

# F.C. INTERNAZIONALE MILANO GROUP

## EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

*The consolidated financial statements has been translated into English from the original version in Italian. It have been prepared in accordance with the accounting principles established by the Italian law related to consolidated financial statements, which may be not conform with generally accepted accounting principles in other countries*

## Management Report on operations July 1, 2020 - June 30, 2021

The Parent company F.C. Internazionale Milano S.p.A (hereafter "F.C. Inter" or "the Parent Company") is a share capital company, incorporated and domiciled in Italy, having its registered office in Milan, Viale della Liberazione 16/18, whose Leading Shareholder, since June 28, 2016, is the company Great Horizon S.à.r.l (hereafter "Leading Shareholder") controlled by Suning Holdings Group Co., Ltd. ("Suning Group"), a Chinese multinational company operating in the retail market of consumer electronic.

As of June 28, 2016, the Parent company corporate structure was shown as follows:

- Great Horizon S.à.r.l 68.55% (company entirely controlled by Suning Holdings Group Co., Ltd);
- International Sport Capital S.p.A 31,05%;
- Other minority shareholders 0.4%.

In the context of the financing operation which concerned the Leading Shareholder during this fiscal year, Grand Tower S.à.r.l. was set up and, following the transfer of the shares previously held by Great Horizon S.à.r.l., on May 15, 2021, it became the new direct parent company of the Milan International F.C. Group.

The entry of the Suning Group, which took place in June 2016, has continuously made financial resources available to the Parent Company and to the F.C. Internazionale Milano Group for its relaunch at national and international level. With reference to the present fiscal year, the aforementioned new parent company Grand Tower S.à.r.l. - in the context of a financing operation of the Leading Shareholder aimed at finding financial resources available outside the Chinese territory - proceeded to disburse new shareholders' loan for Euro 75 million (specifically, Euro 50 million on May 20, 2021 and Euro 25 million on June 28, 2021), bearing interest at a fixed annual rate of 8%.

It is also noted that on 15 March 2021 the financing quota of Euro 52.7 million (of which Euro 46.2 million capital and Euro 6.5 million interest) in Grand Flagship Limited, a company controlled by the parent company, It was sold by the latter to Great Horizon S.à.r.l..

During the fiscal year, a total amount of Euro 132.1 million was converted into the "Reserve for future capital increases", of which (i) Euro 30 million on December 31, 2020, (ii) Euro 25 million on January 31, 2021, (iii) Euro 30.2 million on March 15, 2021, (iv) Euro 23 million on April 30, 2021, (v) Euro 8.9 million on May 27, 2021 and (vi) Euro 15 million on May 31, 2021.

Total net interest income accrued for the year amounted to Euro 4.1 million. As of June 30, 2021, the Group debt to Great Horizon S.à.r.l. for shareholders' loan amounted to Euro 16,1 million (entirely related to interest), while the Group debt to Grand Tower S.à.r.l. for shareholder loan was equal to Euro 60.3 million (of which Euro 60 million principal and Euro 0.3 million interest).

The mission of Suning Group has always been to affirm the Group F.C. Internazionale Milano as one of the most important football clubs in the world, reaching important sporting results, achieving important sporting results, increasing its global commercial presence and implementing and maintaining strict financial discipline.

For further considerations on the assessment of the going concern assumption, reference should be made to the section below entitled "Going concern".

On December 21, 2017, after the change from a limited liability company into a joint stock company, the Company issued and placed a senior institutional secured bond for an amount of Euro 300 million, with maturity date on December 31, 2022 and fixed rate at 4.875% (hereinafter also Bond Loan). At the same time F.C. Internazionale Milano S.p.A. has signed a revolving credit facility for a maximum amount of Euro 50 million, entirely used on June 30, 2021; this operation led to fully repay the outstanding debt related to the loan to Goldman Sachs International and Unicredit for Euro 202

million and to support the ordinary activities of the F.C. Internazionale Milano Group. The Bond Loan guarantees cash flows deriving from sponsorship agreements and media contracts signed by the Company as well as flows deriving from the proceeds of the UEFA rights and the television rights of the Serie A and Tim Cup, similarly to the provisions of the previous loan contract. As part of the Bond Loan, the Parent Company and the associated Company Inter Brand pledged to the bondholders the shares relating to the share capital held in the Company. The Bond Loan also provides for compliance with two financial parameters (covenants).

On July 31, 2020, in order to finance the ordinary activities of F.C. Inter and mitigate the impact of the effects of the COVID-19 pandemic, as better described above, the Company issued and placed with institutional investors an additional tranche of senior secured bonds for a total amount of Euro 75 million, maturing on December 31, 2022 and with a fixed rate of 4.875% at an issue price of 93%, with the same characteristics and guarantees as the above mentioned Bond.

Further details on the transaction are described in the Explanatory Notes.

It should be noted that the Parent Company, together with A.C. Milan S.p.A., presented on July 10, 2019 to the Milan City Council the "Proposal of Technical and Economic Feasibility for the enhancement of the San Siro area" which includes the construction of the Milan Stadium and the related multifunctional district, according to the so-called "Legge Stadi" (Law 147/2013).

The ambitious project aims to build, in the San Siro area, an urban district, modern, sustainable and accessible, which revolves around an innovative sports facility of the highest international standards.

In particular, the project involves the construction of a new stadium to replace the existing San Siro, which would be partially demolished and replaced by a sports and leisure district, with green areas, parks, new commercial and office buildings, new road networks and related infrastructure. On September 26, 2019, Inter and A.C. Milan presented two potential projects for the new stadium next to the original stadium, provisionally called New Stadium for Milan, designed by Populous and Manica/Sportium respectively. On October 28, 2019, the City of Milan recognized and declared the project of public interest with the City Council Resolution n. 1905 of November 8, 2019, while making the approval of the project subject to certain changes and conditions. On May 7, 2020 Inter and A.C. Milan presented the two revised projects (respectively by Populous and Manica/Sportium), the result of a constant and fruitful dialogue with the administration, carried out in accordance with the conditions indicated, in November 2019, by the Council and the City Council. The two projects are currently being examined by the City of Milan.

Finally, on November 6, 2020, the project for the San Siro Sport and Entertainment District, revised in accordance with the City Council resolution of November 2019, was submitted to the City of Milan.

At present, we are waiting for the outcome of the administrative elections of the Municipality of Milan, which will lead to the formation of a new Municipal Council that will be able to express itself confirming the declaration of public interest. As of today, however, there are no commitments made by the Group with regard to this project.

In addition, it should be noted that, with reference to the participation of the Parent Company in the project for a new pan-European football competition known as the "Super League", it should be noted that it was terminated due to the failure to meet the necessary conditions. In fact, participation in the project was subject to obtaining the consent of the lenders of F.C. Internazionale Milano S.p.A. under the revolving credit facility. Such consent was denied. In addition, on 4 and 6 May 2021, F.C. Internazionale Milano S.p.A. reached an agreement (confirmed by UEFA on 7 May 2021) with UEFA under which: in exchange for (i) the waiver of any constitution of or participation in a pan-European football competition project (ii) the payment of a total sum of Euro 15 million (by 9 clubs, and as to F.C. Internazionale Milano S.p.A. in proportion to its turnover in the 19/20 season) (iii) the waiver of 5% of revenues from UEFA competitions for the first qualifying season, but effective no earlier than the 23/24 season (iv) the acceptance of sanctions ranging from Euro 50 to 100 million in the event of violation of the commitments undertaken (v) participation in the UEFA reform project, UEFA waived the right to take further sanctioning action against F.C. Internazionale Milano S.p.A.

Finally, it should be noted that, as a significant event during the year, the F.C. Internazionale Group, through the company Inter Media, availed itself of the option pursuant to art. 110 of Legislative Decree no. 104/2020, converted into Law no. 126 of 13/10/2020 and, with the support of an independent expert, took advantage of the information provided by the expert. Internazionale Group, through the company Inter Media, availed itself of the option pursuant to art. 110 of Legislative Decree no. 104/2020, converted into Law no. 126 of October 13, 2020 and, with the support of an independent expert, proceeded to revalue the "Inter" brand and the historical bookshop, recorded among intangible assets.

In order to determine the higher value connected with the "Inter" brand and the Library, the "Multi-Period Excess Earnings" ("MPEEM") criterion was used, via which fair value is obtained by discounting back the excess earnings expected for the years of the asset's residual life (multi-period) and the discounted cash flow method, respectively, on the basis of an appraisal prepared by independent experts.

The revaluation thus led to an increase in the total historical cost of intangible assets in the consolidated financial statements of the F.C. Internazionale Group of Euro 212,141 thousand, of which Euro 163,407 thousand refers to the "Inter" brand and Euro 48,733 thousand refers to the "Libreria Storica". It is hereby certified that the value obtained following the revaluation does not exceed the recoverable value likely to be attributable to the same assets.

The revaluation was carried out by intervening only on the historical cost, resulting in an extension of the amortization period for the "Inter" brand for a further 20 years, which is in any case considered consistent with the effective residual useful life of the revalued asset, whilst for the "Libreria Storica" the amortization is calculated on a straight-line basis for 20 years from the date of the revaluation during the year, within the time limits of the legal protection of the revalued asset

and in line with the valuation made during the appraisal. The revaluation did not give rise to any increased depreciation in the previous year.

In view of the above, as a balancing entry for the increase in the value of the "Inter" brand and the "Libreria Storica", a specific reserve was posted to the Group's shareholders' equity called "Revaluation reserve DL 104/2020" amounting to Euro 203,867 thousand, net of the related deferred taxes (only for the portion attributable to IRAP), calculated by applying the tax rate in force at the date of the presumed disposal, amounting to Euro 8,273 thousand.

For further information, reference should be made to the section "Revaluation Law 126/2020" in the Explanatory Notes.

### Activity of the Team

Due to the Covid-19 pandemic, and the high number of infections in Italy, the Government and the Authorities have taken drastic safeguard measures including the limitation of aggregation events, including the Serie A and Tim Cup matches, competitions in which F.C. Inter takes part. These measures resulted in the 2019/2020 football season in the suspension of the Serie A Championship until the date of June 20, 2020; the season then ended at the beginning of August 2020 with the achievement of the second place in the Serie A and the qualification for the Group Stage of the 2020/2021 UEFA Champions League. In addition, in August 2020 the First Team was eliminated in the final by Sevilla.

The 2020/2021 football season thus began in September 2020 and ended in May 2021 with the First Team winning the Serie A Championship. In the other official event played in the first part of the 2020/2021 season, the UEFA Champions League, the first team won fourth place in the Group Stage, being eliminated from the competition. Finally, in February 2021 the first team was eliminated in the Italian Cup semifinal by Juventus.

### 2020/2021 Transfer Campaign

During the summer transfer window for the 2020/2021 football season, investments were made in player registration rights for a total amount of Euro 99.1 million, with disposals of rights amounting to Euro 24.7 million (Euro 73.4 million historical cost), generating net gains on disposal for Euro 0.2 million.

The summer transfer campaign in 2020 was mainly characterised by:

- The definitive acquisition of the football registration rights of the players Alexis Sánchez from Manchester United, Aleksandar Kolarov from Roma, Arturo Vidal from Barcelona, Andrea Pinamonti from Genoa and Matteo Darmian from Parma;
- Option for the definitive acquisition of the player registration rights exercised for of the football players Stefano Sensi from Sassuolo;
- Acquisition of the football registration rights of the player Darian Males from Lucerna, and the free temporary transfer with option to purchase of the football registration rights of the same player to Genoa until the end of the season 2020/2021;
- Transfer of the football registration rights of the player Diego Godin to Cagliari, Samuele Longo to Vicenza, Antonio Candreva to Sampdoria and Matteo Politano to Napoli;
- The temporary transfer of the football registration rights of the player Valentino Lazaro to Borussia Moenchengladbach for the 2020/2021 season;
- The temporary transfer of the football registration rights of the player Naval Da Costa Eduardo Joao Mario to Sporting Lisbona;
- The temporary transfer of the football registration rights of the player Xian Emmers to Almere City with a purchase option to be finalized within May 31, 2021;
- The temporary transfer of the football registration rights of the player Federico Dimarco to Hellas Verona with a purchase option to be finalized within the end of the 2020/2021 season;
- Temporary assignment of the professional services of footballer Dalbert Chagas Estevao to Rennes; the agreement valid for the 2020/2021 season provides for Rennes the right to buy the footballer for the final period to be exercised by 30 May 2021.

