

The ITF Board of Directors gathered in Manavgat, Türkiye for its first in person meeting of 2023. The meeting was held in conjunction with 2023 ITF World Tennis Masters Tour 30, 35, 40, 45, 50 Team Championships taking place at the Ali Bey Club in Manavgat hosted by the Türkiye Tenis Federasyonu.

During the meeting the Board covered multiple strategic items.

ITF BUSINESS ITEMS

ITF 2024 Update

The Board received an update on the progress of the ITF 2024 strategy which will be presented to the AGM in September.

Finance

The Board was given an update from the Finance and Audit Committee Meeting held the previous week including an update from the session with the Auditors, PWC, who presented their review of the 2022 draft financial statements and Audit report. The Board reviewed the Group Management Accounts, 2022 Financial Audit Results and ITF Financial Statements. The Management accounts results were income of \$98.3m and expenditure of \$95.8m giving an operating surplus of \$2.5m after Strategic Project expenditure of \$2.9m, and a total deficit of \$2.6m arising from Investment losses of \$5.1m. Net Assets at the end of 2022 are reported as \$40.2m. The Board received a review from the Investment Panel and were advised that overall, the valuation of the portfolio fell by 13.2% in the year as a result of global investment market performance.

After discussion and review, the Board approved the signing of the 2022 Financial Statements for the ITF Trust and ITF Licensing UK Ltd.

Billie Jean King Cup

The Board received a summary of the short-listed cities bidding to host the 2023 Billie Jean King Cup Finals, full details across the bids were shared with the Board. The Board discussed the bids at length and agreed to recommend one city to the Steering Committee for final review and due diligence to be conducted.

Davis Cup

The Board received a detailed outline on the approach being taken for delivery of the 2023 Davis Cup competition, the host cities for the Group Stages and the Finals in Malaga. Future editions of the competition will continue to be reviewed and analysed through exploration of format, commercial models as well as future investment and other opportunities.

Hopman Cup

The Board was updated on the three teams selected for the 2023 edition in Nice and plans for the selection of the final three team's announcement coming in the next two weeks.

Player Pathway

The Board received strategy updates for the Beach Tennis World Tour and the World Tennis Masters Tour.

Beach Tennis

The Board received the strategic plan for Beach Tennis, wherein the vision has evolved to be a financially sustainable system for the sport, and to inspire new players to get involved in beach tennis. The mission for beach tennis reflects the goal of an activity that promotes and grows the sport of tennis through embracing all its forms and gives beach tennis athletes the opportunity to showcase their talent to a global audience.

Focus is on two key pillars to drive the sport forward – grassroots and support services to provide an environment which fosters growth in the number of beach tennis players worldwide – and a reimagined Tour and major events providing a clear pathway for athletes and nations.

Work on the first pillar will include enhancing the Beach Tennis Global Development Programme, underpinned by long term commercial support, to galvanise nations interested in developing a sustainable beach tennis programme; providing a comprehensive pathway for aspiring coaches in beach tennis; and integrating officiating within the tennis officials' pathway to provide additional opportunities for those working in this area.

The second pillar will see the team investigate a reimagination of the tour for elite athletes and utilising a World Beach Tennis Number to incentivise players at development level. Board support was sought to explore the viability of a team-based competition, underpinned by private ownership of teams through franchises, at the start of the calendar year.

The attention of the Board was drawn to potential data rights opportunities, noting that betting agencies are beginning to offer odds on ITF beach tennis tournaments.

Masters

The Board reviewed and supported the strategic plan for the World Tennis Masters Tour which outlines the key areas of work for the next 3-to-5-year period. The strategy is an evolution of the existing Strategic Plan which has delivered success against the outlined KPIs, including an increase from 24,360 (2018) to 35,557 (2022) registered players.

The mission continues to be for Masters Tennis to become the leading sport in terms of tournament participation for persons aged 30 and over. This will be achieved through three interconnected areas of work; marketing and communications to increase the attractiveness of the Tour to new players and potential commercial partners; growth strategies to increase the number of players and tournaments on the tour; and a focus on tour services, standards, and innovations to deliver a tour that attracts and retains more players.

