



FORWARD MOMENTUM

Euroleague Basketball's transformation under
its joint-venture with IMG is moving into an
innovation-driven second phase

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INTRODUCTION

Two years into its historic partnership with global sports and entertainment giant IMG, Euroleague Basketball (EB) is growing and developing faster than envisaged. Fundamental changes were made in the first two seasons – most crucially, the successful implementation of new competition formats and the revamp of television production – that have bedded in and immediately positively impacted the business. Both the top-tier Turkish Airlines EuroLeague and second-tier 7DAYS EuroCup are benefiting from the changes. Now, EB is turning fully to face the future, with a host of innovations and developments designed to put the organisation and the product at the cutting edge of European sport.

Within this publication, we recount what has been achieved in the past two seasons in terms of establishing new competition structures (pages 8, 9, 12, 13) based on the pillar ideas of **stability** and **quality**. And we welcome the two planned EuroLeague expansion teams, ASVEL Villeurbanne and FC Bayern Munich, who are to officially become part of the league structure in 2019-20 (pages 10, 11).

EB's media and sponsorship business areas, and their growth in the past two seasons, are explored on pages 20 to 25. Then we look to the future in the final part of the pamphlet, with a range of initiatives that are propelling EB, and basketball in Europe, to an even bigger and brighter future. These include the new customer data project EDIE, exciting technology partnerships, and the growing community outreach programme One Team.

First, we hear from the executives that are steering the Euroleague Ventures joint-venture and making this all possible: EB president and CEO Jordi Bertomeu and WME IMG co-president Ioris Francini...

PIONEERING STEERING

EUROLEAGUE BASKETBALL PRESIDENT AND CEO **JORDI BERTOMEU** AND WME IMG CO-PRESIDENT **IORIS FRANCINI** ON THE POWERFUL PROGRESS TO DATE OF EUROLEAGUE VENTURES, AND WHAT IS TO COME IN THE NEXT PHASE OF THE PROJECT



Jordi Bertomeu

What's been accomplished so far under the joint venture with IMG, and what is left to do?

When we started two years ago, I always said our players, coaches and clubs needed one year to understand what was needed to face the new situation. Everything was impacted by the new competition format. It was something unseen before – a true European league.

We have been busy selling rights, increasing the quality of broadcast production, and creating much more content for different platforms that we didn't have before. We have been focused on the short term – doing many things, very fast. These were the concerns for the first season and part of the second.

With the second season over, we have achieved more than we expected. First, the business is going very well, far better than the most optimistic forecasts. Second, our cooperation with IMG and the way we are working together is extraordinary. Despite that we come from different worlds, there is a common understanding of what it means to build the project. Third, and I think most

importantly, our fans – our customers – have realised we have had an impact on them: the way the product has been designed and presented is significantly different from before we started the cooperation with IMG. From these three angles we are very satisfied.

If we talk about what's left to do, it's a long, long list! Basically, now the product is more-or-less defined, we have to find the right business strategies in an unpredictable environment. Business in the sector is changing rapidly, and we have to see the changes coming in the future and be ready so as not to miss opportunities. This is a permanent exercise – you must never stop doing this.

What are your top priorities when it comes to adapting EB to the changing business environment?

The business is changing: the media landscape is fragmenting, audiences are fragmenting, there are changes in how media is consumed. Everyone knows this and we are having the same conversations. Finding solutions to these challenges is our main concern.

Our overarching theory is to align our sponsorship, media and digital strategy under the same concept.

We are trying to reach a younger audience and trying to have the right tone of voice to engage them – we know this will be critical in the coming years. For example, we have launched a concept called the EuroLeague

Creators Project, in which we are partnering with social media influencers and content creators that are relevant to young people, and that talk their language, to produce EuroLeague content. We know we have to be part of conversations with fans – the way we produce content for young generations will be fundamental and we are prepared to invest in that.

Looking at the opportunities we can offer our commercial partners in the digital environment is another pillar in our strategy.

One of the most important projects we have launched with IMG is called EDIE (EuroLeague Data & Intelligence Engine), a process to integrate data from clubs and the league. The idea is to create a central database that can help all of us to expand our businesses. First of all, we will get to know our fans and clients better through an intelligence engine that analyses and organises data gathered from numerous digital touch points. Then we will adapt our services, strategies and content based on the data, ensuring we deliver something that is relevant to fans at all levels. This is the biggest project we are working on. It is already running based on league data and we will start this year with data from two teams as a test. The idea is that in 2019-20 all the teams will be integrated.

The expansion of the Turkish Airlines EuroLeague to include two new semi-permanent teams – ASVEL Villeurbanne and FC Bayern Munich – from 2019-20 is a major upcoming development. Explain how significant it is.

We need France as one of the major markets in Europe, and the same is applicable to Germany. Both are major markets with an existing basketball culture.

When going to those markets, there are



The way we produce content for young generations will be fundamental and we are prepared to invest in that



different approaches. Germany, thanks to the growth of basketball in the last 10 years, is probably now more mature than France. You also have to take into account that what makes sense for us is to be associated with big brands, and this explains our position in Germany – to be in Munich, Bavaria, with one of the most prestigious sports brands worldwide in FC Bayern Munich. It's the best partner for the league to increase and improve our footprint in Germany.