Finally, in August 2020 the Parent Company renewed the economic contract to Samir Handanovic till June 30, 2022 and to Sebastiano Esposito till June 30, 2025.

In October 2020 the Parent Company terminated the contract of the players Kwadwo Asamoah and Andrea Romanò, expiring on June 30, 2021.

The winter transfer market made in January 2021 has been characterized mainly by:

- The temporary transfer of the football registration rights of the player Radja Nainggolan to Cagliari.

The summer transfer campaign of June 2021, which preceded the main one that ended in August and is commented on in the following paragraph "Business outlook", was mainly characterized by:

- The free transfer of the players Hakan Çalhanoğlu e Alex Cordaz;
- Transfer of the football registration rights of the player Rigoberto Manuel Rivas Vindel to Reggina;
- The temporary transfer of the football registration rights of the player Lorenzo Gavioli to Reggina; the agreement, valid for the 2021/2022 football season, envisages the obligation to outright purchase if three alternative conditions are met.

In addition, in May 2021 an agreement was reached for the consensual termination of the contract with Mr. Antonio Conte; consequently Mr. Simone Inzaghi was appointed as new First Team manager, signing a contract until June 30, 2023.

Finally, in May and June 2021 the Company renewed the economic contract to Andrea Ranocchia and Danilo D'ambrosio till June 30, 2022, and to Alessandro Bastoni till June 30, 2024.

It should be noted that in some cases the fees established for the purchase and sale, including those related to contracts of the aforementioned obligation conditions can be subject to adjustments upon the occurrence of certain future events.

#### **Youth Programme Activities**

Due to the Covid-19 virus, and the high number of infections in Italy, the Government and the Authorities have determined the suspension of all youth sector Championships from the end of October 2020 to the end of January 2021 and in particular the definitive suspension of the Under 16 and Under 15 championships; despite this, the youth sector recorded its usual excellent and satisfying sports results, with the Primavera team and the Under 18 team reaching the final stages of their respective championships.

All the technical staff employed by the club have once again confirmed they are among the best in the country, contributing their profuse commitment and professionalism to the constant development of the entire youth programme.

#### **Financial Fair Play**

The Parent Company, as all the other clubs qualified to European competitions, has to respect the Financial Fair Play rules, the monitoring rules and criteria introduced by UEFA. The main financial criteria are based on the going concern assumption, on the achievement of a balanced budget and on the absence of overdue debits to other clubs, registered players and social or tax authorities.

Due to the Covid-19 virus, during this emergency phase the U.E.F.A. Executive Committee approved the following amendments to the U.E.F.A. Club Licensing and Financial Fair Play Regulations, which will come into force as of the fiscal years closed during 2020:

- the evaluation of the 2020 financial year has been postponed by one season and will be evaluated together with the 2021 fiscal year as a single period;
- the monitoring period 2020/2021 has been shortened and covers only two reporting periods, i.e. only the fiscal years ending in 2018 and 2019;
- the monitoring period for 2021/2022 has been extended and covers four reporting periods, i.e. exercises ending in 2018, 2019, 2020 and 2021;
- the negative impact of the pandemic will be mitigated by averaging the combined deficit of the years 2020 and 2021 allowing for other specific adjustments.

In view of the significant discussions underway at institutional level regarding the reform of the current regulations (briefly described above), the Company is not yet in a position to formulate expectations at this stage regarding the assessment that will be made by UEFA over the coming months on the Club's position as of June 30, 2021.

#### **Other assets**

##### *Season ticket campaign, website and thematic channel*

Due to the Covid-19 virus, the Authorities have planned to play this season's matches behind closed doors; therefore, the season ticket campaign for the 2020/2021 football season has not taken place.

The website shows once again the devotion of our fans to the club's colours making it one of the most visited club website in Italy, and among the top ten in Europe.

##### *Shareholders' meeting*

The Parent Company ordinary Shareholders' meeting, held on November 27, 2020, approved the Financial Statements for the year ended June 30, 2020, which showed a loss of 73,297 thousand, and to carry forward these losses for equal amount.

### *Going concern*

The present financial statements is prepared according to the principle of going concern in accordance with the considerations set out below and events described below.

In May and June 2021, the Leading Shareholder, using the funds deriving from the finalization of a larger financing operation finalized by the Leading Shareholder in May 2021, granted shareholders' loan of Euro 75 million to the Group F.C. Internazionale (and, in particular, Euro 50 million on May 20, 2021 and Euro 25 million on June 28, 2021), as well as to pay loans to the Company for Euro 7.5 million and to the subsidiary Inter Media & Communications for Euro 14.7 million.

From a sporting point of view, at the end of the 2020/21 season, the First Team won the Series A championship. By providing additional financial resources both with regard to participation in the UEFA Champions League for the 2021/22 sports season and with regard to a more favorable distribution of TV rights over the 2020/21 sports season linked to the best ranking in the standings, as well as prizes and fees variable by sponsors, and the ability to negotiate conditions relating to the same sponsors of greater economic convenience in future renewals or in the signing of new agreements. With reference to the latter aspect, it is recalled that in the months following June 30, 2021, the F.C. Internazionale Group, through its subsidiary Inter Media & Communications S.p.A., has signed (i) an agreement with Socios.com, for the 2021/2022 football season, for a consideration of Euro 16 million as Global Main Jersey Partner and from the 2022/23 season to the 2024/2025 season, for an annual consideration of Euro 1 million, as Global Sponsor Advertising Rights and (ii) a new partnership with Zytara Labs LLC, As the new Official Global Cryptocurrency and Sleeve Partner, running from the 2021/2022 sports season to the 2024/2025 sports season for a total consideration of Euro 85 million.

In July and August 2021, the Group transferred the professional services of the players (i) Achraf Hakimi to Paris Saint Germain for a consideration of Euro 66.5 million (net of the FIFA solidarity contribution due), which has now been fully collected (Directly for Euro 22.5 million and indirectly through sale on a non-recourse basis to factor of Euro 41.1 million), and (ii) Romelu Lukaku to Chelsea for a consideration of Euro 113 million (already net of the FIFA solidarity contribution due). To date, the amount of Euro 22.6 million is partially cashed - according to the payment plan defined with the counterparty - and for which the Directors expect to cash the remaining part within the next 12 months by means of sale on a non-recourse basis to factor. These divestitures have enabled and will enable the Company to forfeit significant financial resources in the foreseeable future to meet its obligations.

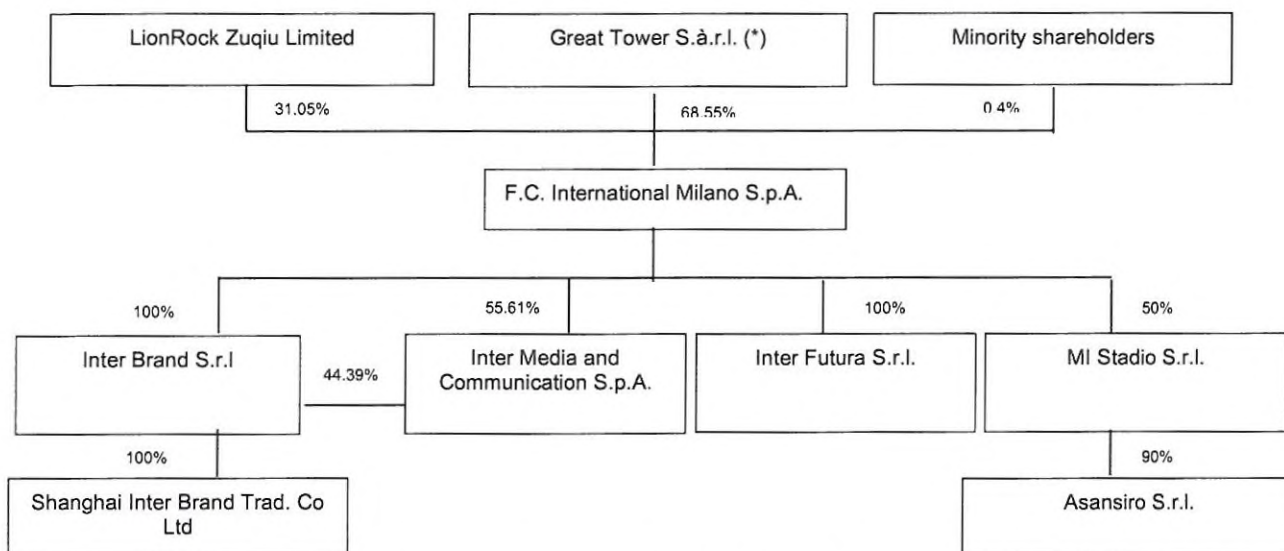
In the Equity point of view, it should be noted that the conversions of shareholders' loan implemented by the Leading Shareholder, together with the revaluation of the value of equity investments recorded in the Parent Company financial statements, enable the Parent Company's Equity, on which the minimum capitalization limits provided for by article 2447 of the Italian Civil Code are calculated - despite the loss for the period and the estimate of further losses in the first quarter of 2021/2022 - to remain positive, both as of June 30, 2021 and as of the date of approval of these Financial Statements, thus complying with the capitalization parameters set forth by the Italian Civil Code pursuant to articles 2446 and 2447.

Despite the significant loss for the year and cash absorption, the events described above and in particular i) the shareholders' loans received in May and June 2021 from the Leading Shareholder for Euro 75 million and further payments to settle some credit items claimed by both the Parent Company and the subsidiary Inter Media & Communications ii) the economic benefits deriving from victory in the championship for the 2020/21 football season iii) the disposal of the registration rights of important players, enable the Group and the Directors to have significant financial resources which - on the basis of the cash flow projections for the next twelve months, which still show significant absorption of liquidity against an expected loss situation for the 2021/2022 season - make it possible to prepare these financial statements on a going concern basis.

Moreover, the Leading Shareholder confirmed its commitment to support the Group F.C. Internazionale and the Parent Company from a financial and equity point of view for the foreseeable future of twelve months from the approval of these financial statements, which makes it possible to consider mitigated in any case the risk that, in the face of unforeseeable events, the financial resources deemed adequate on the basis of the above considerations, may prove insufficient.

### The Group Structure

The structure of the F.C. Internazionale Milano Group as of June 30, 2021 is as follows:



(\*) From May 20, 2021 Grand Tower S.à.r.l. holds the shares following the transfer of the shares previously held by Great Horizon S.à.r.l., following the transfer to it of the shares previously held by Great Horizon S.à.r.l..

The company Inter Brand China Co., Ltd. in liquidation, an indirect subsidiary of the Parent Company through Inter Brand S.r.l., was not included in the corporate organisation chart set forth above because it no longer represents a long-lasting investment for the Group. The above company, together with Shanghai Inter Brand Trad. Co Ltd. (that will be liquidate in the next year) has not been considered, since it currently does not have globally significant values in accordance with Article 28 of Legislative Decree 127/91.

### Analysis of the economic results of fiscal year ended June 30, 2021

The consolidated financial statements end with a loss of Euro 245,579 thousand, with revenues for Euro 367,419 thousand and costs for the fiscal year for Euro 606,978 thousand, as well as taxes for Euro 6,105 thousand.

Before moving on to an analysis of the individual revenue and cost items, it is reiterated for the sake of clarity that, following the government decisions in response to the spread of the Covid-19 pandemic, which led first to the suspension and then the resumption of competitive activities, with the extension of the 2019/2020 football season until August 31, 2020, the revenues related to matches, television and advertising rights and sponsorships, as well as the costs for wages and salaries of FIGC registered personnel, are not comparable with those of the same comparative year as they are not homogeneous.

Specifically, revenues relating to TV revenues 2019/2020 have been deferred to July and August 2020, in line with the postponement of the related matches, match revenues have been reduced to zero in the 2020/21 financial year following the playing of matches behind closed doors or with access limited to 1. 000 spectators, while revenues from sponsorships, initially suspended in the lockdown period (March-May 2020), were then recalculated pro-rata temporis from the resumption of operations until the natural end of the previous football season, on August 31, 2020.

