** were €6.2 million (US\$7.0 million), compared with €12.8 million in the second quarter in 2019, mainly resulting from the cost saving actions as well as the absence of IPO-related expenses incurred in 2019. The cost savings were due to, among others, strict travel restrictions and reductions of marketing expenses.

**Depreciation and amortization expenses** were €5.9 million (US\$6.6 million), compared with €5.4 million in the second quarter in 2019.

**Other operating income, net** was €15.1 million (US\$17.0 million) compared with nil in the second quarter of 2019, primarily reflecting insurance payments for events that were cancelled and a positive fair value adjustment of liabilities from acquisition of companies.

**Finance costs** were €10.3 million (US\$11.6 million), compared with €12.2 million in the second quarter in 2019, primarily due to interest expense savings under the senior 364-day term loan facility entered into in March 2020, which was partially offset by an increase in foreign exchange loss.

**Income tax was** €0.2 million (US\$0.2 million), compared with €0.2 million in the second quarter of 2019.

**Profit for the period from continuing operations** was €5.5 million (US\$6.2 million), compared to €19.0 million in the second quarter of 2019, mainly due to the decreased gross profit, which was partially offset by savings in overhead expenses and finance costs.

**Adjusted EBITDA from continuing operations** was €20.9 million (US\$23.5 million), compared to €41.2 million in the second quarter of 2019, principally resulting from the decreased gross profit, which was partially offset by savings in overhead expenses.

**Net loss for the Group (inclusive of discontinued operations) attributable to ordinary shareholders of Wanda Sports Group Company Limited** was €30.0 million (US\$33.7 million), compared to a net profit of €23.4 million in the second quarter of 2019.

**Basic and diluted net loss for the Group (inclusive of discontinued operations) per American Depositary Share ("ADS")** were both €0.22 (US\$0.24), compared to basic and diluted net profit per ADS of both €0.17 in the second quarter of 2019.

#### Cash and cash equivalents

As of June 30, 2020, the Group had total cash and cash equivalents of €167.5 million (US\$188.3 million) from continuing operations.

#### Indebtedness

As of June 30, 2020, the Group had total interest-bearing liabilities of €685.2 million (US\$770.0 million) from continuing operations.

The following table sets forth a breakdown of interest-bearing liabilities at period end.

(in millions)	June 30, 2020	
	USD	EUR
Wanda Sports Group Company Limited	239.0	212.7
Infront Group	531.0	472.5
<b>Total</b>	<b>770.0</b>	<b>685.2</b>

#### COVID-19 Business Operation & Outlook

- As the global COVID-19 pandemic continues beyond the second quarter, the Group's top priority remains to ensure the safety and well-being of its athletes, employees, clients and key partners. In response to the outbreak, the Group closed its corporate offices and requested that all employees either work remotely or work at office premises in shifts for limited periods of time during the second quarter. Currently, selected employees have returned to workplaces in compliance with the heightened hygiene protocols as required by the respective public health authorities. In response to the pandemic, the Group undertook a number of actions to mitigate the impact, including reducing headcount by 13% since the first quarter of 2020, resulting in approximately 1,100 employees as of June 30, 2020, excluding discontinued operations.
- Almost all sports events were cancelled or postponed on a global basis in the second quarter. The Group's current priority is meticulous planning for the resumption of sports events in different markets (even if without spectators at venues). Infront is one of approximately 30 underwriters of the #Sport4Recovery initiative, which launched an international campaign to encourage policymakers to safely re-open organized sports. In addition to communicating with policymakers, this campaign aims to collaborate with the scientific community to highlight the importance of sport for mental and physical health recovery as well as to mobilize athletes and sports fans.
- Despite the challenging environment, the Group continues to adopt creative sports solutions by innovating within its business on multiple fronts. Examples of this innovation include the IIHF virtual world championship, the newly developed digital ecosystem for EHF and the esports tournament for the Italian football league's eSerie A TIM clubs.
- To mitigate further potential risks to the Group's financial performance and better align its cost structure with client demand, management continues to implement a comprehensive set of short-term cost reduction and cash flow improvement actions. Looking ahead and mindful of the challenges the industry faces, the Group has initiated a comprehensive review with the goal of further streamlining its business, in order to create a leaner organization with greater flexibility that will continue to be highly focused on delivering value for all its stakeholders. Overall, the review aims to enable the Group to realize its full potential over the mid- to long-term and to achieve a sustainable and healthy base for its future.