When we talk about France, we have a team with a long basketball tradition in Villeurbanne, Lyon – a significant market, probably the second after Paris. And it has a very popular and committed owner, Tony Parker. He has very big ambitions for the future of the club and we are working together to be sure that they will join us in 2019-20.

Strengthening the league's footprint in Germany, France and the UK was a key pillar in the clubs' strategic roadmap to boost growth and we are happy that we now have two of these markets well covered. Having a team from the UK remains an aspiration for the league. The market is less developed than Germany or France, but with the new league format there is now a product that is much more appealing to investors and brands. We are having conversations with potential partners in the UK, but this is still a mid- to long-term plan.

You are implementing a lot of change.

Does this mean significant new investment is being made?

Yes, significant new investment. EB and IMG share the same philosophy – it's a long-term project so investments are needed.

Our data project will mean a very high investment. The media content strategy will imply investments, not only with our broadcaster partners, but also in creating extra and tailor-made content, and to adjust to all the platforms. We are working on a new website and app. We keep improving EuroLeagueTV, our OTT streaming platform.

There are lots of investments. Most are in technology and innovation, but we also have a plan to invest in projects that promote participation of young people in basketball. We have a grassroots project we started in Spain, involving around 12,000 kids at 600 schools in nine different cities. We want to replicate this model in other EuroLeague markets.



Ioris Francini

Developing EB's sponsorship and digital structures are among the most important goals of the joint-venture. What are your plans for this?

Last year our main focuses were to make sure that production was in line with our commitments and pledges to broadcasters, and that our media rights sales were

successful. That was essential to our business model. Sponsorship and digital were set to follow shortly after.

We completed the media chapter and what you're seeing today in sponsorship is the tail end of the traditional EB business model of sponsorship. We have global, regional and local partners, and have heavy participation from certain regions. It's a transactional, opportunistic business model. We've made very important investments into the sponsorship function by adding a couple of resources to oversee, from an IMG perspective, the sponsorship programme. We established a data-led programme called EDIE that we are now using as part of our sponsorship efforts. We are going to completely redesign the sponsorship programme, which doesn't mean a revolution but will be about creating a structure that's fit-for-purpose going forward. Our plan for the next phase of EB sponsorship will be presented at the end of this year to the board, and then we'll start rolling it out next year.

Of course, digital and social activation and measurement become really important factors in this sponsorship focus. We've partnered with 15 to 16 influencers in Europe that have great followings and we want them to be a viral extension to partnerships with sponsors. We want the same thing on social, too: using the players, creating bespoke content through HEED [a new digital technology partner for the league – see page 32]. With all these assets we are slowly building toward the medium- to long-term goal of having clear, visible and measurable outlets that will help partners in the new programme understand how we'll activate partnerships.

// *We are going to completely redesign the sponsorship programme* //

Media rights revenue has grown in recent seasons. How do you intend to continue that growth?

As we expand, we will be including teams from markets that haven't necessarily been the core ones, so we can see an elevation of value through expansion of the competition. We are seeing a positive trend as far as the core markets are concerned and I'm looking forward to the conversations to be had in France, Spain and Turkey. For non-core markets such as Asia, we expect there to be some initiatives where we'll try to create events in different geographies that will promote a greater awareness around Euroleague.

We have a three-pronged strategy: (i) increase interest and revenue in core markets; (ii) follow the expansion of franchises and factor in consequences of expansion on affected markets; and (iii) identify markets that are not core markets of the league but where there may be an opportunity to grow awareness and following.

How is EB's media strategy evolving in the changing media landscape, in terms of how it distributes content across the available platforms?

We're undertaking a deep analysis of what a media return is nowadays. Previously, you had to balance wide exposure on free-to-air television (FTA TV) against the often greater revenue available on pay-television.

Today we're in a very different place, where the platforms offering greatest exposure are often social channels, Facebook in particular.

We're undertaking a deep review, with the help of a third-party expert, that is engaging both sides of the JV and helping us redefine the principle of media return. With that we'll be able to explain and address the relevance of FTA TV, social, digital, clips, content syndication and influencers, and see how we overlay a vertical strategy instead of something one-dimensional. If we can tell a sponsor that a mix of media assets is much more relevant and effective if we engage X amount of social channels versus 10-minute clips on FTA TV, then the sponsor will understand. FTA remains absolutely critical because exposure is essential for EB's partners. We're doing this review with our Global Insights group that is tasked with analysing 45 data vendors to provide all the data to understand and enhance this exposure.

We've been creating a social channels team which delivers bespoke content – lots of guerrilla-style productions and behind-the-scenes stuff that engages with a different kind of audience. We also have HEED, which is based on external optical data-gathering and packages data in a slightly different and skewed way, making it fun and engaging. And in addition we have our direct-to-consumer OTT platform EuroLeagueTV.

Endeavor acquired Neulion over the last 12 months and we have vertically integrated that into our company so we can control the layering of digital strategy across subscriptions, freemium, content syndication, working with influencers and working with social channels. This applies to our work with EB and other clients.



TURKISH AIRLINES EUROLEAGUE

STABILITY & QUALITY

THE TURKISH AIRLINES EUROLEAGUE IS THE TOP TIER OF EUROPEAN CLUB BASKETBALL, A SEASON-LONG TOURNAMENT CONTESTED BY THE CONTINENT'S 16 BEST TEAMS

A TRANSFORMATIVE joint venture was embarked upon in 2016-17 by Euroleague Basketball, the company that runs the EuroLeague and second-tier competition the EuroCup, and sports and entertainment agency IMG, an Endeavor company. The JV's aim is to develop and grow the EB competitions and participating clubs in order to achieve their full potential.