On the other hand, the cost of the FIGC registered personnel of the First Team was recorded in full until the month of February 2020 and the residual cost for the 2019/20 season was repartitioned on the new residual duration of the 2019/2020 football season, extended to August 31, 2020; consequently, for the 2020/2021 season, the cost of the FIGC registered personnel of the First Team was accrued on a pro-rata temporis basis as of September 1, 2020 in ten monthly installments.

The following is the breakdown of revenues, compared with that of the previous fiscal year:

Euro thousand	12 months as of June 30, 2021		12 months as of June 30, 2020	
	Amount	%	Amount	%
<b>Categories</b>				
Revenues from home matches	-	0,00%	27.574	7,41%
Season Tickets	-	0,00%	16.803	4,51%
Other revenues	74.458	20,42%	74.488	20,00%
Capitalization of youth programme costs	8.850	2,43%	8.635	2,32%
Grants and contributions	8.524	2,34%	4.653	1,25%
Sponsorships	41.605	11,41%	22.154	5,95%
Advertising	7	0,00%	2.711	0,73%
Commercial income and royalties	4.210	1,15%	2.537	0,68%
Television revenues	125.413	34,39%	69.755	18,73%
Television income from UEFA competition	64.324	17,64%	45.603	12,25%
Revenue from temporary loans of players	5.061	1,39%	5.515	1,48%
Gains on sale of player registration	2.288	0,63%	61.546	16,53%
Other income from player management	1.006	0,28%	3.926	1,05%
Sundry revenues and income	28.966	7,94%	26.470	7,11%
<b>Total</b>	<b>364.712</b>	<b>100%</b>	<b>372.370</b>	<b>100%</b>

Specifically:

- Ticket sales and season ticket sales show a zero compared to the figure for the last fiscal year due to the dispute of the home games of this season behind closed doors or with limited access to 1,000 spectators following government decisions in response to the spread of the Covid-19 pandemic;
- The item "Other revenues" mainly includes sponsorship revenues, the substantial stability of which during the year is mainly due to both the signing of new commercial agreements with partners such as, among others, EA Sports, Snaypay, StarCasino, SDY and LD Sports as well as the suspension of the same during the 2019/2020 football season during the lockdown period (March-May 2020) and the subsequent recognition pro-rata temporis from the resumption of competitive activities during June 2020 until 30 June 2020, considering the effective conclusion of the same football season on August 31, 2020, thus deferring part of the revenues related to the 2019/20 season to the 2020/21 fiscal year;
- The capitalized costs for the youth programme are equal to Euro 8,850 thousand and they are better explained in the Explanatory Notes;
- Grants and Contributions of Euro 8,524 thousand relates to contributions paid during the fiscal year by the Lega Serie A with reference to the Coppa Italia prizes, accrued after reaching the semi-finals of the competition, as well as collective revenues excluding audiovisual rights;
- Revenues from "Sponsorships" mainly refer to the income recognized by the "Official Sponsor" Pirelli and the "Technical Sponsor" Nike, including bonuses for qualification to the UEFA Champions League 2020/2021, which took place during July 2020 and the UEFA Champions League 2021/2022, which took place in May 2021, as well as for the sports results achieved in the final phase of the UEFA Europe League 2019/2020, which took place in August 2020 and with the victory in the Serie A 2020/2021 championship, which took place in May 2021;
- Advertising related to promotional activities included in subscriptions, show a zero compared to the figure for the last fiscal year because of the dispute between games of this season behind closed doors or with limited access to 1,000 spectators, following government decisions in response to the spread of the Covid-19 pandemic;
- Commercial income and royalties are equal to Euro 4,210 thousand and they are mainly related to the revenue related to merchandising and licensing activities;
- The line item Income from the sale of television rights amounts to Euro 125,413 thousand and shows an increase compared to the previous fiscal year mainly related to the suspension and extension of the 2019/2020 season until August 2020, which led to the recognition of part of the income from television rights of the 2019/2020 season in the 2020/2021 fiscal year, as well as the best placement achieved by the first team in the 2020/2021 football season. Similarly, the increase in television revenues from UEFA competitions, amounting to Euro 64,258 thousand at June 30, 2021 is related to the First Team's achievement of the UEFA Europa League final, played in August 2020;

- Revenue from temporary loans of players is mainly related to players Dalbert Chagas Estevao and Valentino Lazaro;
- Gains on sale of player registrations related to the disposal of the players Matteo Politano, Lorenzo Gavioli, Rigoberto Manuel Rivas Vindel e Pietro Maria Settimo;
- Other income from player management, in the amount of Euro 1,006 thousand, refers for Euro 457 thousand to solidarity contributions accrued in the transfers of players to international clubs related to players Alex Telles, Cepele, Gnonto, e Kondogbia and for Euro 549 thousand to bonuses other than the transfer campaign for football players matured for players Politano and Odgaard;
- Sundry revenues and income mainly include revenues from Inter Academies for Euro 5,587 thousand, income due to contracts signed with the parent Suning Sports International Limited for the sharing of technical and professional staff (Know-how) for Euro 3,500 thousand and services to associates for Euro 725 thousand. The item also includes extraordinary income and non-existent liabilities of Euro 18,503 thousand, mainly related to (i) the release of IRPEF tax not paid following the application of the tax regime for "impatriated" workers for Euro 10,449 thousand (ii) the 2019/2020 season ending balances of Serie A non-audiovisual rights fees and UEFA Champions League revenues and (iii) the amount of Euro 4,266 thousand, deriving from a sponsorship contract, terminated prematurely during the fiscal year, against which the Directors allocated an allowance for doubtful accounts of Euro 2,000 thousand, in order to adjust the value of the uncollected receivable at June 30, 2021 to its estimated realizable value.

The following is the composition of the production costs of the current fiscal year, compared with those of the previous fiscal year:

Euro thousand	12 months as of June 30, 2021		12 months as of June 30, 2020	
	Amount	%	Amount	%
<b>Categories</b>				
Cost of raw materials, supplies and consumables	2.249	0,40%	3.243	0,73%
Cost of services	51.688	9,09%	65.091	14,66%
Cost of rents and leases	12.597	2,21%	11.938	2,69%
Personnel costs	261.578	45,99%	198.005	44,60%
Amortization, depreciation and write-downs	209.559	36,84%	139.040	31,32%
Provision for risks	8	0,00%	(3)	0,00%
Other provision	20.457	3,60%	15.236	3,43%
Losses from the sale of player registrations	2.042	0,36%	36	0,01%
Other operating expenses	8.604	1,51%	11.338	2,55%
<b>Total</b>	<b>568.782</b>	<b>100%</b>	<b>443.924</b>	<b>100%</b>

Production costs, amounting to Euro 568,782 thousand (Euro 443,924 thousand as at June 30, 2020) recorded an overall increase of Euro 124,858 thousand mainly due to the following effects:

- (i) the increase in "Personnel costs" for Euro 63,573 thousand, mainly due to the increase in the number of FIGC registered personnel. In addition, it should be noted that, as previously reported, the cost of FIGC registered personnel of the First Team was recognised in the last fiscal year in full until the month of February 2020 and the residual cost of the 2019/2020 football season was recalculated on the residual duration of the same football season extended to August 31, 2020; for the 2020/2021 football season, on the other hand, the cost of FIGC registered personnel of the First Team was recognised on a pro-rata temporis basis starting from September 1, 2020 in ten monthly instalments;
- (ii) the increase in "Amortisation, depreciation and write-downs" for Euro 70,519 thousand, mainly related to the higher amortisation of players' registration rights, as well as the write-down of specific credit positions, for which reference should be made to the description in the Explanatory Notes in the paragraph "Bad debt provision";
- (iii) the decrease in "Costs of services" for Euro 13,403 thousand, attributable, in addition to the effect of the restrictions imposed by the spread of the Covid-19 pandemic, also to the absence of the amount of Euro 6 million recorded in the consolidated financial statements as at June 30, 2020 and inherent to the fee paid to Nike for the repurchase by the Parent Company of the rights on retail and licensing activities, as better commented in the Explanatory Notes.



The difference between the value of production and production costs is negative for Euro 204,070 thousand, a worsening of Euro 132,516 thousand compared to the same period of the previous year, mainly due to the results of the combined effects as better described above.

The result for the fiscal year, in addition to being influenced by the operating performance mentioned above, benefited from the worsening in the result of financial management for Euro 7,218 thousand, with net financial charges of Euro 33,431 thousand (Euro 26,213 thousand at June 30, 2020), as better commented in the Explanatory Notes.

Impairment of equity investments (entirely attributable to the 50% interest in M-I Stadio S.r.l.) are recorded for Euro 1,973 thousand (revaluation for Euro 529 thousand at June 30, 2021), contributing to the loss before taxes of Euro 239,474 thousand (Euro 97,237 thousand at June 30, 2020).

Finally, the loss for the fiscal year, amounting to Euro 245,579 thousand (Euro 102,394 thousand at June 30, 2020) was further worsened by the effect of net current, deferred and prepaid taxes amounting to Euro 6,105 thousand.

The cash flow trend is fully reviewed in the Cash Flow Statement, to which reference is made. As noted above, the financial balance and compliance with payment obligations related to the fiscal year and investment activity were guaranteed by the support of the Suning Group who also carried out equity capital operations in the context of loss of the fiscal year carried out as described above.

### Investments

During the fiscal year net investments were made for a total of Euro 111,161 thousand. Investments regarded the following areas:

Euro thousand	
Categories	Amount
Player registration rights	99.083
Capitalised youth programme costs	8.850
Other intangible assets	373
Property, plant and equipment	2.855

Investments in tangible fixed assets mainly relate to the work done for the renewal of the hotel area and of football pitches of the Appiano Sports Centre.

Investments in other intangible assets are mainly related to the work of building renovation for the new headquarter of Viale della Liberazione and of new football pitches and training room inside the Suning Sports Centre in memory of Giacinto Facchetti, training centre of the youth sector.

### Performance of subsidiaries and associated companies

#### Inter Brand S.r.l.

Following the contribution of its activities to Inter Media & Communication S.p.A. (Inter Media), the subsidiary carries out, starting from the financial year ended June 30, 2015, very limited activities mainly related to the collection of residual receivables. During the year, as an exception to the cost criterion, increased by directly attributable charges, and as an exception to the general prohibition of revaluation, Inter Brand S.r.l. availed itself of the option set out in art. 110 of Law Decree 104/2020, converted into Law no. 126 of 13/10/2020, and proceeded to revalue the equity investment held in the subsidiary Inter Media and recorded among financial fixed assets, supported by an independent expert.

The higher value of the equity investment was determined by aligning the value of the shareholders' equity of the investee company as at June 30, 2021, based on the interest held by Inter Brand S.r.l. in the same, with the respective book value. On the basis of the aforementioned expert findings, the Company therefore proceeded to record a higher value of the 44.39% equity investment in Inter Media & Communications S.p.A., amounting to Euro 45,652 thousand, which in turn was revalued with reference to the values recorded by the same for the "Inter" brand and the Library.

It is hereby certified that the value obtained following the revaluation does not exceed the recoverable value likely to be attributable to the same, taking into account the impairment test carried out on Inter Media as at June 30, 2021, which enabled the Directors to conclude positively on the recoverability of the book value of Inter Media and consequently also on the recoverability of the value of the investment in Inter Brand, whose assets are mainly represented by the equity investment in Inter Media.

With regard to the revaluation of the equity investment posted to long-term investments, Inter Brand S.r.l. did not opt to pay the substitute tax, in order to obtain tax recognition of this revaluation. The higher value posted will therefore remain in a latent state until the investment is sold. If this circumstance occurs, the accounting capital gain will have to be adjusted (upwards) when determining taxable income to take account of the lower tax value of the investment.

In consideration of the above, as a contra-entry to the increase in the value of the equity investment, a reserve called "Revaluation reserve - Law Decree 104/2020" (profit reserve) was entered in the shareholders' equity of Inter Brand S.r.l. for a total amount of Euro 45,652 thousand.