Growth potential exists in all regions, although the strategy identifies Asia as a priority region for the upcoming period due to considerable potential to increase tournament numbers and active participants. In addition, growth will be targeted for players in the younger age categories (30, 35, 40, 45) who are currently underrepresented on the Tour based on tennis participation data in nations. The Masters Tour aims to maximise the benefits of the ITF World Tennis Number by exploring further uses of WTN within the acceptance and/or seeding process.

Development Strategy Update including ITF Academy and WTN

The Board received an update on the Development Strategy. The current strategy is a continuation of the previous four-year strategy which describes the ITF's vision and mission to increase participation and develop talented players. The strategic pillars and strategic principles were revisited which guide the day-to-day work of the team and stakeholders.

The budget was outlined - total investment in Development since 1986 is just under \$158 million with \$97.8m coming from the ITF and \$60m from the Grand Slam Player Development Programme (GSPDP). By the end of 2023, the total spending is expected to surpass \$170m, with 2023's development budget set at \$12.8m.

A summary of the work of the Grand Slam Player Development Programme (GSPDP) was given. From 2023, the GSPDP is providing more direct support to players and also supporting five 14&U regional championships. The Professional Tournament Grants and other financial support will be taken into the ITF Tour & Pathway department within the ITF WTT balanced calendar budget. In 2023 \$1,212,500 of support is being provided to 51 players, from 30 nations globally including the re-introduction of \$50,000 grants to eligible players.

The work of the ITF Academy and educational platform was highlighted with more than 90 nations using the 200 courses available in 11 languages as their tool to deliver education and more than 260,000 users from more than 212 countries are benefitting from it.

A progress report was given on the ITF WTN. Project progress has been constant throughout the past 18 months and the ITF tournament management system has been rolled with an encouraging uptake. 2023 KPIs were outlined for the Board with an anticipated 6 million player records and 30 million match records expected by the end of the year.

Digital transformation

The Board received an update on the ITF digital strategy. Objectives include new Direct to Consumer (D2C) business models; data management and analytics capability; new digital and data services for NAs and RAs and a general modernisation of Baseline. The key digital programmes of work include the ITF World Tennis Number, the customer data platform, Baseline modernisation and Esports.

A comprehensive breakdown of the intricacies of the strategic plan were laid out for the Board including timelines for 2024 onwards including next steps that will be required to continue to support D2C growth.

The Board supported the direction being taken in the ITF Digital Transformation and the need to continue to promote and raise awareness of the direct support and digital tools being made available to NAs through digital transformation workshops.

Esports

The Board received an overview of the strategic objectives and the overarching three-year strategy around esports. Through an extended partnership with Tennis Clash, objectives for 2023 are to launch a new gaming brand, host the first ITF mobile "World Cup of Tennis"; build an event with 500k cumulative players competing in the first season and increase D2C marketable database by 14% while driving revenue back into supporting junior tennis players through revenue share. Objectives for 2024 were set out culminating with participation in the Paris 2024 Olympic activation. Heads of Terms have been signed for ITF to be part of the 2023 Olympic Esports series with the ITF World Tennis eChampionships launch event acting as an Olympic qualifier. Live Olympic Esports in person finals will be held in Singapore in June.

Sustainability

An overview of internal and external activity around sustainability and future plans was presented to the Board. The primary sources of environmental damage in tennis are carbon emissions from travel, the use and disposal of rubber and the use and disposal of carbon fibre. A project around equipment sustainability was outlined, which aims to make tennis equipment sustainable, promote sustainable equipment and promote the sustainable use of equipment. ITF intends to repeat its assessment of operational carbon emissions and will, as part of an organisational strategy, develop sustainability recommendations for events, following which commercial opportunities will be explored. The Board gave their approval on the proposed direction of travel.

The next in person meeting of the Board of Directors will be in Paris in June 2023.