The first major step under the JV was a restructure of the competitions under the pillars of **stability** and **quality**:

(i) Stability

Participation of the 11 biggest clubs in Europe in the top-tier EuroLeague is guaranteed for 10 seasons via the issuing of licences.

Long-term licences allow the teams to work collectively and over a long term on growing their brands and the league brand. The licences give current and potential partners confidence in the competition's future value, helping to attract increased investment.

Another five teams qualify for the 16-team competition each season. Currently, these are: the winner of EB's second-tier competition the EuroCup, and one team from each of the four strongest domestic leagues in Europe: the ABA League in ex-Yugoslavia; the German BBL; the Russian Federation VTB United League, which includes teams from Belarus, Estonia, Kazakhstan, Latvia and Poland; and the Spanish ACB. The qualifying team from



these leagues is the one that finishes highest in the previous season and doesn't already hold a EuroLeague licence.

From 2019-20, with the planned addition of two new semi-permanent, licensed teams, the league increases to 18 teams.

(ii) Quality

The number of teams in the EuroLeague was reduced from 24 to 16 in 2016-17

in order to ensure the highest quality of competition. At the same time, the competition format was changed to increase the number of games between these elite teams.

Now, 16 teams compete in a round-robin regular season of 30 rounds, from which the top eight qualify for the playoffs. In the playoffs, the eight teams are drawn into four match-ups, each of which is a five-game series. The four winners compete in the Final Four, where two semifinals and a Championship Game produce a continental champion.

Under the new format, fans and broadcasters are guaranteed at least two fixtures between each club and a season-long product providing sought-after derby games between Spanish, Turkish, Greek and Russian Federation, and allowing all local fans to see every star in the competition on their home soil.

TURKISH AIRLINES EUROLEAGUE KEY FACTS

- Contested by Europe's 16 best teams
- 11 licensed teams share in the equity of Euroleague Basketball
- Participation of licensed teams guaranteed for 10 seasons
- At least 2 fixtures between each team guaranteed each season
- Regular derbies between rivals from the biggest basketball markets guaranteed
- First licensed teams from France and Germany planned for 2019-20



TURKISH AIRLINES EUROLEAGUE

EXPANSION

THE TURKISH AIRLINES EUROLEAGUE IS EXPANDING INTO THE POWERHOUSE ECONOMIES AND BASKETBALL MARKETS OF GERMANY AND FRANCE

FC BAYERN MUNICH

ONE OF THE MOST FAMOUS and storied brands in world sport, FC Bayern Munich is a hugely significant addition to the EuroLeague roster. The basketball team is part of the same multi-sport club as the famous football team, and its roots go back to 1946. In recent seasons, it has been competing in the EuroCup, although it had three seasons in the EuroLeague from 2013-14 to 2015-16.

Bayern will get an 'associate wild card' licence ensuring its participation for two seasons, 2019-20 and 2020-21, with the intention of extending it to a long-term licence by the end of this period. The team will also compete in the 2018-19 EuroLeague by virtue of being BBL champion in 2017-18.

Home city: Munich

Domestic league: German BBL

Arena: Audi Dome, capacity: 6,700 (new, 11,500 seat arena to open in 2020-21)

Average attendance 2017-18: 5,461 (EuroCup)

2017-18 record: (EuroCup) 16-5, Semifinals

Honours: 4 German Domestic Leagues, 2 German Domestic Cups

Bayern's achievement of a EuroLeague licence coincides with its move to a new, 11,500-seat, multi-purpose arena being built jointly with Red Bull on the site of the old Munich Olympic Velodrome. The arena will also house ice hockey team EHC Red Bull Munich.



ASVEL VILLEURBANNE

EUROLEAGUE BASKETBALL is in advanced talks with ASVEL Villeurbanne with a view to the club taking the licence available in France in 2019-20. ASVEL is the most successful team in French basketball history, with 18 domestic league titles, among other honours. It has had several EuroLeague campaigns since 2000, and in 2017-18 competed in the EuroCup, where it went out at the Top 16 stage. It will play in the EuroCup again in 2018-19.

The ambitious club is led by French basketball legend Tony Parker, who is president and majority owner. Parker is one of France's greatest ever players, still playing in the NBA with the Charlotte Hornets and previously a four-time NBA champion with the San Antonio Spurs. He first acquired a stake in ASVEL in 2009 and is now the majority shareholder in the club.

It is planned that ASVEL will also get a two-season 'associate wild card' licence.

Home city: Villeurbanne (Grand Lyon)

Domestic league: French LNB

Arena: Astroballe, capacity: 5,556 (new, 10,500 seat arena to open in 2021-22)

Average attendance 2017-18: 5,339 (EuroCup)

2017-18 record: (EuroCup) 10-6, Top 16

Honours: 18 French Domestic Leagues, 8 French Domestic Cups, 1 French League Cup

Participation of the club is guaranteed should it meet proposed minimum requirements set by EB around aspects including the team budget and the arena. EB and the club are cooperating closely to make sure this happens.