This reserve is subject to special statutory restrictions and, since Inter Brand S.r.l. did not opt for tax recognition of the revaluation of the investment, it is a profit reserve, the use of which does not generate charges for Inter Brand S.r.l., if allocated to cover losses.

The financial statements as of June 30, 2021 show a gain, net of tax, of Euro 12,039 thousand.

#### **Inter Media and Communication S.p.A.**

The subsidiary Inter Media and Communications S.p.A. ("Inter Media"), has been created on May 6, 2014 and it is fully operative since June 5, 2014 (date of the contribution in kind).

On December 21, 2017, after the change from a limited company into a joint-stock company, the subsidiary company Inter Media and Communication, issued and placed a senior institutional secured bond for an amount of Euro 300 million, with a maturity date December 31, 2022 and fixed rate at 4.875% and at the same time the Parent Company has signed a revolving credit facility for a maximum amount of Euro 50 million, entirely used at June 30, 2021; the transaction led to i) full repayment of the G.S. loan equal to Euro 202 million at the bond subscription date, ii) creation of new financial resources to be used for the ordinary activities of the Inter Group.

To cope with the impact of recent events relating to the Coronavirus epidemic on the economic and financial results of the F.C. Internazionale Milano Group, on July 31, 2020 Inter Media issued and placed with institutional investors a new tranche of senior secured bonds for an amount of Euro 75 million at an issue price of 93%, with maturity and fixed rate aligned to the previous issue and placement.

Such Bond loan is secured by cash flows deriving from the sponsorship agreements and media contracts signed by the Inter Media and Communication S.p.A. as well as the flows deriving from the UEFA rights and the Serie A and Tim cup television rights. As already mentioned, in the context of the conditions for issuance of the Bond Loan by Inter Media, the Parent Company and the subsidiary Inter Brand pledged the shares relating to the share capital held in Inter Media.

The Company and its subsidiary, on December 21, 2017, during the refinancing operation, signed an amendment to the Naming Rights (the sports centre Appiano Gentile has been renamed "Centro Sportivo Suning in memory of Angelo Moratti") with which the grants from the Naming Rights contract have been redefined and specifically assigned to F.C. Inter for 47% and to the subsidiary Inter Media for 53%.

The financial statements of the subsidiary as of June 30, 2021 closed with a profit of Euro 16,053 thousand, after having recorded a negative value for taxes of Euro 9,135 thousand, after depreciation, amortisation and write-downs of Euro 58,595 thousand, other provision for Euro 3,091 thousand and net financial charges of Euro 11,123 thousand.

During the year, as an exception to the cost criterion, increased by directly attributable expenses, and as an exception to the general prohibition of revaluation, Inter Media availed itself of the option pursuant to art. 110 of Legislative Decree 104/2020, converted into Law no. 126 of 13/10/2020, and proceeded to revalue certain of its assets, such as the "F.C. Inter" brand and the "Library", recorded among intangible assets, with the support of an independent expert.

Inter Media, on the basis of the aforementioned expert's findings, has therefore proceeded to record a higher value of intangible assets of Euro 114,673 thousand, of which Euro 89,649 thousand is attributable to the "F.C. Inter" brand and Euro 25,024 thousand to the "Library". It is hereby certified that the value obtained as a result of the revaluation does not exceed the recoverable value likely to be attributable to the same assets, taking into account the impairment test carried out on Inter Media as at June 30, 2021, which enabled the Directors to conclude positively that the book value of Inter Media is recoverable.

With regard to the revaluation of intangible assets, Inter Media did not opt to pay the substitute tax for IRES and IRAP purposes aimed at obtaining tax recognition of this revaluation. The higher value recorded will, therefore, remain dormant until the investment is sold. Should this occur, the accounting gain will have to be adjusted (upwards) when determining taxable income to take account of the lower tax value of the investment. At the same time, Inter Media has recorded deferred taxes, both IRES and IRAP, amounting to Euro 31,994 thousand.

Finally, in consideration of the above, as a balancing entry to the increase in the value of the assets, and net of the deferred taxes, both IRES and IRAP recorded, a reserve called "Revaluation reserve art. 110 DL 104/2020", amounting to a total of Euro 82,679 thousand, was posted to Inter Media's shareholders' equity.

#### **Inter Futura S.r.l.**

Inter Futura operates in the service sector and provides the organisation behind social, cultural and recreational purposes; the core business of the subsidiary, i.e. the organisation of Inter Campus in support of children in need around the world, is conducted in 30 different countries through an ongoing process to train approximately 200 local operators who support local activities and bring to bear their professionalism and support to about 10,000 children aged between 6 and 13.

The activities carried out in the fiscal year featured visits to Tunisia, Brazil, Bulgaria, Cambodia, Uganda, Cuba, Argentina, Israel and Palestine, Poland, Bolivia, Bosnia, Cameroon, Congo, Mexico City, Russia, Hungary, Colombia, Morocco, Chiapas, Romania and the United States, with the shipment of about ten thousand first team kits to the various Inter Campuses worldwide. Among the countries that have already expressed interest in the activities carried out we would like to highlight Indonesia, India, Mongolia and Kenya.

Recognition and endorsement by the European Union of the activities carried out by Inter Futura came with participation in a series of meetings held in Cuba aimed at creating a connection between Europe and countries of the Americas so that Inter Campus in future can take part in European tenders dealing with youth sport and wellbeing issues.

Finally, the important partnership with the UNOSDP (United Nations Office on Sport for Development and Peace) has continued. From the point of view of communications, the new website linked to Inter.it, with its rich video content filmed during each trip, continued to enjoy success, as did the Instagram profile.

The financial statements as of June 30, 2021 show a profit, net of tax, of Euro 63 thousand.

#### **M-I Stadio S.r.l.**

The activities of the subsidiary during the fiscal year concerned, as usual, the ordinary and extraordinary management of the Meazza Stadium as well as, regarding sporting events and not, the ordinary and extraordinary maintenance.

The revenues of Euro 11,292 thousand at June 30, 2021 show a decrease compared to the previous year due to the closure of commercial activities following the health emergency for Covid-19 and relate to sponsorships, stadium rental for events and income from the museum and the tour.

Costs for Euro 15,211 thousand at June 30, 2021 show a decrease compared with the amount of the previous fiscal year, for the same reason described above regarding the Covid-19 pandemic. The financial statements show a negative result of Euro 3,945 thousand (positive result of Euro 1,059 thousand at June 30, 2020).

During the fiscal year, the Group carried out an impairment of Euro 1,973 thousand, bringing the value of the investment to Euro 1,327 thousand, aligned with the Shareholders' Equity of the associated company. During the fiscal year, the Group also waived a receivable from the associated company, amounting to Euro 884.5 thousand.

The associated company at June 30, 2021 prepares its financial statements on a going concern basis also taking into account the financial support that the shareholders have undertaken to guarantee. In this regard, it should be noted that the shareholders of M-I Stadio, F.C. Inter and A.C. Milan signed a new agreement with effect from July 1, 2019 and expiring on June 30, 2023 concerning the management of the Stadium; and (ii) the waiver of a claim of Euro 1,769 thousand (Euro 884.5 thousand part of F.C. Internazionale), made on June 29, 2021 with a view to strengthening the net worth of the associated company.

#### **Research and development**

There is nothing to note other than ordinary activities carried out to develop the Youth Sector.

#### **Principal risks and uncertainties**

The following is a summary description of the principal risks and uncertainties to which the Group is exposed.

##### ***Risks related to general economy conditions mainly in view of the Covid-19 pandemic***

The year 2020 was characterized by the worldwide spread of the Covid-19 pandemic. Starting from the month of February, the cases of contagion in Italy have reached such a level as to force the Government and the Authorities to take drastic safeguard measures including the limitation of aggregation events, including sports events. These measures have led to the suspension of Serie A and Italian Cup matches and the obligation to play home matches in European competitions (in the case of F.C. Inter, the Europa League matches) behind closed doors.

Despite the measures adopted by the Company to mitigate the consequences, this emergency situation, which is extraordinary in nature and extent, has had and is having significant repercussions on the economic activities of the Company, the Group and the whole industry, giving rise to a context of general uncertainty, the evolution and related effects of which are not currently foreseeable. In particular, negative developments in the Covid-19 pandemic could once again lead to the interruption of sporting competitions and/or their cancellation, which would have a negative impact mainly on revenues from television rights, sponsorships and, in general, all the Group's commercial activities, and on the possibility of generating capital gains from the sale of players' registration rights, the market value of which could be affected by lower investments in the sector due to the consequences of the pandemic, thus generating losses and, consequently, fluctuate financial requirements.

##### ***Risks related to the sponsorship market and commercial agreements***

The current situation of weakness and economic uncertainty also due to the spread of the Covid-19 pandemic may affect the sports sponsorship market, reducing the time horizon of promotional-advertising investments.

In addition, the Group may not be able to guarantee sponsorship contracts that are equally or more profitable due to potential reductions made by sponsors to their respective promotional-advertising budgets given the corresponding uncertainties in their respective sectors due to the Covid-19 pandemic.

For example, the Group has received requests to renegotiate the terms of certain sponsorship agreements and as a result the Group may be exposed to a reduction in sponsorship revenues in connection with a renegotiation of fees or as a result of recessions or other termination rights exercised by sponsors due to temporary inability to fulfill obligations under current sponsorship agreements, particularly in the event of cancellation of the 2020/2021 season or subsequent seasons in the event that Covid-19 contagions begin to recur after last summer's containment. This scenario determines possible impacts on the Inter Group's economic, equity and financial situation.

##### ***Risks related to the sector of activity***

The Group uses as a primary production factor to carry out its characteristic activity players registration rights – an activity subject to risks of injuries that might impact the Group's economic and financial activity at any time. Further, considering

the particular activities of the Group, the management trend is exposed to risks relating to sports competitions, above all in terms of the sports results of the First Team.

#### **Reputational risks**

The Parent Company is exposed to reputational risks related to violations of the Code of Sports Justice by its registered personnel, former personnel and employees which, as provided by the Federal System, can lead to the referral of the Parent Company based on its objective liability, with the risk of the issue of the relative sanctions.

The decisive emphasis on the ethical characteristics of sports activity that characterizes all of the Parent Company's behaviour and the control measures created in order to mitigate the crimes set forth in Law 231/2001, as well as the approval and adoption of the Code of Ethics and Anti-Fraud Code, are the Parent Company's response to such type of threat in view of mitigating the risks deriving from third party behaviour.

#### **Financial risks**

The following are the main risks related to the ordinary performance of the Parent Company's activity:

##### *Credit risk*

Unsecured receivables are carefully monitored and any collection risks are recorded in a specific allowance for doubtful accounts. This risk is partially mitigated by the fact that most of the receivables are concentrated with highly prestigious counterparties who therefore have good financial standing and consequent ability to pay their debts. However, it should be noted that the collection of certain credit positions (especially those due from Chinese companies), following government restrictions (especially those due from Chinese companies) and due to the continuation of the COVID-19 pandemic, could be subject to delays, without however impacting on the company's ability to continue as a going concern given the Suning Group's commitment to guarantee its support.

In this regard, it should be noted that, in September 2021, the Chinese companies iMedia and Beijing Yixinshijie Culture Development Co., Ltd, notified the company Inter Media that, as a result of the negative impacts resulting from the spread of the Covid-19 pandemic, they have such expectations that do not allow them to pay all or part of their debts due to Inter Media. At the same time, the Directors of Inter Media set aside a provision for bad debts of Euro 39,337 thousand at June 30, 2021, in order to adjust the aforementioned credit positions to their presumed realizable value.

Receivables from Italian football clubs are secured through the clearing house mechanism of the Serie A National League of Professionals.