## Other Developments

On Jun 24, 2020, the German Football Association (DFB) informed the Group that it would end its longstanding partnership with Infront and terminate or discontinue all existing contracts based on allegations of “potentially damaging activities.” Infront responded in a public statement, among other things, challenging the validity of the cancellation. Infront and the DFB remain in discussions to resolve the matter between them.

## Liquidity

The Company had total cash and cash equivalents of €167.5 million (US\$188.3 million) excluding discontinued operations at the end of the second quarter. As of July 31, 2020, post the completion of the IRONMAN Group sales, the Company had total cash and cash equivalents of €208.7 million (US\$ 234.5 million). As previously reported, the Company intends to use the balance of the net proceeds of the IRONMAN transaction, subject to business conditions, to return capital to its shareholders (either through a special dividend or a share repurchase program; in either case, subject to shareholder approval), and/or for general corporate purposes.

Management is confident of the Group’s strong liquidity position and its disciplined approach in managing the ongoing capital requirements.

## Financial Guidance

Due to the significant uncertainties relating to the scope, duration and impact of COVID-19, the Company currently is unable to reasonably estimate its 2020 financial performance and, accordingly, is not providing any updated guidance.

Management continues to believe that the Company’s long-term growth prospects remain promising and that Wanda Sports Group is well positioned to play a leading role in the global sports media and events industry into the future.

## Conference Call Information

Wanda Sport’s management will host an earnings conference call at 8:00 AM U.S. Eastern Time on September 1, 2020 (8:00 PM Beijing/Hong Kong time on September 1, 2020).

Participants can join the earnings conference call by completing online registration at: <http://apac.directeventreg.com/registration/event/7083268>. Upon registration, all participants will be provided with participant dial-in numbers, passcodes and unique registrant IDs to access the conference call.

Additionally, participants can join the call via a live webcast of the earnings conference call at: <http://investor.wsg.cn/>. An archived webcast will be available through the same link.

A telephonic replay will be available after the conclusion of the conference call, from 11:00 a.m. U.S. Eastern Time on September 1 to 09:59 a.m. U.S. Eastern Time on September 9, 2020 by dialing +61 2 8199 0299 and entering passcode 7083268

## About Wanda Sports Group

Wanda Sports Group is a leading global sports events, media and marketing platform with a mission to unite people in sports and enable athletes and fans to live their passions and dreams. Through its businesses, Infront and Wanda Sports China, Wanda Sports Group has significant intellectual property rights, long-term relationships and broad execution capabilities, enabling it to deliver inspiring sports event experiences, creating access to engaging content and building inclusive communities. Wanda Sports Group offers a comprehensive array of events, marketing and media services through its three primary segments: Spectator Sports, Digital, Production, Sports Solutions (DPSS) and Mass Participation. Wanda Sport Group’s full-service platform creates value for its partners and clients as well as other stakeholders in the sports ecosystem, from rights owners, to brands and advertisers, and to fans and athletes.

Headquartered in China, Wanda Sports Group has more than 49 offices in 17 countries with over 1,100 employees around the world. For more information, please visit <http://investor.wsg.cn/investor-relations>.

## Use of Non-IFRS Financial Measures

To supplement our consolidated financial statements which are presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”), we also use Adjusted EBITDA as a non-IFRS financial measure. We present this non-IFRS financial measure because it is used by our management in evaluating our operating results and for financial and operational decision-making purposes. We define Adjusted EBITDA as net income excluding share-based compensation and other non-recurring expenses. We also believe that this non-IFRS financial measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies.

Non-IFRS financial measures should not be considered in isolation or construed as an alternative to profit/(loss) from operations and net profit/(loss) or any other measure of performance, or as an indicator of our operating performance. Adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

Reconciliation of Adjusted EBITDA and EBITDA, another non-IFRS financial measure, to the most directly comparable IFRS financial measure is set forth at the end of this release.