Like FC Bayern Munich, ASVEL is developing a new arena, and has also started work on a talent academy. The 10,500-seat arena will help cement the team's future among the European basketball elite.



7DAYS EUROCUP

THE 7DAYS EUROCUP IS THE SECOND-TIER CONTINENTAL COMPETITION IN EUROPEAN CLUB BASKETBALL AND HAS BEEN REVAMPED UNDER THE EB-IMG JOINT VENTURE

EUROCUP MEDIA rights were centralised for the first time in 2017-18, and a new commercial structure was introduced. The media revamp included improvements to the quality of broadcast production and a wider range of content on digital platforms, including additional highlights and the ability to watch all games live on the EuroLeagueTV online platform.

The commercial structure changes included a new revenue distribution model, modelled on that used in the top-tier EuroLeague. Revenue is distributed to teams from two pools: a sports pool which rewards performance on the court, and a market pool that rewards clubs based on



the significance of their home market in generating revenue for the competition.

For sponsors, the EuroCup is the perfect additional platform alongside the elite EuroLeague. Combined, the two platforms allow partners to target the top 40 basketball communities in Europe.



As with the EuroLeague, the EuroCup tournament structure was updated in 2016-17. In the regular season, 24 teams are split into four groups of six, with each team playing the others home and away. Eight teams are eliminated before the Top 16 round creates four groups of four. Group winners and runners-up move into best-of-three play-off series for the quarterfinals, semifinals and finals. The winner of the EuroCup qualifies for the following season's EuroLeague.

FACTS AND DATA SHOWING EUROLEAGUE
BASKETBALL'S GROWTH

SCORING WITH FANS AND PARTNERS

ATTENDANCES

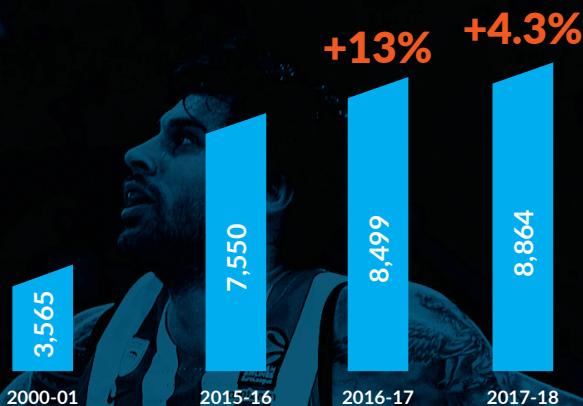
2,220,992

Total spectators for Turkish Airlines EuroLeague in 2017-18

149%

Increase in average attendance since the inaugural 2000-01 season

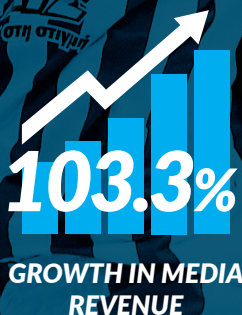
Turkish Airlines EuroLeague average attendance



Source: Euroleague Basketball

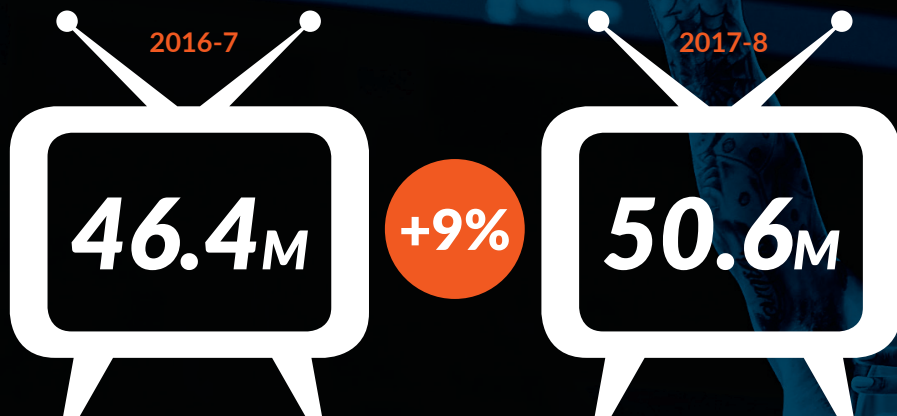
REVENUE

Between 2015-16 and 2017-18, Euroleague Basketball generated:



TV AUDIENCES

Turkish Airlines EuroLeague global total television audience for live games



Source: Nielsen, Euroleague Basketball




Figures do not include audiences in Turkey, Greece and China. Figures represent the sum of all 'Average Audience' figures allocated to live games broadcast within the monitoring periods.