##### *Risks related to the need for financial means and the minimal level of capitalisation*

The Group expects to meet the needs arising from the debt exposure, through the flows generated by operations, the available liquidity, also taking into account the commitment of the Suning Group to financially support the Group, in fact guaranteeing financial flows and resources that allow it to have liquidity to meet the financial commitments already in place and also to support future investment operations as well as to maintain a level of capitalization for the Parent Company consistent with the provisions of art. 2446 and 2447 of the Italian Civil Code, supplemented by article 1, paragraph 266, of Law no. 178 of December 30, 2020 (effective from January 1, 2021), which amended the temporary regime previously in force and - in response to new developments in the Covid-19 pandemic - further suspended the application of the obligation to take action following the reduction of share capital for losses (articles 2446 and 2447 of the Italian Civil Code) upon the occurrence of certain conditions provided for by law.

Finally, it should be noted that with reference to the Bond, the Bond provides for compliance with certain financial parameters as described in greater detail in the Explanatory Notes. Failure to comply with these parameters could result in the Group being unable to benefit from the term with the consequent need to raise significant funds to repay the remaining amount of the bond. Reference should be made to the Explanatory Notes for information regarding compliance with these parameters. The raising of such additional financial resources with respect to those independently generated, should it be necessary due to trends in liquidity that differ from those forecast by the aforesaid projections and necessary for the fulfillment of the payment obligations, are in any case guaranteed by the support of the Suning Group.

The Group's Management carries out periodic reviews of operations in order to ascertain whether any estimates and assumptions made regarding assets and liabilities are confirmed in current values, and in the event of changes, these are immediately reflected in the Income Statement. For further details, reference should be made to the section "Going concern" in this Report on Operations and the Notes to the Financial Statements, which discuss the considerations and valuations made following the outbreak of the health emergency linked to the spread of Covid-19.

##### *Risks related to fluctuations of interest rates*

The Group holds debt financial positions generating interest to the Suning Group for a total of Euro 76,337 thousand (of which Euro 60,000 thousand is the share capital) net of the waivers concerning the shareholders' loan, as best explained in the "Going Concern" paragraph and in the Explanatory Notes, with interest at a fixed rate of 8% and debt financial position which comes from the Bond Loan for an amount of Euro 344,950 thousand, with interest fixed rate equal to 4.875% and for Euro 50,241 thousand to banks related to the subscription of the revolving credit facility with interest at a fixed rate of 5%.

For this reason, all the risks connected to the volatility of the interest rate are negligible.

#### **Business outlook**

The 2021/2022 financial year began without a season ticket campaign, as the restrictive measures imposed due to the Covid-19 virus require matches to be played behind closed doors at least for the first part of the entire season; the fiscal

year will therefore present results that will be conditioned by the measures adopted to contain the spread of Covid-19. Naturally, any improved sporting performance achieved could lead to new sponsorships and/or possible renewals of the same with more advantageous fees and/or the maintenance of current standard levels. In this context, the Company, together with other football clubs, is working with institutions and associations in the sector to mitigate the effects of the pandemic.

The sports objectives for the new season are aimed at maintaining the first team squad at competitive levels for all competitions in which the Company participates. In this regard, it should be noted that the summer transfer campaign in July and August 2021 was mainly characterised by:

- The definitive acquisition of the football registration rights of the player Zinho Vanheusden from Standard Liege with the temporary transfer of the same player to Genoa for the 2021/2022 season;
- The temporary transfer of the football registration rights of the player Sebastiano Esposito to Basilea with a purchase option to be finalized within the end of the 2021/2022 season;
- The temporary transfer of the football registration rights of the player Darian Males to Basilea for the 2021/2022 and 2022/2023 seasons with a purchase option to be finalized within the end of the 2022/2023 season;
- The temporary transfer of the football registration rights of the player Chagas Estevao Dalbert Enrique to Cagliari with a purchase option to be finalized within the end of the 2021/2022 season;
- Free transfer of the player Aleksandar Kolarov, already registered to the Company until June 30, 2021;
- The definitive transfer of the football registration rights of the players Achraf Hakimi to Paris Saint Germain and Romelu Lukaku to Chelsea.
- The definitive acquisition of the football registration rights of the players Denzel Dumfries from PSV and Edin Dzeko from Roma;
- The temporary transfer of the football registration rights of the player Carlos Joaquin Correa from Lazio; the agreement, valid for the sports season 2021/2022, provides for the obligation to purchase at the first point of the First Team after the date of February 2, 2022;
- Temporary transfer of the football registration rights of the player Andrea Pinamonti to Empoli;
- In July 2021 the Company terminated the contract of the players Naval Da Costa Eduardo Joao Mario and Radja Nainggolan, expiring on June 30, 2022, with recognition of the economic effect in these financial statements, as better described in the paragraph "Impairment of assets".

Reference should be made to the paragraph "Going concern" in the Explanatory Notes for further details on the considerations made by the Directors to consider the Company as a going concern in the foreseeable future.

At the time of writing this report, the First Team played 6 Serie A championship matches with 4 wins and 2 draws, and 2 UEFA Champions League matches with 1 draw and 1 loss.

#### **Other information**

##### **Number and nominal value of treasury shares and the shares or quotas of parent companies held or purchased and sold by the Group companies**

It is specified that the companies included in the consolidation do not hold treasury shares, nor did they hold them during the course of the fiscal year, nor did they purchase or sell treasury shares directly or through a fiduciary company or third parties.

##### **Information required by Article 2428 of the Civil Code**

As anticipated, in accordance with the provision of Article 2428(2) (6 bis) of the Italian Civil Code, the Group is exposed to the normal risk of the variation of interest rates with respect to net indebtedness and to the normal risk of change of the interest rate in relation to receivables and payables in foreign currency. Reference is made to the above paragraph on Financial Risks for further comments in such regard.

On behalf of the Board of Directors  
The President  
(Zhang Kangyang)



**GROUP F.C. INTERNAZIONALE MILANO**  
**Consolidated Financial Statements as of June 30, 2021**

**BALANCE SHEET - ASSETS**

*Translation from the original version issued in Italian*

**30 June 2021**  
*amounts in Euro*

**30 June 2020**  
*amounts in Euro*

**B) FIXED ASSETS**

**I Intangible assets**

3) Industrial patents and similar intellectual property rights	95.055	100.461
4) Concessions, licenses, trademarks and similar rights	289.081.509	82.488.459
6) Construction in progress	26.356.938	26.132.978
7) Capitalization of youth programme costs	16.624.779	15.206.270
8) Player registration rights	309.186.045	386.861.940
10) Other intangible assets	3.489.564	3.943.652
<b>Total</b>	<b>644.833.890</b>	<b>514.733.760</b>

**II Property, plant and equipment**

1) Land and buildings	25.115.993	16.854.251
2) Plant and machinery	634.677	574.098
3) Industrial and commercial equipment	285.924	261.444
4) Other assets	2.862.499	3.060.214
5) Under construction and advances	21.279	7.158.820
<b>Total</b>	<b>28.920.372</b>	<b>27.908.827</b>

**III Financial fixed assets**

1) Investments in		
b) associated companies	1.326.919	2.415.146
d-bis) other companies	45.319	45.319
2) Receivables		
d) from others		
a) within 12 months	2.565.146	2.127.497
b) beyond 12 months	33.142.081	10.409.514
<b>Total</b>	<b>37.079.465</b>	<b>14.997.476</b>

<b>Total fixed assets</b>	<b>710.833.727</b>	<b>557.640.063</b>
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**C) CURRENT ASSETS**

**II Receivables**

1) Trade receivables		
a) within 12 months	26.365.661	86.425.742
b) beyond 12 months	22.538.262	-
2) from subsidiaries		
a) within 12 months	48.447	48.447
4) from parent companies		
a) within 12 months	678.819	11.984.087
5) from companies subject to parent companies control		
a) within 12 months	462.500	2.000.000
5 bis) tax receivables		
a) within 12 months	6.904.092	4.922.869
5 ter) deferred tax assets		
a) within 12 months	130.184	2.230.221
6) from specific sector institutions		
a) within 12 months	44.118.354	78.603.341
b) beyond 12 months	28.184.106	43.162.667
7) from others		
a) within 12 months	73.160	11.872.061
<b>Total</b>	<b>129.503.585</b>	<b>241.249.435</b>

**III Financial assets not held as fixed assets**

1) investments in subsidiaries	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

**IV Cash at bank and on hand**

1) Bank and postal deposit accounts	97.871.689	88.472.016
3) Cash on hand	12.254	33.838
<b>Total</b>	<b>97.883.943</b>	<b>88.505.854</b>

<b>Total Current assets</b>	<b>227.387.530</b>	<b>329.755.291</b>
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**D) PREPAYMENTS AND ACCRUED INCOME**

I) Accrued income	-	20.231
II) Prepaid expenses	15.083.936	27.807.981

<b>TOTAL ASSETS</b>	<b>953.305.193</b>	<b>915.223.566</b>
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**GROUP F.C. INTERNAZIONALE MILANO**  
**Consolidated Financial Statements as of June 30, 2021**

<b>BALANCE SHEET - LIABILITIES</b> <i>Translation from the original version issued in Italian</i>	<b>30 June 2021</b> <i>amounts in Euro</i>	<b>30 June 2020</b> <i>amounts in Euro</i>
<b>A) SHAREHOLDERS' EQUITY</b>		
I Share capital	19.195.313	19.195.313
II Share premium reserve	26.943.339	26.943.339
III Revaluation reserves		
- Revaluation reserve art. 110 DL 104/2020	203.867.123	-
VII Other reserves		
- Reserve for future capital increases	242.112.089	110.000.000
- Reserve to cover future losses	41.704.748	41.704.748
VIII Retained earnings (losses)	(234.792.360)	(132.398.568)
IX Loss for the year attributable to the Group	(245.579.264)	(102.393.789)
<b>Total Net Equity attributable to the Group</b>	<b>53.450.988</b>	<b>(36.948.957)</b>
Net Equity attributable to Minorities	-	-
<b>Total Net Equity attributable to the Group and Minorities</b>	<b>53.450.988</b>	<b>(36.948.957)</b>
<b>B) PROVISIONS FOR RISKS AND CHARGES</b>		
2) for taxes, including deferred	8.273.483	3.805
3) other	22.881.233	29.932.248
<b>Total Provisions for risks and charges</b>	<b>31.154.716</b>	<b>29.936.053</b>
<b>C) PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES</b>	<b>920.132</b>	<b>876.051</b>
<b>D) PAYABLES</b>		
1) Bond loan		
a) within 12 months	9.080.222	6.900.000
b) beyond 12 months	335.870.108	275.659.066
3) Shareholders' loan		
a) within 12 months	16.337.394	7.356.244
b) beyond 12 months	60.000.000	70.877.005
4) Bank loan		
a) within 12 months	240.799	378.472
b) beyond 12 months	50.000.000	50.000.000
6) Advances	4.613.192	8.831.808
7) Trade payables		
a) within 12 months	63.536.401	59.919.145
b) beyond 12 months	35.664.178	36.986.785
9) To subsidiaries		
a) within 12 months	16.306	16.306
10) To associated companies		
a) within 12 months	3.594.240	3.063.941
11) To parent companies		
a) within 12 months	5.649.589	285.000
11 bis) To companies subject to parent companies control		
a) within 12 months	-	4.929.154
b) beyond 12 months	-	46.235.084
12) Tax payables		
a) within 12 months	40.091.961	48.513.147
b) beyond 12 months	9.819.643	-
13) To pension and social security institutions		
a) within 12 months	3.857.514	3.979.260
b) beyond 12 months	1.627.673	-
15) To specific sector institutions		
a) within 12 months	94.725.267	113.493.978
b) beyond 12 months	56.834.623	93.984.389
16) Other payables		
a) within 12 months	36.064.314	39.935.002
b) beyond 12 months	355	-
<b>Total payables</b>	<b>827.623.779</b>	<b>871.343.786</b>
<b>E) ACCRUALS AND DEFERRED INCOME</b>		
I) Accrued liabilities	572.882	573.496
II) Deferred income	39.582.696	49.443.137
<b>TOTAL LIABILITIES</b>	<b>953.305.193</b>	<b>915.223.566</b>