## Exchange Rate Information

This press release contains translation of certain Euro (“€”) amounts into U.S. Dollar (“\$”) at specified rates solely for the convenience of readers. Unless otherwise noted, all translations from Euro to U.S. dollar were made at the exchange rate of €0.8899 to US\$1.00, the exchange rate on June 30, 2020 set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System.

## Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities

Litigation Reform Act of 1995. These forward-looking statements include but are not limited to management quotes and the Company's financial outlook. These forward-looking statements can be identified by terminology such as "will," "estimate," "project," "predict," "believe," "expect," "anticipate," "intend," "potential," "plan," "goal" and similar statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission ("SEC"), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements and, consequently, could be affected by the uncertain and unprecedented impact of the COVID-19 pandemic on the Company's business and operations and the related impact on its liquidity needs. These forward-looking statements include, but are not limited to, statements about: the impact of the pandemic and related mitigation efforts on the Company's business, operations and operating results; the Company's goals and strategies; the expected growth in the Company's industry; the Company's expectations regarding its ability to attract rights-in partners and monetize their rights through rights-out arrangements; changes in consumer behavior and consumer and corporate spending, in particular as a result of the pandemic; the Company's ability to reach acceptable levels of engagement with its athletes following in the context of current public health concerns; the Company's future business development, results of operations and financial condition; competition in the Company's industry; general economic and business conditions, including as a result of the pandemic; the outcome of discussions with rights owners and lenders to mitigate the impact of the effects of the pandemic on the Group; and assumptions underlying or related to any of the foregoing as well as risks, uncertainties, and other factors described in "Risk Factors" and elsewhere in the Company's annual report on Form 20-F for the year ended December 31, 2019, which is available on the SEC's website at [www.sec.gov](http://www.sec.gov). Additional information will be made available in future filings that the Company makes from time to time with the SEC.

In addition, any forward-looking statements contained in this press release are based on assumptions that the Company's believes to be reasonable as of this date. The Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

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**WANDA SPORTS GROUP COMPANY LIMITED**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

(Amounts in thousands of Euro ("€") or, for convenience translation, thousands of U.S. Dollar ("\$"), except for number of shares and per share data)

	For the three months ended			For the six months ended		
	June 30, 2020		June 30, 2019	June 30, 2020		June 30, 2019
	\$	€	€	\$	€	€
<b>Continuing operations</b>						
Revenue	58,193	51,786	209,812	242,101	215,446	429,719
Cost of sales	(19,419 )	(17,281 )	(133,300 )	(138,375 )	(123,140 )	(299,576 )
<b>Gross profit</b>	<b>38,774</b>	<b>34,505</b>	<b>76,512</b>	<b>103,726</b>	<b>92,306</b>	<b>130,143</b>
Personnel expenses	(25,611 )	(22,791 )	(27,443 )	(58,357 )	(51,932 )	(53,840 )
Selling, office and administrative expenses	(6,997 )	(6,227 )	(12,795 )	(17,505 )	(15,578 )	(19,787 )
Depreciation and amortization	(6,612 )	(5,884 )	(5,353 )	(13,137 )	(11,691 )	(10,368 )
Other operating income/(expense), net	16,959	15,092	(46 )	16,460	14,648	931
Finance costs	(11,579 )	(10,304 )	(12,194 )	(25,177 )	(22,405 )	(18,033 )
Finance income	1,121	998	258	1,324	1,178	848
Share of loss of associates and joint ventures	(30 )	(27 )	(147 )	(63 )	(56 )	(10 )
<b>Profit before tax from continuing operations</b>	<b>6,025</b>	<b>5,362</b>	<b>18,792</b>	<b>7,271</b>	<b>6,470</b>	<b>29,884</b>
Income tax	172	153	185	(5,904 )	(5,254 )	(7,519 )
<b>Profit for the period from continuing operations</b>	<b>6,197</b>	<b>5,515</b>	<b>18,977</b>	<b>1,367</b>	<b>1,216</b>	<b>22,365</b>
<b>Discontinued operations</b>						
(Loss)/profit after tax for the period from discontinued operations	(40,108 )	(35,693 )	5,588	(62,264 )	(55,409 )	(6,436 )
<b>(Loss)/profit for the period</b>	<b>(33,911 )</b>	<b>(30,178 )</b>	<b>24,565</b>	<b>(60,897 )</b>	<b>(54,193 )</b>	<b>15,929</b>
Attributable to:						
Equity holders of the parent	(33,664 )	(29,958 )	23,446	(60,248 )	(53,615 )	14,586
Non-controlling interests	(247 )	(220 )	1,119	(649 )	(578 )	1,343
	<b>(33,911 )</b>	<b>(30,178 )</b>	<b>24,565</b>	<b>(60,897 )</b>	<b>(54,193 )</b>	<b>15,929</b>