**GLOBAL TOTAL TELEVISION
AUDIENCE FOR TURKISH AIRLINES
EUROLEAGUE NEWS AND
HIGHLIGHTS IN 2017-18**

DIGITAL AUDIENCES 2017-18

TURKISH AIRLINES EUROLEAGUE SOCIAL MEDIA

	FOLLOWERS	REACH	ENGAGEMENT
	696k	189M	1.3M
	507k	138M	968k
	366k	186M	8.3M
TOTAL	1.6M	512M	10.5M

48M

TOTAL SOCIAL MEDIA
FOLLOWERS OF
EUROLEAGUE CLUBS AND
PLAYERS

6M

TOTAL SOCIAL MEDIA
FOLLOWERS OF EUROCUP
CLUBS AND PLAYERS

2.7M

TOTAL SOCIAL MEDIA
FOLLOWERS OF EUROLEAGUE
AND EUROCUP OWN
ACCOUNTS

WEBSITE TRAFFIC

Euroleague.net and Premium Media
Partner sites, Oct 2017-Jun 2018:

33M

UNIQUE VISITORS

254M

PAGE VIEWS

VIDEO

Euroleague Basketball social media
channels, 2017-18:

166M

VIEWS OF EUROLEAGUE VIDEO CONTENT

9.5M

VIEWS OF EUROCUP VIDEO CONTENT

Reach refers to the number of users that have been exposed to content published by official Turkish Airlines EuroLeague accounts. Followers were measured on 18 June 2018. Reach and Engagement were measured from October 2017 to June 2018 inclusive. Video figures from EuroLeague and EuroCup channels on Facebook, Twitter, Instagram, YouTube and Dailymotion. Premium Media Partners are EuroLeague-branded areas on third party websites (see page 22).

CONTINENTAL REACH

EUROLEAGUE BASKETBALL'S 2018-19 TEAM FOOTPRINT SPANS THE EUROPEAN CONTINENT, AND BEYOND

EuroLeague Teams

- 1 Anadolu Efes Istanbul
- 2 AX Armani Exchange Olimpia Milan
- 3 Buducnost VOLI Podgorica
- 4 CSKA Moscow
- 5 Darussafaka Tekfen Istanbul
- 6 FC Barcelona Lassa
- 7 FC Bayern Munich
- 8 Fenerbahce Istanbul
- 9 Herbalife Gran Canaria
- 10 Khimki Moscow Region
- 11 KIROLBET Baskonia Vitoria Gasteiz
- 12 Maccabi FOX Tel Aviv
- 13 Olympiacos Piraeus
- 14 Panathinaikos OPAP Athens
- 15 Real Madrid
- 16 Zalgiris Kaunas

EuroCup Teams

- 1 ALBA Berlin
- 2 Arka Gdynia
- 3 AS Monaco
- 4 ASVEL Villeurbanne
- 5 Cedevita Zagreb
- 6 Crvena Zvezda mts Belgrade
- 7 Dolomiti Energia Trento
- 8 Fiat Turin
- 9 Fraport Skyliners Frankfurt
- 10 Galatasaray Istanbul
- 11 Germani Brescia Leonessa
- 12 Limoges CSP
- 13 Lokomotiv Kuban Krasnodar
- 14 MoraBanc Andorra
- 15 Mornar Bar
- 16 Partizan NIS Belgrade
- 17 ratiopharm Ulm
- 18 Rytas Vilnius
- 19 Tofas Bursa
- 20 Turk Telekom Ankara
- 21 Unicaja Malaga
- 22 UNICS Kazan
- 23 Valencia Basket
- 24 Zenit St Petersburg





THE MEDIA PLATFORM



EUROLEAGUE BASKETBALL media revenue has grown sharply thanks to the changes made under the IMG joint venture. An emphasis on creating closer partnerships with broadcasters has been important – before making changes, the JV consulted its main broadcast investors on what they wanted from the property.

Two main changes have driven media revenue growth. First, the change of competition format to ensure that teams play each other at least twice per season, generating regular games between major

teams. Second, a large investment in improving content production quality, supported by IMG's expertise in this field. Improvements include: a new action-replay system powered by Hawk-Eye Innovations, an increased number of cameras at each game, and the introduction of uniform and centrally-delivered graphics across all broadcasts.

EuroCup media rights were sold centrally for the first time in 2017-18. Previously, clubs sold rights to their home games themselves.

Turkish Airlines EuroLeague – broadcasting partners

● 25 partners ● 179 territories

Territory	Broadcaster
Albania	RTSH
Asia-Pacific	Eurosport
Belgium	BeTV
Bulgaria	Mtel Sport
Czech Republic	O2 TV Sport
Ex-Yugoslavia (Bosnia-Herzegovina, Croatia, FYROM, Montenegro, Serbia, & Slovenia)	Sportklub
France, Andorra, Monaco, Switzerland & Luxembourg	SFR Sport
Georgia	Silk Sport
Germany	Deutsche Telekom
Greece & Cyprus	Nova Sports
Hungary	Digi Sport
Iceland	Sport TV
Israel	Sport5
Italy & San Marino	Eurosport
Middle East	beIN Sports
Poland	Polsat
Portugal	Sport TV
Romania	Digi Sport
Russian Federation	Match! TV
Slovakia	Digi Sport
South America	DirecTV
Spain	Movistar+, Esport3
Sub-Saharan Africa	Fox Sports
Turkey	beIN Sports
United Kingdom & Ireland	Eurosport
United States of America & Canada	NBA TV, FloSports
In-flight and cruise ships	Sport 24
Worldwide, direct-to-consumer	EuroLeagueTV