**GROUP F.C. INTERNAZIONALE MILANO**  
**Consolidated Financial Statements as of June 30, 2021**

**INCOME STATEMENT**

*Translation from the original version issued in Italian*

**12 months at**  
**30 June 2021**  
*amounts in Euro*

**12 months at**  
**30 June 2020**  
*amounts in Euro*

**A) VALUE OF PRODUCTION**

1) Revenues from sales and services		
a) revenue from home matches	-	27.574.094
b) revenue from away matches	-	-
c) season tickets	-	16.802.772
e) other revenues	74.457.971	74.487.857
4) Capitalization of youth programme costs	8.849.667	8.634.746
5) Other revenues and income		
a) grants and contribution	8.524.319	4.652.909
b) sponsorships	41.605.362	22.154.411
c) advertising income	7.357	2.711.111
d) commercial income and royalties	4.209.868	2.537.309
e) income from the sale of television rights		
- television revenues	125.413.182	69.755.258
- television income from participation in UEFA competitions	64.323.960	45.603.000
f) various income	-	-
g) revenues from temporary loan of players	5.060.964	5.515.267
h) gains on sale of player registrations rights	2.287.893	61.546.275
i) other income from player management	1.005.863	3.925.553
l) sundry revenues and income	28.965.814	26.469.549
<b>Total Value of Production</b>	<b>364.712.220</b>	<b>372.370.111</b>

**B) PRODUCTION COSTS**

6) Cost of raw materials, supplies and consumables	2.248.726	3.243.068
7) Cost of services	51.688.396	65.090.766
8) Costs of rents and leases	12.597.163	11.938.186
9) Personnel costs		
a) salaries and wages	236.686.056	181.340.808
b) social security contributions	8.497.191	8.321.829
c) employee severance indemnity	2.087.202	2.091.181
e) other costs	14.307.164	6.251.580
10) Amortisation, depreciation and impairment		
a) amortisation of intangibles assets	150.625.585	132.670.879
b) depreciation of tangible	1.844.157	2.055.367
c) write-downs of assets	16.706.940	3.570.271
d) write-downs of doubtful account receivables included in current assets	40.382.799	742.985
12) Provision for risks	8.302	(3.402)
13) Other provisions	20.456.542	15.236.091
14) Other operating expenses		
a) various costs of organising competitions	1.275.485	2.986.579
b) competition registration fees	3.000	15.020
c) specific expenses paid to visiting teams		
- percentage of match takings paid to visiting teams	-	276.721
d) costs for the temporary acquisition of players	560.267	3.067.820
e) losses from the sale of player registrations	2.041.579	36.098
f) other expenses from player management	1.737.774	672.556
g) other operating expenses	5.028.081	4.319.398
<b>Total Production Costs</b>	<b>568.782.409</b>	<b>443.923.801</b>
<b>Difference between value and cost of production (A - B)</b>	<b>(204.070.189)</b>	<b>(71.553.690)</b>



<b>C) FINANCIAL INCOME AND EXPENSES</b>		
16) Other financial income		
a) from receivables classified as fixed assets		
- from other companies	259	209
d) other income		
- from third parties	2.706.600	7.635.012
17) Interest and other financial charges		
b) from companies subject to parent companies control	-	(3.013.514)
c) from parent companies	(5.475.671)	(5.529.912)
d) other financial expenses	(30.747.585)	(25.461.249)
17bis) Gains and losses on foreign currency translation		
a) income from exchange	96.625	562.187
c) losses on exchange	(11.340)	(405.859)
<b>Total Financial Income and Expense</b>	<b>(33.431.112)</b>	<b>(26.213.126)</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>		
18) Revaluation		
a) of investments	-	529.404
19) Impairment		
a) of investments	(1.972.728)	-
<b>Total value adjustments to financial assets</b>	<b>(1.972.728)</b>	<b>529.404</b>
<b>Pre-tax results</b>	<b>(239.474.029)</b>	<b>(97.237.412)</b>
20) Current and deferred income taxes		
a) current taxes	(4.009.004)	(6.617.614)
b) deferred tax liabilities	3.805	338.158
c) deferred tax assets	(2.100.036)	1.123.079
<b>Profit (loss) after taxes before minority share</b>	<b>(245.579.264)</b>	<b>(102.393.789)</b>
21) Net Profit/(Loss) attributable to minority share	-	-
<b>21) Net Profit/(Loss) attributable to the Group</b>	<b>(245.579.264)</b>	<b>(102.393.789)</b>

On behalf of the Board of Directors  
The President  
(Zhang Kangyang)



Euro	12 months at June 30, 2021	12 months at June 30, 2020
<b>A. Cash flow from operating activities</b>		
Gain (loss) for the year	(245,579,254)	(102,393,789)
Income taxes	4,009,004	6,617,614
Financial expenses	33,516,397	26,369,454
(Dividends from subsidiaries companies)	-	-
(Capital gains)/losses deriving from the disposal of assets (excluding those deriving from players registration rights)	2,917	-
<b>1. Loss for the period before taxes, interests, dividends and capital gains/losses</b>	<b>(208,050,946)</b>	<b>(69,406,721)</b>
<i>Non cash adjustments</i>		
Accruals of provision for risks and charges and employee severance indemnities	22,552,046	17,327,272
Amortization	152,469,742	134,727,221
Impairments of fixed assets and receivables included in working capital	57,089,739	4,313,256
Other adjustments for non cash items	(8,914,677)	(62,039,581)
<b>2. Cash flow from operating activities before changes in Net Working Capital</b>	<b>223,196,850</b>	<b>94,328,168</b>
<i>Changes in Net Working Capital</i>		
Decrease/(increase) in inventories	-	-
Decrease/(increase) in trade receivables	(2,860,980)	2,018,283
Increase/(decrease) in trade payables	1,852,722	16,945,837
Decrease/(increase) in accrued income and prepaid expenses	12,744,276	(13,979,146)
Increase/(decrease) in accrued expenses and deferred income	(9,861,055)	19,083,039
Other net working capital items	25,525,957	77,614,622
<b>3. Cash flow from operating activities after changes in Net Working Capital</b>	<b>27,400,920</b>	<b>101,682,635</b>
<i>Other adjustments</i>		
Interests paid (collected)	(19,545,782)	(16,633,044)
Taxes paid	(5,587,905)	(4,062,799)
Dividends proceeded	-	-
Usage of provision of provision for risks and charges and employee severance indemnities	(18,921,697)	(15,987,818)
<b>Total other adjustments</b>	<b>(44,055,384)</b>	<b>(36,683,661)</b>
<b>Cash flow from operating activities (A)</b>	<b>(1,508,560)</b>	<b>89,920,421</b>
<b>B. Cash flow from investing activities</b>		
<i>Tangible assets</i>		
(Increase)	(2,845,955)	(8,482,797)
(Decrease)	8,606	5,059
<i>Player registration rights</i>		
(Increase) in intangible assets - player registration rights	(85,366,678)	(54,906,122)
Decrease in intangible assets - player registration rights	(99,082,832)	(217,286,281)
Decrease/(Increase) receivables for disposal of players registration rights	23,244,665	80,217,493
Increase/(decrease) payables for the acquisition of players registration rights	51,670,281	13,550,939
	(61,198,792)	68,611,727
<i>Other intangible assets</i>		
(Increase)	(9,221,951)	(11,178,014)
(Decrease)	(9,221,951)	(11,186,469)
	-	8,455
<i>Financial fixed assets</i>		
(Increase)	(24,054,717)	36,169
(Decrease)	(24,086,667)	(20,840,029)
	31,950	20,876,198
<i>Financial non fixed assets</i>		
(Increase)	-	-
(Decrease)	-	-
<b>Total cash flow from investing activities</b>	<b>(33,276,668)</b>	<b>(11,141,845)</b>
<b>Cash flow from investing activities (B)</b>	<b>(121,489,301)</b>	<b>(74,530,764)</b>
<b>C. Cash flow from financing activities</b>		
<i>Debt Financing</i>		
Increase (decrease) in short-term payables to banks	57,375,950	18,450,000
New loans	-	25,000,000
Loans repayment	66,077,830	-
	(8,701,880)	(6,550,000)
<i>Shareholders' loan</i>		
New Shareholders' loan	75,000,000	-
Shareholders' loan repayment	-	-
<i>Own funds</i>		
Paid capital increase	-	-
(Capital repayment)	-	-
Sale (purchase) of own shares	-	-
(Dividends (and advances on dividends) paid)	-	-
<b>Other cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities (C)</b>	<b>132,375,950</b>	<b>18,450,000</b>
<b>Increase/(Decrease) cash and cash equivalents (A ± B ± C)</b>	<b>9,378,089</b>	<b>33,839,657</b>
<b>Cash and cash equivalents at beginning of the fiscal year</b>	<b>88,505,854</b>	<b>54,666,197</b>
<b>Cash and cash equivalents at the end of the fiscal year</b>	<b>97,883,943</b>	<b>88,505,854</b>
<b>Breakeven balance</b>	<b>(9,378,089)</b>	<b>(33,839,657)</b>
<b>Non monetary transaction during the fiscal year</b>		
Conversion to Equity of a principal of shareholders' loan	(132,112,089)	(70,000,000)
Increase in reserve for future capital increases	132,112,089	70,000,000
Increase in revaluation reserve art. 110 DL 104/2020	203,867,123	-
Revaluation of "Inter" brand and "Libreria Storica"	(212,140,607)	-
Recognition of deferred taxes on revaluation of the "Inter" brand and "Libreria Storica"	8,273,484	-
Conversion to investments of a receivables with associated companies	884,500	-
Increase of investments in associated companies	(884,500)	-

On behalf of the Board of Directors  
The President  
(Zhang Kangyang)



# F.C. INTERNAZIONALE MILANO GROUP

## EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

*The financial statements has been translated into English from the original version in Italian. It has been prepared in accordance with the accounting principles established by the Italian law related to consolidated financial statements, which may be not conform with generally accepted accounting principles in other countries*

## Explanatory Notes to the Consolidated Financial Statements as of June 30, 2021

### General information about the Group

F.C. Internazionale Milano S.p.A. (hereafter "F.C. Inter" or "the Parent Company") is a share capital company, incorporated and domiciled in Italy, having its registered office in Milan, Viale della Liberazione 16/18, whose controlling shareholder, since June 28, 2016, is the company Great Horizon S.à.r.l controlled by Suning Holdings Group Co., Ltd. ("Leading Shareholder") as part of a financing transaction involving the Leading Shareholder during this fiscal year aimed at finding available liquidity outside the Chinese territory, on May 15, 2021, it transferred the shares held in the Company to the newly incorporated Grand Tower S.à r.l., which therefore became the new direct parent company of the F.C. Internazionale Milano Group, wholly owned by Great Horizon S.à.r.l..

The activities performed by the Parent Company and its subsidiaries (hereinafter the "Group", the "F.C. Inter Group" or the F.C. Internazionale Milano Group") generates income of various nature, mainly related to traditional sports activity, the management of the team and the granting of radio and television rights, as well as related to sponsorships and to the exploitation of the trademark and image rights.

### Parent Company's corporate structure

The Parent Company is part of the "F.C. Internazionale" Group, whose Leading Shareholder, as of June 28, 2016, is Suning Holdings Group Co., Ltd. ("Suning Group"), a Chinese multinational company operating in the retail market of consumer electronics.

The entry of the Suning Group has continuously made financial resources available to the F.C. Internazionale Milano Group for its relaunch at national and international level. With reference to the present fiscal year, the aforementioned new parent company Grand Tower S.à.r.l., in connection with the financing operation of the Leading Shareholder, has disbursed new shareholders' loans for Euro 75 million (specifically, Euro 50 million on May 20, 2021 and Euro 25 million on June 28, 2021), bearing interest at a fixed annual rate of 8%.

It should also be noted that on March 15, 2021 the portion of the loan amounting to Euro 52.7 million (of which Euro 46.2 million as capital share and Euro 6.5 million as interest) held by Grand Flagship Limited, a company subject to the control of the parent company, was transferred by the latter to Great Horizon S.à.r.l..

During the fiscal year, a total amount of Euro 132.1 million was converted into the "Reserve for future capital increases", of which (i) Euro 30 million on December 31, 2020, (ii) Euro 25 million on January 31, 2021, (iii) Euro 30.2 million on March 15, 2021, (iv) Euro 23 million on April 30, 2021, (v) Euro 8.9 million on May 27, 2021 and (vi) Euro 15 million on May 31, 2021.