Earnings per share<sup>3</sup>:

Basic (loss)/profit for the period attributable to ordinary equity holders of the parent	(0.16	) (0.14	) 0.11	(0.29	) (0.26	) 0.07
Diluted (loss)/profit for the period attributable to ordinary equity holders of the parent	(0.16	) (0.14	) 0.11	(0.29	) (0.26	) 0.07
Basic (loss)/profit for the period attributable to ADS holders of the parent	(0.24	) (0.22	) 0.17	(0.44	) (0.39	) 0.11
Diluted (loss)/profit for the period attributable to ADS holders of the parent	(0.24	) (0.22	) 0.17	(0.44	) (0.39	) 0.11

## Earnings per share for continuing operations:

Basic profit for the period attributable to ordinary equity holders of the parent	0.03	0.03	0.09	0.01	0.01	0.10
Diluted profit for the period attributable to ordinary equity holders of the parent	0.03	0.03	0.09	0.01	0.01	0.10
Basic profit for the period attributable to ADS holders of the parent	0.05	0.04	0.13	0.01	0.01	0.16
Diluted profit for the period attributable to ADS holders of the parent	0.05	0.04	0.13	0.01	0.01	0.16

<sup>3</sup> Basic and diluted earnings per share and profit attributable to ADS holders of the parent for the three months ended June 30, 2020 and 2019 were computed in the assumption that the Company had issued 23.8 million ADS, and the Company had approximately 208 million and 205 million ordinary shares issued and outstanding as at June 30, 2020 and 2019, respectively.

## WANDA SPORTS GROUP COMPANY LIMITED

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Euro (“€”) or, for convenience translation, thousands of U.S. Dollar (“\$”))

	For the three months ended			For the six months ended		
	June 30, 2020		June 30, 2019	June 30, 2020		June 30, 2019
	\$	€	€	\$	€	€
(Loss)/profit for the period	(33,911	) (30,178	) 24,565	(60,897	) (54,193	) 15,929
Other comprehensive income:						
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):						
Net (loss)/gain on cash flow hedges	(660	) (587	) 237	(7,520	) (6,692	) (96
Exchange differences on translation of foreign operations	(3,987	) (3,548	) (13,673	) 4,550	4,049	(8,469
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(4,647	) (4,135	) (13,436	) (2,970	) (2,643	) (8,565
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Net remeasurement on defined benefit plans	-	-	(12	) -	-	(12
Net loss on equity instruments designated at fair value through other comprehensive income	(8,912	) (7,931	) -	(8,912	) (7,931	) -
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	(8,912	) (7,931	) (12	) (8,912	) (7,931	) (12
Other comprehensive loss for the period, net of tax	(13,559	) (12,066	) (13,448	) (11,882	) (10,574	) (8,577
Total comprehensive (loss)/income for the period, net of tax	(47,470	) (42,244	) 11,117	(72,779	) (64,767	) 7,352
Attributable to:						
Equity holders of the parent	(47,135	) (41,946	) 10,293	(72,016	) (64,087	) 5,536
Non-controlling interests	(335	) (298	) 824	(763	) (680	) 1,816
	(47,470	) (42,244	) 11,117	(72,779	) (64,767	) 7,352

## WANDA SPORTS GROUP COMPANY LIMITED

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Euro (“€”) or, for convenience translation, thousands of U.S. Dollar (“\$”))

	June 30, 2020		December 31, 2019
	\$	€	€
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	188,276	167,547	163,225