7DAYS EuroCup – broadcasting partners

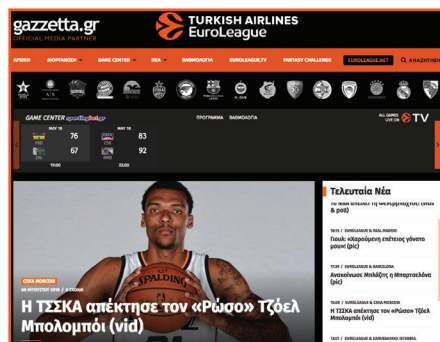
- 17 partners
- 140+ territories

Territory	Broadcaster
Africa	Fox Sports Africa
Andorra	Andorra TV
Asia-Pacific	Eurosport
Bulgaria	Mtel Sport
Ex-Yugoslavia (Bosnia-Herzegovina, Croatia, FYROM, Montenegro, Serbia, & Slovenia)	Sportklub
France	SFR Sport
Germany	Deutsche Telekom
Israel	Charlton
Italy	Eurosport
Lithuania	Viasat
Middle East	beIN Sports
Russian Federation	Match TV, Telesport
Spain	ETB, TVE
Turkey	S Sport, Tivibu
United Kingdom & Ireland	Eurosport
United States of America	FloSports

Premium Media Partners

Euroleague Basketball has premium partnerships with selected major media outlets that involve the creation of special, branded sections on the partners' websites. In 2017-18, partners included:

- Spain – AS
- Greece – Gazzetta
- Lithuania – 15min
- France – L'Equipe
- Turkey – Fanatik
- Global – Eurohoops
- Italy – Gazzetta dello Sport
- Russia – Sport.ru



FINANCIAL STABILITY & FAIR PLAY

FINANCIAL FAIR PLAY rules were introduced by Euroleague Basketball in 2015. They are designed to ensure balance in clubs' budgets, to help clubs and the league generate consistent and sustainable growth, and to guarantee fair competition.

EuroLeague clubs cooperated in the formulation of the rules by opening their books for audit and approved the regulations at the 2015 Euroleague Commercial Assets (ECA) Shareholders Meeting, where clubs and domestic leagues sit as owners. This year, it was agreed that FSFP regulations will be applied to EuroCup teams from the 2021-22 season. As part of the

process, both EuroLeague and EuroCup clubs have agreed to increased financial uniformity and alignment of accounting practices.

Implementation of the Financial Fair Play rules is monitored by the Management Control Commission (MCC), formed by EB and independent experts. In the event of non-compliance, the MCC can develop a compliance plan to steer a club back within the rules, or it can forward the case to the Finance Panel which can issue sanctions. The most severe sanction is exclusion from participating in EB competitions.



RULES EXCERPT

- Clubs must be able to guarantee a minimum budget of €5.4m per season, otherwise they will not be permitted to compete in the EuroLeague.
- Permission to compete in EuroLeague may be withdrawn if a club:
 - (i) Has overdue debts
 - (ii) Has an aggregate budget deficit that averages more than 10% over the previous three seasons.

In both cases, registration may be allowed if an alternative compliance plan is approved by Euroleague Basketball.

- A club will be subject to disciplinary proceedings if other requirements are breached, such as:
 - Player salaries must be equal to or less than 65% of annual budget
 - Shareholder contributions must be equal to or less than 65% of annual budget.

THE SPONSORSHIP PLATFORM

SPONSORSHIP REVENUES have grown significantly in the last two seasons, based on two pillars that make Euroleague Basketball's commercial offering unique in Europe:

- (i) Unprecedented access to league, team and player intellectual property, enabling partners to develop the right narrative around their sponsorship.
- (ii) Continental footprint: The 16 EuroLeague and 24 EuroCup clubs represent the 40 biggest basketball communities in Europe. This creates opportunities for brands to activate their sponsorships in multiple territories and in formats that serve their objectives.

Soon, a third pillar will be added to the list with the creation EuroLeague for EDIE, the Euroleague Data & Intelligence Engine. This will provide exhaustive data on who EB fans are, what they want and how they can be reached in a relevant way, putting the league and partners in a place where finding the right narrative is no longer opportunistic.

EB takes a tailored and flexible approach to sponsorship. "One size does not fit all" is the organisation's mantra. The starting point is that the partnership should solve a problem relevant to the partner's business. Then it should engage the correct part of the league's fanbase, converting them into customers.

Partners have the opportunity to activate through rights that are relevant and specific to them in terms of region and segmentation. Partners are linked to exclusive content, experiences and technology in a way that also creates value for the league and the teams. Fans are able to see that each partner is an essential part of the EB ecosystem, helping them become brands of choice with the audience.

As the level of dedication to partners has increased, EB has invested more in in-house resources than ever before. And the investment has paid off; almost all partners renew their collaborations and the client retention rate is high. This has in turn allowed the league to grow its footprint, programmes and commercial offering in a sustainable manner.

Euroleague Basketball marketing partners 2018-19

Naming Partner of EuroLeague and
Premium Partner of EuroCup

Turkish Airlines

Naming Partner of EuroCup and
Premium Partner of EuroLeague

7DAYS

Premium Partners

adidas

Bwin

Nesine.com

BetVictor

Lottery.com

Fonbet

Global Partners

Tadim

Spalding

VTB

Tripoki

ENEOS

Kyocera

Upper Deck

Armani Exchange

DraftKings

Kickz

Regional Partners

Endesa

Sek

Oscar Mayer

Burger King

Global Partners of the Final Four

Acıbadem

Efes

VODAVODA

FINAL FOUR: FINAL FIGURES

THE FINAL FOUR is the culmination of each EuroLeague season, a four-day event with four games to decide Europe's club basketball champion. Belgrade, capital of Serbia, hosted the 2018 Final Four, from which Real Madrid emerged victorious. It was the first time since 1977 that Belgrade hosted the European club Championship Game. The city, and wider Serbia, is a European basketball heartland, having produced a host of the continent's greatest players, coaches and referees. "Serbia and Belgrade are synonymous with basketball", EuroLeague Basketball CEO Jordi Bertomeu told attendees at the 2018 EuroLeague Awards Ceremony on the Saturday evening of the Final Four weekend.