During the current fiscal year, total interests of Euro 4.1 million were accrued; therefore, on June 30, 2021, the balance of the shareholders' loan of Great Horizon S.à.r.l. amounted to Euro 16.1 million (entirely referred to interests), while the balance of the shareholders' loan of Grand Tower S.à.r.l. amounted to Euro 60.3 million (of which Euro 60 million capital share and Euro 0.3 million interests).

### Form and content of the consolidated financial statements

The consolidated financial statements consist of the Balance Sheet, Income Statement, Cash Flow Statement and Explanatory Notes. Specifically, the latter serves the function of providing an explanation and analysis of the consolidated data, and contains the information required by the provisions of Article 38 of Legislative Decree 127/1991. The statements of assets and liabilities and those of profits and losses are expressed in Euro, whereas the Report on Operations and Explanatory Notes are expressed in thousand Euro, as explicitly stated in the comments and tables unless otherwise specified.

In order to comply with the procedures specified in articles 2424 and 2425 of the Civil Code, and by the additions and changes introduced to the civil code by the Legislative Decree 139/2015 and next changes starting from December, 29 2017, which implemented in Italy the accounting Directive 34/2013/EU, the items of the consolidated Assets and Liabilities Statement and Profits and Losses Statement were classified according to the structure of financial statements required by the professional football club, in compliance with the provisions of the FIGC Official Communiqué n° 58, published on

September 5th, 2006; such provisions were integrated to those issued by the Commissione di Vigilanza per le Società di Calcio (Supervisory Commission for Italian Football Clubs) – Co.Vi.Soc. – which allowed for the technical interpretation of the legal provisions, and which were also taken into account while preparing the Report on Operations and Explanatory Notes herein.

The items marked in Arabic numbers presenting a zero balance were omitted in both the current and previous reference fiscal year.

The variations of each single item and notes to the main items are indicated in the Explanatory Notes.

The section "Annexes", which is an integrative part of the Explanatory Notes, includes the tables containing both some mandatory information required by outstanding law.

It should be noted that the Cash Flow Statement is prepared according to the format of the new "UEFA Licensing Manual - Edition 2020 - Appendix IX", with first application in the financial statements at June 30, 2021, and therefore the comparative balances have been reclassified for the year ended June 30, 2020 according to the new scheme.

Finally, it should be noted that, in order to obtain a better representation of the Balance Sheet at June 30, 2021, the comparative balances at June 30, 2020 of the bank payables item were reclassified, reclassifying a short-term principal of Euro 25 million (i.e. payable by the following year) in the long term (i.e. payable after the following year), in order to better represent the prevalence of the substance on the form of the transaction occurring.

For more information, see the "Bank loan" paragraph.

#### Area of consolidation and the presentation of the consolidated financial statements

The consolidation perimeter of the F.C. Internazionale Milano Group, remained unchanged compared to June 30, 2020, was determined with reference to the legal control that the Parent Company exercises on the Group companies.

Therefore, the consolidated financial statements include the financial statements of the Parent Company F.C. Internazionale Milano S.p.A., its subsidiaries Inter Media and Communication S.p.A., Inter Brand S.r.l. and Inter Futura S.r.l., of which the Parent Company holds, directly or indirectly, the majority of the voting rights and over whose activity it has a dominant influence. The associated company M-I Stadio S.r.l., in which it holds a 50% stake together with the company A.C. Milan S.p.A., was measured using the Shareholders' Equity method ("equity method").

The consolidation perimeter as of June 30, 2021 thus includes the following companies, in addition to the Parent Company:

COMPANY	Percentage shareholding equity
INTER MEDIA AND COMMUNICATION S.P.A.	100%*
INTER BRAND S.R.L.	100%
INTER FUTURA S.R.L.	100%
M-I Stadio S.r.l. (consolidated using "equity method" )	50%

\*55.61% held directly by the Parent Company FC Internazionale Milano SpA and 44.39% held indirectly through Inter Brand S.r.l.

The reference date of the consolidated financial statements (June 30, 2021) is the date the Parent Company's fiscal year ends.

These consolidated financial statements were prepared on the basis of the financial statements for the companies Inter Brand S.r.l., Inter Futura S.r.l., Inter Media and Communication S.p.A. and M-I Stadio S.r.l.

The companies Shanghai Inter Brand Trading Co., Ltd. and Inter Brand China Co., Ltd. in liquidation, subsidiaries indirectly held by the Parent Company through Inter Brand S.r.l., were not consolidated because they no longer represent a long-lasting investment for the Group and the shareholdings are classified in the line item "Financial assets not held as fixed assets" of Working capital. Further, the latter, do not have accounting values that are globally relevant in accordance with Art. 28 of Legislative Decree 127/91, due to the future liquidation.

#### Consolidation standards

The following consolidation standards were used to prepare the consolidated financial statements:

- the measurement criteria conform to the provisions of Article 2426 of the Italian Civil Code;
- in preparing the financial statements, all the general standards analytically indicated and defined by Article 2423-bis of the Italian Civil Code were complied with;
- the line items were not grouped in the Balance Sheet and in the Income Statement;
- the financial statements were prepared through the complete consolidation of the companies Inter Media and Communication, Inter Brand S.r.l. and Inter Futura S.r.l., whereas for the associated company M-I Stadio S.r.l. the Shareholders' Equity method (*equity method*) was used, in which the pro-quota result is recognized in an individual line of the Income Statement (among revaluations/write-downs of equity investments), whereas the value (pro-quota) of Shareholders' equity is synthetically recognized in the line item "Equity Investments".

The consolidation accounting records mainly regard:

##### a) ELIMINATION OF EQUITY INVESTMENTS IN SUBSIDIARIES

The accounting value of the equity investments held by F.C. Internazionale Milano S.p.A. in the subsidiaries and by Inter Brand S.r.l. in Inter Media and Communication S.p.A. was eliminated, at the time of consolidation, with respect to the relative Shareholders' equity in exchange for the assumption of the assets and liabilities of the subsidiaries using the global integration method.

b) INTERGROUP TRANSACTIONS

The reciprocal receivables and payables as of June 30, 2021 and the most significant economic transactions that occurred during the fiscal year that ended on such date among the companies included in the consolidation perimeter were eliminated. Specifically, all the effects deriving from the intergroup contribution described in the paragraph "Contribution in kind and Debt Refinancing" were eliminated.

**Reconciliation between Shareholders' equity and the Result for the fiscal year indicated in F.C. Internazionale Milano S.p.A.'s financial statements and in the F.C. Inter Group's consolidated financial statements ended June 30, 2021**

Description	Shareholders' Equity as of June 30, 2021	Fiscal year result for 12 months as of June 30, 2021
<b>F.C. Internazionale Milano S.p.A.</b>	<b>91.028.779</b>	<b>(214.412.630)</b>
Effects on Shareholders' Equity deriving from the consolidation of the subsidiaries Inter Brand, Inter Futura and Inter Media:		
Effect on retained profits (losses) generated by consolidation adjustments of prior years	(87.088.403)	
Revaluation reserve pursuant to art. 110 of Legislative Decree no. 104/2020 generated by the revaluation of the "Inter" brand and the History Bookshop	203.867.123	
Reversal of the Revaluation reserve pursuant to art. 110 DL 104/2020 generated by the revaluation of equity investments in the separate financial statements of FC Internazionale	(123.189.876)	
<b>Total effects on Shareholders' Equity</b>	<b>(6.411.156)</b>	<b>-</b>
Effects on operating results:		
Elimination dividend of FC Internazionale Milano S.p.A. Distributed by I.Brand S.r.l.	(30.314.123)	(30.314.123)
Elimination dividend of FC Internazionale Milano S.p.A. Distributed by Inter Media and C. S.p.A.	(15.352.129)	(15.352.129)
Elimination dividend of Inter Brand S.r.l. Distributed by Inter Media & C. S.p.A.	(12.587.370)	(12.587.370)
Elimination of amortization of capital gains from contribution allocated to Inter Media and C. S.p.A.	10.912.207	10.912.207
IRES deferred tax assets and liabilities	(11.854.119)	(11.854.119)
Economic result Inter Brand S.r.l.	12.038.555	12.038.555
Economic result Inter Futura S.r.l.	(62.616)	(62.616)
Economic result Inter Media and C. S.p.A.	16.052.961	16.052.961
<b>Total effects on the operating results</b>	<b>(31.166.634)</b>	<b>(31.166.634)</b>
<b>Consolidated F.C. Internazionale Milano</b>	<b>53.450.988</b>	<b>(245.579.264)</b>

Reference should be made to the section "Going concern" for information regarding the Group's and the Parent Company's ability to continue operating as a going concern, and it should be borne in mind that the minimum capitalization limits provided for in art. 2447 of the Italian Civil Code are not applicable to the consolidated financial statements. The Shareholders' Equity of the Parent Company as at June 30, 2021 falls within the minimum capitalization limits provided for by the aforementioned article of the Italian Civil Code: in this regard, it should be noted that article 1, paragraph 266, of Law no. 178 of December 30, 2020 (in force as of January 1, 2021) amended the temporary regime previously in force and - in response to new developments in the Covid-19 pandemic - further suspended the application of the obligation to take measures following the reduction of share capital due to losses (arts. 2446 and 2447 of the Italian Civil Code) upon the occurrence of certain conditions provided for by law and acknowledges the possibility for the Shareholders' Meeting to postpone the settlement of the loss until the fifth financial year following the one in progress as of December 31, 2020 (or, for the Parent Company, the financial year ending on June 30, 2026). The Parent Company intends to use this option to defer the immediate adoption of the obligations set out in articles 2446 and 2447 of the Italian Civil Code if it falls within the scope of the above for the foreseeable future.

**Measurement criteria and accounting standards**

In preparing the consolidated financial statements, we complied with standards of clarity as well as the truthful and accurate representation of the Balance Sheet and Income Statement set forth in the second clause of Article 2423 of the Italian Civil Code.

The consolidated financial statements were prepared according to the provisions of Legislative Decree 127/91, in compliance with general standards of prudence, accrual-based accounting, and in view of going concern, based on the assumptions better discussed in the Report on Operations and in the following note "Going Concern", and considering the economic utility of the asset and liability items. In this context, the going concern issues, is provided by the Parent Company and the other companies inside the consolidation organization.

The accounting policies have been adapted with the changes, additions and changes introduced to the civil code by the D.lgs. 139/2015, which it received in Italy the accounting Directive 34/2013/EU. In particular, national accounting standards have been reformulated by the OIC in the version issued on December 22, 2016, with the integrations issued in

December 2017 and in January 2019 and March 2020 to be implemented for the financial statements ended December 31, 2018; the new amendments of January 2019 have not resulted in any discontinuity of assessment and classification in the criteria of preparation of the Consolidated Financial Statements compared to the Consolidated Financial Statements for the fiscal year ended June 30, 2020.

In compliance with the standard of accrual-based accounting, the effect of transactions and other events was recognized in the accounting records and attributed to the fiscal year to which such transactions and events refer, and not to those in which the relative cash movements (collections and payments) are made.

The measurement considers the economic utility of the asset or liability item, considering that it expresses the standard of the prevalence of substance over form, which is mandatory when it does not expressly conflict with other specific rules on financial statements, and allows transactions to be represented according to the economic reality underlying their formal aspects.

It is also specified that in preparing the consolidated financial statements ended June 30, 2021, no derogations were made in accordance with Articles 2423 clause 4 and 2423-bis last clause of the Italian Civil Code.

The valuation criteria adopted for the preparation of the consolidated financial statements as of June 30, 2021, unchanged compared to the previous fiscal year, comply with the provisions of the Italian Civil Code, as amended by D.lgs. 139/2015, appropriately supplemented by the accounting principles developed by the National Councils of Chartered Accountants and Accountants, as amended by O.I.C. (Italian Accounting Organization) included subsequent amendments, taking into account also the sectoral practices and the rules laid down by the Italian Football Federation ("Federazione Italiana Giuoco Calcio") and the Supervisory Board for Football Companies ("Commissione di Vigilanza per le Società di Calcio") that have allowed to interpret the legal provisions in the technical terms in the following paragraphs with a specific reference to each single item of the Balance Sheet and the Income Statements.