Trade and other receivables	232,804	207,172	264,041
Accrued income	841	748	10,498
Contract assets	50,343	44,800	53,541
Inventories	634	564	9,395
Income tax receivables	3,487	3,103	13,594
Other assets	81,846	72,836	81,001
	558,231	496,770	595,295
Assets held for sale	933,618	830,827	8,125
	1,491,849	1,327,597	603,420
<b>NON-CURRENT ASSETS</b>			
Long-term receivables	10,814	9,623	6,808
Investments in associates and joint ventures	4,152	3,695	3,277
Property, plant and equipment	15,234	13,557	26,294
Right of use assets	25,931	23,076	35,249
Intangible assets	73,929	65,789	486,933
Goodwill	263,686	234,654	537,585
Contract assets	12,332	10,974	10,268
Deferred tax assets	20,319	18,082	23,063
Other assets	67,423	60,000	63,164
	493,820	439,450	1,192,641
<b>TOTAL ASSETS</b>	<b>1,985,669</b>	<b>1,767,047</b>	<b>1,796,061</b>

**WANDA SPORTS GROUP COMPANY LIMITED**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Amounts in thousands of Euro ("€") or, for convenience translation, thousands of U.S. Dollar ("\$"))

	<b>June 30, 2020</b>		<b>December 31, 2019</b>	
	<b>\$</b>	<b>€</b>	<b>€</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	151,380	134,713	173,855	
Interest-bearing liabilities	768,774	684,132	204,583	
Lease liabilities	7,877	7,010	10,041	
Accrued expense	54,199	48,232	69,846	
Deferred income	2	2	5	
Contract liabilities	110,591	98,415	199,900	
Other liabilities	10,036	8,930	19,208	
Income tax payable	12,973	11,545	21,787	
Provisions	2,822	2,511	9,234	
	1,118,654	995,490	708,459	
Liabilities directly associated with the assets held for sale	584,082	519,775	6,975	
	1,702,736	1,515,265	715,434	
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing liabilities	1,169	1,040	641,085	
Lease liabilities	19,213	17,098	29,154	
Accrued expenses	3,566	3,173	3,051	
Contract liabilities	12,812	11,401	17,271	
Deferred tax liabilities	20,443	18,192	99,202	
Provisions	2,050	1,824	3,936	
Long-term payroll payables	18,029	16,044	15,336	
Other liabilities	24,783	22,056	43,578	
	102,065	90,828	852,613	
<b>TOTAL LIABILITIES</b>	<b>1,804,801</b>	<b>1,606,093</b>	<b>1,568,047</b>	
<b>EQUITY</b>				
Share capital	1,708,974	1,520,816	1,520,816	
Reserves	(928,267	) (826,065	) (813,300	)
Accumulated deficit	(603,243	) (536,826	) (483,211	)
Equity attributable to equity holders of the parent	177,464	157,925	224,305	
Non-controlling interests	3,404	3,029	3,709	

TOTAL EQUITY	180,868	160,954	228,014
TOTAL LIABILITIES AND EQUITY	1,985,669	1,767,047	1,796,061

**WANDA SPORTS GROUP COMPANY LIMITED**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(Amounts in thousands of Euro (“€”) or, for convenience translation, thousands of U.S. Dollar (“\$”))

	For the three months ended			For the six months ended		
	June 30, 2020		June 30, 2019	June 30, 2020		June 30, 2019
	\$	€	€	\$	€	€
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,791	5,153	30,704	23,024	20,489	817
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(923 )	(821 )	(41,991 )	(36,751 )	(32,705 )	(125,118 )
NET CASH FLOWS FROM FINANCING ACTIVITIES	8,684	7,728	12,361	67,595	60,153	131,999
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,552	12,060	1,074	53,868	47,937	7,698
Cash and cash equivalents at beginning of the period	185,099	164,720	186,739	183,419	163,225	177,048
Effect of foreign exchange rate changes, net	512	455	(1,308 )	(953 )	(848 )	1,759
Transfer to assets held for sale	(10,887 )	(9,688 )	-	(48,058 )	(42,767 )	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	188,276	167,547	186,505	188,276	167,547	186,505