The weekend's activity included the three-day Turkish Airlines EuroLeague FanZone at Belgrade's iconic Kalemegdan Fortress. This featured appearances by players from the Final Four teams, exhibition games with sports stars and celebrities, adidas 3x3 tournaments, a five-on-five schools tournament, slam dunk contests and

BELGRADE 2018

€46M
total economic impact

16,967
attendance each evening (Fri and Sun)

86%
of attendees will recommend visiting
Belgrade to acquaintances

Source: Nielsen

SOCIAL MEDIA 2018

Final Four content on league-owned social media accounts on Facebook, Twitter and Instagram, May 14-21:

59.9M
impressions

2.5M
engagements

17.9M
video views

shows, spectator games, DJ performances, EFES EuroLeague Dance Squad shows, meet-and-greet opportunities with EuroLeague Basketball Ambassadors, and other special events.

On the court, Real Madrid completed *La Décima*, becoming the first team to win 10 EuroLeague titles, defeating Fenerbahçe Doğuş Istanbul 85-80 in the Turkish Airlines EuroLeague Championship Game at Stark Arena on Sunday, May 18. They were inspired by Final Four MVP Luka Dončić, who scored 15 points and got four assists in the Championship Game. The Slovenian star has since been snapped up by the NBA's Dallas Mavericks on a rookie contract.

In 2019, the Final Four will be hosted by Vitoria Gasteiz, the capital of the Basque region in Spain and another European basketball heartland welcoming the event for the first time. The city's home team, Baskonia, is one of Spain's powerhouses

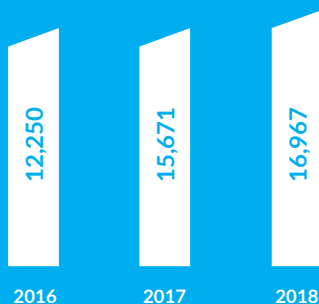


– it is fourth in the all-time number of games played in the EuroLeague and has reached the Championship Game twice although never won. Club president Josean Querejeta has welcomed the 2019 Final Four as “the biggest event Vitoria Gasteiz has ever hosted”.

The Final Four drives more than ten thousand visitors to the host city every year. Alongside an unbeatable experience for regular fans, the event has a wide offering for business and networking through its hospitality programme. In 2018, this programme covered 7% of the available bench seats, courtside seats and premium stands seating – and delivered 26% of the event’s ticket revenue. The programme in 2018 included for the first time nightclub-style hospitality located at one endline, the Tripoki Club. This allowed fans to view the court, watch the game live from screens, and have food and drinks served to them.

TICKETING & HOSPITALITY

Final Four attendance



7%
of total capacity given over to
hospitality programme (2018)

26%
of total ticket revenue generated by
hospitality programme (2018)

TAKING THE INITIATIVE

EUROLEAGUE BASKETBALL IS INVESTING IN A HOST OF INITIATIVES PUTTING IT AT THE FOREFRONT OF INNOVATION AND TECHNOLOGY IN EUROPEAN SPORT



EUROLEAGUE DATA & INTELLIGENCE ENGINE (EDIE)

EB AND IMG are developing a new data engine that will collect fan data and behaviour information from all data collection points of the league and its clubs. The data will be integrated into a single storage and intelligence source that the league and clubs will access to understand the needs of their consumers and serve them better. Currently, this data sits in many different, unconnected places at the league and the clubs.

The system will allow the league and clubs to identify individual fans no matter where they interact with them, to understand

their behaviour and to analyse all the data available on them. This will enable the league and clubs to serve the fans better with content, services and products. It will also be key to ensuring marketing partners connect with the audiences that are most important to them, and deliver greater return on their investment.

EDIE is already functioning based on selected central data sources at the league. This season, data from two clubs will be integrated as part of a trial. Data from all EuroLeague clubs is planned to be fully integrated by Q4 2019.



EUROLEAGUE BUSINESS OPERATIONS & CLUB SERVICES (BOCS)

EUROLEAGUE BOCS is a unique unit in European professional sports dedicated to improving the business performance of EB clubs and to aligning league strategies. BOCS operates like an in-house consultancy, providing advice to clubs on topics including: sponsorship, ticketing, premium seating, digital, merchandising and licensing, communications, fan engagement, arena usage, venue development, organisational structure and executive recruitment.

It also acts as a hub for best practice content and club business metrics, including quantitative and qualitative data gathered from the key business areas of each club and other professional leagues in Europe and around the world.

BOCS key functions

- Sharing of internal and external best practice
- Business performance data hub
- Generation of individual strategic business plans for clubs, focusing on:
 - Ticketing
 - Game day revenues
 - Arena management
 - Digital
 - Sponsorship
 - Licensing

BOCS was established in 2017 in response to feedback from clubs, and is modelled on similar structures in North America at the NBA, MLS and NHL.



