

Beta Holdings Limited

Statement by the directors in performance of their statutory duties in accordance with section 172(1) of the Companies Act 2006

The company's directors consider, both individually and together, that they have acted in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its sole shareholder, Alpha Prema UK Limited. They have also considered the company's other stakeholders and matters set out in section 172(1)(a) to (f) of the Companies Act 2006 in the decisions taken during the financial year ended 31 December 2023.

Long term strategy and decision making

The company is an intermediate holding company within a Group (Delta Topco Limited and its subsidiaries, collectively referred to herein as "Formula 1" or the "Group") whose principal business activity is the exploitation of the commercial rights to the FIA Formula One World Championship® ("the Championship"). The company plays no direct role in that activity, and its only ongoing material transactions relate to interest charges on loan receivables due from other Group companies.

The directors of the company recognise the importance of taking decisions for the long term and analysing the likely consequence of each key decision they make. In taking decisions the directors also seek to apply and maintain the highest standards of business conduct, and given the company has a single shareholder, the directors are not at risk of acting unfairly between its members when making them.

The company is part of the Group and with all companies within the Group wholly owned, long term strategy is determined at the Group level with decisions and activities then delegated to its individual companies. Whilst the main objectives of the company and certain strategic decisions will be set/taken at a Group level, consideration does still need to be given to the individual interests of the company. Given that in addition to being directors of the company, Mr Llowarch and Ms Woodward Hill are also members of the Group's executive management, being respectively its Chief Financial Officer and its Chief Legal Officer & Chief Administrative Officer, they are able to consider any decisions to be taken both in the context of the interests of the wider Group and its detailed strategy, and in the interests of the company.

The Group's strategy sets out to deliver long-term value to its ultimate owner Liberty Media Corporation ("Liberty") and other stakeholders (including the company), through the principal goal of broadening and increasing the global scale and appeal of the Championship. Formula 1 aims to drive the overall value of the Championship and the Group's financial performance by:

- continuing to seek and identify opportunities to expand and develop the Championship calendar, bringing Events to attractive and/or strategically important new markets outside of Europe while continuing to build on the sport's European foundations;
- developing sponsorship revenue, through growing the Formula 1 Global Partner programme and exploring opportunities in currently underexploited product categories, together with increasing revenues from other Event-based packages;
- capturing opportunities created by media's evolution, including the growth of social media, further expansion of the F1TV product and the development of Formula 1's other digital media assets;
- engaging with new fans on a global basis and building up the entertainment experience for fans, so further driving race attendance and television viewership;
- continuing to support measures to improve the on-track competitive balance of the Championship and the long term financial stability of the participating teams; and
- improving the environmental sustainability of F1 and its related activities, continuing to target a net zero carbon footprint by 2030, 100% sustainable fuel by 2026 and sustainable race events by 2025, whilst also building on initiatives to fight inequality and improve the diversity and opportunity in F1 at all levels.

Maintaining a reputation for high standards of business conduct

The Group seeks to maintain its high business standards, ensuring that wherever its subsidiaries are operating in the world including higher risk territories, their business is conducted with integrity, and in compliance with the law and the Formula 1 Code of Conduct. The Code, which includes the Group's anti-bribery and corruption policy, continues to be adopted by each Formula 1 subsidiary, including the company, and applies to every officer and employee of the Group.

In addition to the requirements of its subsidiaries, officers and employees, the Group also expects third parties who perform services for Formula 1 to apply or adopt internal policies that are consistent with this Code. In that regard the Group's compliance team conduct KYC checks and other due diligence work on any potential partners the company considers doing business with.

As the subsidiary of a US public company, Liberty, the Group are also required to comply with additional requirements, including the Foreign Account Tax Compliance Act (FATCA) and certain aspects of the 2002 Sarbanes-Oxley Act (SOX). SOX requires Liberty, and certain of its subsidiaries, to establish and maintain robust internal control structures and procedures for financial reporting, to report on their effectiveness, and have that effectiveness tested and assessed annually by its external auditors. This applies to Delta Topco Limited, and certain of its subsidiaries, as part of the wider Liberty Group. Whilst there is no specific assessment required for SOX over these financial statements, the directors are of the view that this entity continues to operate the robust and effective control environment required by Liberty.

Engagement with key stakeholders

In addition to the company's parent and other fellow subsidiary companies of Formula 1, the directors consider the company's key stakeholders to be Liberty and the Group's external lenders.

The directors, together with the Group's other senior management, regularly discuss material strategic and operational matters with senior Liberty executives, some of whom sit on the boards of certain Group companies, including Delta Topco Limited and this process continued throughout 2023. As a US listed company, Liberty has significant public reporting obligations, and given Formula 1 is a material subsidiary, the Group is required to fulfil significant reporting requirements to Liberty on a quarterly and annual basis. These include the requirement for the Group to be compliant with, and report to it on, certain SOX requirements as discussed above. The Group also continues to assist Liberty with investor relations activities, contributing to Liberty's quarterly earnings calls and annual investor day.

There are a number of trading relationships between the subsidiary companies of Formula 1 including various intra-group loans and other trading balances. Formula 1's subsidiaries work together to pursue and deliver the Group's strategy and targets and ensure that any intra-group arrangements are in the interests of both parties. This requires that the terms of any intra-group loan agreements and trading balances are agreed and monitored, and that any required support is provided. These activities continued as per normal during 2023.

The company, together with several other Group companies, is party to and guarantees the Group's external borrowing arrangements. The Group provides quarterly management reports and compliance certificates to external lenders, holds periodic update calls and liaises on a regular basis with the agents who oversee the facilities on behalf of lenders. The Group also meets on a regular basis with the rating agencies to update them on its progress and expectations for the future.

Other stakeholder considerations

The directors recognise the importance of certain other stakeholders in the success of both the company and the Group as a whole, including the Group's employees, of which the company has none of its own, the Championship's fans, the Fédération Internationale de l'Automobile ("FIA") and the competing teams, and other commercial partners - the race promoters, broadcasters and sponsors of the Championship. The Group's wider engagement with such stakeholders is discussed in the financial statements of the Group companies primarily responsible for overseeing the relevant relationships, and the section 172 (1) statements required of any of its subsidiaries are published on the Group's corporate website.

The community and the environment

In 2023 Formula 1 focused on delivering against the Sustainability Strategy which sets out the following ambitions:

- To achieve Net Zero Carbon by 2030
- To leave a legacy of positive change wherever we race
- To take steps to build a more diverse and inclusive sport by removing barriers, nurturing talent, and inspiring change.

Whilst the company, given the limited nature of its activities, has no direct role to play in the related initiatives, the directors fully subscribe to the aims of the Sustainability Strategy, and the action being taken. Details are available on the Group's corporate website, and in the section 172 (1) statements published thereon by other Formula 1 subsidiary companies, and the company will pursue any actions required of it to contribute to the successful delivery of the Group's environmental and social initiatives and targets.

Approved by the Board on 20 March 2024