**WANDA SPORTS GROUP COMPANY LIMITED**

**RECONCILIATION OF NON-IFRS MEASURE – IFRS Profit for the Period and Year to Adjusted EBITDA (unaudited)**

(Amounts in thousands of Euro (“€”) or, for convenience translation, thousands of U.S. Dollar (“\$”))

	For the three months ended			For the six months ended		
	June 30, 2020		June 30, 2019	June 30, 2020		June 30, 2019
	\$	€	€	\$	€	€
<b>Continued operations</b>						
Profit for the period from continuing operations	6,197	5,515	18,977	1,367	1,216	22,365
Income tax	(172 )	(153 )	(185 )	5,904	5,254	7,519
Net interest expenses	7,476	6,653	14,634	17,116	15,232	17,527
Depreciation and amortization	6,612	5,884	5,353	13,137	11,691	10,368
<b>EBITDA from continuing operations</b>	20,113	17,899	38,779	37,524	33,393	57,779
Share-based compensation(1)	1,274	1,134	279	2,647	2,356	730
Expenses or charges relating to acquisition(2)	-	-	317	-	-	503
Expenses or charges relating to IPO or financing(3)	-	-	3,496	357	318	3,721
Restructure and disposal of investments/subsidiaries(4)	(1,123 )	(999 )	-	(1,123 )	(999 )	-
Loss/(gain) on foreign exchange and derivatives, and other financial charges(5)	2,982	2,653	(2,698 )	6,737	5,995	(342 )
Estimated client compensation relating to fraudulent activities(6)	-	-	1,029	-	-	7,029
Expenses or charges relating to Sarbanes-Oxley compliance(7)	284	253	-	500	445	-
Remeasurement of contingent consideration(8)	(100 )	(89 )	-	(100 )	(89 )	-
Net loss on disposal of assets (9)	4	4	-	99	88	-
Expenses relating to shareholder class action lawsuit (10)	89	79	-	160	142	-
<b>Adjusted EBITDA from continuing operations</b>	23,523	20,934	41,202	46,801	41,649	69,420
<b>Discontinued operations</b>						
Loss/(gain) for the period from discontinued operations	(40,108 )	(35,693 )	5,588	(62,264 )	(55,409 )	(6,436 )
Net interest expense, income tax, depreciation and amortization	30,024	26,718	8,615	27,067	24,087	14,149
EBITDA from discontinued operations	(10,084 )	(8,975 )	14,203	(35,197 )	(31,322 )	7,713
Adjustments (11)	(433 )	(385 )	3,395	11,662	10,378	6,140
Adjusted EBITDA from discontinued operations	(10,517 )	(9,360 )	17,598	(23,535 )	(20,944 )	13,853
<b>Adjusted EBITDA</b>	13,006	11,574	58,800	23,266	20,705	83,273

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1. Share-based compensation consisted of share-based compensation and social insurance expenses. This item has been excluded as it is a non-recurring expense.
  2. Represents expenses incurred for professional fees such as legal counsel, auditors, underwriters, valuation experts and consultants mainly in respect of acquisitions.
  3. Represents professional fees of legal counsel, auditors, due diligence experts, consultants, and related expenses for our IPO and financing.
  4. Represents expenses or costs incurred in the restructuring and disposal of investments and subsidiary companies.
  5. Represents the loss/(gain) on foreign exchange, derivative financial instruments at fair value through profit or loss, termination of the cross-currency swap and other financial charges.
  6. Represents the amount estimated to be paid by Infront as compensation in connection with fraudulent activities presumably undertaken by a former senior employee of Infront.
  7. Represents Sarbanes-Oxley Act consulting charges paid to third parties.
  8. In 2020, remeasurement of contingent consideration represents fair value change of contingent consideration from business combination of Gsport.
  9. Represents net loss on disposal of property, plant and equipment and intangible assets.
  10. Represents legal fees related to shareholder class action, voluntarily dismissed on May 18, 2020.
  11. Represents change in fair value of investments amounting to €1.3 million, gains on foreign exchange amounting to €3.0 million and other non-recurring expenses amounting to €1.3 million.

Source: Wanda Sports Group Company Limited