EUROLEAGUE BASKETBALL TECH CHALLENGE

LAUNCHED IN 2017 in collaboration with the University of La Salle-URL, the Tech Challenge connects innovators and startups with Euroleague Basketball and its clubs. The aim is to drive change and disruption, find innovative ways to engage with the fan base, and to generate new business models. The second edition of the challenge will launch in October 2018.

The first edition saw 62 applicants from 17 countries, and 10 finalists gathering in Barcelona in March 2018 for a full week of networking, brainstorming sessions, concept proving, expert panels and pitch presentations.

EB has already performed several tests with the startups in real environments and has engaged in a business relationship with one of them. The ideas of two of the finalists were employed at the Turkish Airlines EuroLeague Final Four 2018 in Belgrade:

NFC Sound (Tech Challenge Overall Winner and Most Disruptive Solution award winner)

NFC Sound's technology uses ultrasound to reach and engage fans via mobile without the need for an internet connection. Its 'Internet of Sound' technology sends data via sound waves, turning any speaker

or music source into a tool to send and receive data. At a live sports event, sound can be used to activate content on attendees' mobiles, including: fan polls, programme activities, maps, coupons, marketing and tickets.

At the Final Four Championship Game, EB tested a solution by which any fan in the arena with the league app on their phone would be able to take part in the pre-tipoff show without requiring an internet connection. The sound signals activated phones so that they displayed colours that were coordinated with the music and the show on the court. The system also sent exclusive offers and discounts to the phones, again transmitted via sound in the arena.

CouchCoach

CouchCoach is a second-screen application in which fans can 'coach' from their seat as they watch games, by proposing player substitutions and other coaching decisions, and then winning or losing points based on what actually happens in the real game.

CouchCoach has developed an online game in which fans predict the next moves of coaches during EuroLeague games. Users score points for accurate predictions and compete in leagues for prizes. CouchCoach enriched the fan experience at the Final Four by allowing fans to compare themselves with mastermind coaches like Zeljko Obradovic, Pablo Laso, Dimitris Itoudis and Sarunas Jasikevicius.



HEED

EUROLEAGUE BASKETBALL WAS THE FIRST partner of HEED, a revolutionary new platform that combines social media, Internet of Things (IoT) and data analytics to create an entirely new category of digital experience. Delivered via a mobile app, HEED uses cutting-edge sensors, cameras and data analytics to identify a game's most exciting moments, generate groundbreaking new insights, and deliver content, automatically, in near real-time directly to fans' mobile devices. It gives fans an innovative, real-time experience, taking them closer to the action than they could ever imagine and telling them the story of the game in a new way, never witnessed before in any sport.

HEED was made available to consumers



for the first time at the Turkish Airlines EuroLeague Playoffs in April 2018, and then at the Final Four, after several tests conducted with the EuroLeague during the 2017-18 season. During the playoffs, players and coaches wore sensor-equipped "smart shirts" under their uniforms and wristbands respectively, and every arena in the playoffs and Final Four was outfitted with IoT cameras and sensors – including facial recognition technology – to gather never-before-captured data. EB is rolling out the technology to all games in the 2018-19 season.

HEED was created by IoT and data analytics trailblazer Mati Kochavi's AGT International and Endeavor. The app is available on Apple Store and Google Play.



PLAYER AND REFEREE CAMERAS

THE TURKISH AIRLINES EUROLEAGUE

has been one of the most pioneering leagues globally in its use of cameras on players and referees, under a partnership with wearable electronics firm FirstVision.

In 2015, EuroLeague was the first major professional sports competition to equip its players with wearable cameras that allowed the feed to be aired real time

by broadcasters. The technology was employed again at this year's Final Four, with the referees wearing jersey cameras.

In 2017, EuroLeague was the first competition to equip referees with 360-degree VR cameras, at all Final Four games. Content from the cameras was available for fans to enjoy after the games, on-demand at the EuroLeague website.





ONE TEAM

ONE TEAM is Euroleague Basketball's corporate social responsibility program, supported by Turkish Airlines as the One Team Founding Patron and with the collaboration of Special Olympics as Proud Partner. It uses basketball to achieve real social impact in communities.

With an innovative model of interconnectedness across an entire continent, Euroleague Basketball and its clubs have developed a complete CSR programme that brings together activities from each team in an integrated, impactful way, working under the theme of "community integration". Each one of the 40 participating clubs develops a specific One Team project tailored to its own community needs. These benefit groups in danger of exclusion due to issues such as substance abuse and physical or intellectual disability.

Since its founding in 2012, the One Team programme has reached 16,000 participants.

In 2017-18, One Team club initiatives included:



- **ASVEL Villeurbanne** working with Special Olympics France on an eight-week programme to help a group of 14 boys and girls with intellectual and physical disabilities to develop key life skills through the power of basketball.
- **Zalgiris Kaunas** working with the Kaunas Regional Probation service to help rehabilitate young people that have been involved in criminal behaviour, via a programme that aims to positively change behaviour and develop personal values and social skills.
- **Zenit St Petersburg** working with a centre for orphans and children without parental care, the Saint Petersburg Center for the Promotion of Family Education Number 12. This programme included activities to develop life skills for the children, such as self-development, discipline, communication, teamwork and goal-setting.



SINCE LAUNCH IN 2012, ONE TEAM HAS INVOLVED:





Euroleague
Basketball