### **Revaluation Law 126/2020**

As an exception to the cost criterion, increased by directly attributable expenses, and as an exception to the general prohibition of revaluation, the F.C. Internazionale Group, through the company Inter Media, availed itself of the option pursuant to art. 110 of Law Decree 104/2020, converted into Law no. 126 of 13/10/2020 and, with the support of an independent expert, proceeded to revalue the "Inter" brand and the Historical Bookshop, recorded under intangible fixed assets.

The higher value connected with the "Inter" brand was determined using the "Multi-Period Excess Earnings" ("MPEEM") method: this method is based on the assumption that the income attributable to the asset identified as the dominant strategic asset ("Primary Income-Generating Asset" or "PIGA"), in this case the "Inter" brand, can be determined by difference, by deducting from the total income, taken from the economic and financial projections for 2022-2026 prepared by the Directors of Inter Media (hereinafter, alternatively, the "Forecast Data"), the normal remuneration of all other assets (tangible and intangible). The fair value of the dominant asset was thus obtained by discounting the excess earnings expected for the remaining years of the asset's life (multi-period). Given that this is a long-standing brand with many distinctive and identifying elements, an indefinite useful life was assumed and a Terminal Value was identified that expresses the current value of the flows expected for the period following the explicit plan horizon.

The higher value of the Historical Bookshop was determined by determining the present value of expected cash flows from a specific asset, namely the Historical Bookshop, as deduced from forecast data. In addition, given the fact that the images and videos in the History Bookshop can be used by third parties, as well as its capacity to generate future economic benefits, closely linked to the century-old history of the Milanese club and awareness of the "Inter" brand in the reference market, for valuation purposes only, an indefinite useful life was assumed and a Terminal Value identified that expresses the current value of the cash flows expected for the period following the explicit plan period.

For both valuations, the discounting of the cash flows was carried out at a WACC (Weighted Average Cost of Capital) rate of 7.56%, determined at international FC Group level using a gross cost of debt of 10.54%, a risk free rate of 1.50% and a market risk premium of 4.72%, as well as a beta of 1.12 and a financial structure determined on the basis of comparable companies operating in the football sector,

Moreover, for the purposes of estimating the value of the assets valued, the Tax Amortization Benefit (TAB) was also taken into account, i.e. the value generated by the tax savings caused by the amortization of the two intangible assets. The revaluation thus determined on the consolidated financial statements of the FC Internazionale Group an increase in the total historical cost of intangible assets for Euro 212,141 thousand, of which Euro 163,407 thousand refer to the "Inter" brand and Euro 48,733 thousand refer to the Historical Bookshop. It is hereby certified that the value obtained following the revaluation does not exceed the recoverable value likely to be attributable to the same assets.

In relation to the revaluation of the "Inter" brand and the "Libreria Storica", the FC Internazionale Group, through the company Inter Media, did not opt to pay the substitute tax aimed at obtaining tax recognition of this revaluation. In consideration of the above, as a balancing entry for the increase in the value of the "Inter" brand and the "Libreria Storica", a specific reserve was recorded in the Group's shareholders' equity called "Revaluation reserve pursuant to art. 110 of Legislative Decree 104/2020" for Euro 203,867 thousand, net of the related deferred taxes (only for the portion attributable to IRAP), calculated by applying the tax rate in force at the date of the presumed disposal, amounting to Euro 8,273 thousand.

For the sake of full disclosure, it should be noted that the revaluation carried out in the financial statements of Inter Media led to an increase in the historical cost of the "Inter" brand for Euro 89,650 thousand, an increase in the historical cost of the "History Bookshop" for Euro 25,024 thousand, as well as the recognition of a shareholders' equity reserve called "Revaluation reserve pursuant to art. 110 of Legislative Decree no. 104/2020" in the amount of Euro 82,679 thousand, net

of the related deferred taxes (IRES and IRAP), calculated by applying the tax rate in force at the date of the presumed disposal, amounting to Euro 31,994 thousand. The revaluation in the Group's consolidated financial statements thus resulted in higher values related to the two revaluations carried out, respectively for Euro 73,757 thousand and Euro 23,710 thousand, taking into account the lower book value of the two assets shown in the consolidated financial statements prior to the revaluation, as a result of consolidation adjustments arising from the contribution of the same by the Parent Company when Inter Media was established in 2014. The revaluation of the two assets carried out on June 30, 2021 therefore made it possible to realign the book value of the "Inter" brand and the Historical Bookstore recorded in the Group's consolidated financial statements with that resulting from the financial statements of the company Inter Media.

On the other hand, with reference to the recognition of deferred taxes, given the values of the unrealized tax losses as of June 30, 2021, which are significantly higher than any latent tax gains obtained from the revaluation, does not make it appropriate to recognize IRES deferred taxes on these gains, but only IRAP deferred taxes for Euro 8,273 thousand, of which Euro 3,801 thousand deriving from the realignment of the values of the "Inter" brand and the Historical Bookshop. On the other hand, the future profitability of Inter Media, as well as the tax consolidation agreement in place between Inter Media and the Parent Company, which in any case provides for the recognition of a charge from tax consolidation by Inter Media, if the latter has a positive taxable base, and a simultaneous income from tax consolidation by the Parent Company, make it advisable to record deferred taxes (IRES and IRAP), amounting to Euro 31,994 thousand, on the capital gains recorded in the financial statements of Inter Media at June 30, 2021.

The "Revaluation DL 104/2020" is subject to specific statutory restrictions, which are described in greater detail below. Since the Group did not opt for tax recognition of the revaluation of intangible assets, it is treated as a retained earnings reserve, the use of which does not give rise to expenses for the Group, if allocated to cover losses.

The accounting effects of the revaluation carried out on the Group's consolidated financial statements as of June 30, 2021 are summarized in the table below:

Financial statements line	Revaluation without option for tax recognition of higher values
<b>Euro thousand</b>	
Concessions, licenses, trademarks and similar rights	212.141
Provisions for deferred taxes (IRES and IRAP)	(8.274)
Revaluation reserve art. 110 DL 104/2020	(203.867)

### Going Concern

The present financial statements is prepared according to the principle of going concern in accordance with the considerations set out below and events described below.

In May and June 2021, the Leading Shareholder, using the funds deriving from the finalization of a larger financing operation finalized by the Leading Shareholder in May 2021, granted shareholders' loan of Euro 75 million to the Group F.C. Internazionale (and, in particular, Euro 50 million on May 20, 2021 and Euro 25 million on June 28, 2021), as well as to pay receivables to the Company for Euro 7.5 million and to the subsidiary Inter Media & Communications for Euro 14.7 million.

From a sporting point of view, at the end of the 2020/21 season, the First Team won the Series A championship. By providing additional financial resources both with regard to participation in the UEFA Champions League for the 2021/22 sports season and with regard to a more favorable distribution of TV rights over the 2020/21 sports season linked to the best ranking in the standings, as well as prizes and fees variable by sponsors, and the ability to negotiate conditions relating to the same sponsors of greater economic convenience in future renewals or in the signing of new agreements. With reference to the latter aspect, it is recalled that in the months following June 30, 2021, the F.C. Internazionale Group, through its subsidiary Inter Media & Communications S.p.A., has signed (i) an agreement with Socios.com, for the 2021/2022 football season, for a consideration of Euro 16 million as Global Main Jersey Partner and from the 2022/23 season to the 2024/2025 season, for an annual consideration of Euro 1 million, as Global Sponsor Advertising Rights and (ii) a new partnership with Zytara Labs LLC, As the new Official Global Cryptocurrency and Sleeve Partner, running from the 2021/2022 sports season to the 2024/2025 sports season for a total consideration of Euro 85 million.

In July and August 2021, the Group transferred the professional services of the players (i) Achraf Hakimi to Paris Saint Germain for a consideration of Euro 66.5 million (net of the FIFA solidarity contribution due), which has now been fully collected (Directly for Euro 22.5 million and indirectly through sale on a non-recourse basis to factor of Euro 41.1 million), and (ii) Romelu Lukaku to Chelsea for a consideration of Euro 113 million (already net of the FIFA solidarity contribution due). To date, the amount of Euro 22.6 million is partially cashed - according to the payment plan defined with the counterparty - and for which the Directors expect to cash the remaining part within the next 12 months by means of sale on a non-recourse basis to factor. These divestitures have enabled and will enable the Company to forfeit significant financial resources in the foreseeable future to meet its obligations.

In the Equity point of view, it should be noted that the conversions of shareholders' loan implemented by the Leading Shareholder, together with the revaluation of the value of equity investments recorded in the Parent Company financial statements, enable the Parent Company's Equity, on which the minimum capitalization limits provided for by article 2447 of the Italian Civil Code are calculated - despite the loss for the period and the estimate of further losses in the first quarter of 2021/2022 - to remain positive, both as of June 30, 2021 and as of the date of approval of these Financial Statements, thus complying with the capitalization parameters set forth by the Italian Civil Code pursuant to articles 2446 and 2447.

Despite the significant loss for the year and cash absorption, the events described above and in particular i) the shareholders' loans received in May and June 2021 from the Leading Shareholder for Euro 75 million and further payments to settle some credit items claimed by both the Parent Company and the subsidiary Inter Media & Communications ii) the economic benefits deriving from victory in the championship for the 2020/21 football season iii) the disposal of the registration rights of important players, enable the Group and the Directors to have significant financial resources which - on the basis of the cash flow projections for the next twelve months, which still show significant absorption of liquidity against an expected loss situation for the 2021/2022 season - make it possible to prepare these financial statements on a going concern basis.

Moreover, the Leading Shareholder confirmed its commitment to support the Group F.C. Internazionale and the Parent Company from a financial and equity point of view for the foreseeable future of twelve months from the approval of these financial statements, which makes it possible to consider mitigated in any case the risk that, in the face of unforeseeable events, the financial resources deemed adequate on the basis of the above considerations, may prove insufficient.

## **ASSETS**

### **Intangible assets**

Intangible assets are recognized, with the prior consent of the Board of Statutory Auditors, if expressly required, at purchase cost, inclusive of any ancillary costs, and are systematically amortised for the period of their foreseeable future utility.

If, independently from the amortisation already recorded, there is an impairment loss, the fixed asset is written down by a corresponding amount; if during subsequent fiscal years the conditions for the write-down cease to exist, the original value is restored, adjusted only by amortisation.

### **Industrial patents and similar intellectual property rights**

These have been amortised based on their estimated useful life, mainly on a three-year basis starting from the fiscal year in which the process of economic utility initiated. The necessary write-downs are made if it is not clear that the investments are recoverable.

### **Concessions, licenses, trademarks and similar rights**

The item Concessions, licenses, trademarks and similar rights mainly includes the value of the "Inter" brand, a "centenario" brand with a great tradition, and the "Libreria Storica", referring to the purchase of the RAI television archive (historical archive of images, materials and rights relating to FC Inter), as described in greater detail in the paragraph "Other information - Agreements with the RAI Group".

As already described in the paragraph "Revaluation Law 126/2020", in these financial statements the Group availed itself of the option pursuant to art. 110 of Law Decree no. 104/2020, converted into Law no. 126 of October 13, 2020 and, with the support of an independent expert, proceeded to revalue the "Inter" brand and the Historical Library, recorded among intangible assets.

The revaluation was carried out by intervening only on the historical cost, entailing, for the "Inter" brand, an extension of the amortization period for a further 20 years, which was in any event deemed consistent with the effective residual useful life of the revalued asset, whilst for the "Libreria Storica" the amortization is calculated on a straight-line basis for 20 years from the date of the revaluation during the year, within the time limits of the legal protection of the revalued asset and in line with that described in the appraisal. As previously mentioned, it should be borne in mind that the revaluation did not result in increased depreciation in the previous year.

### **Construction in progress and advances**

The improvements to the G. Meazza Stadium were recognized among the costs capitalised in the caption constructions in progress and advances. Such costs were not amortised because they will be offset by the rent due to the Municipality of Milan (recognized in the line item "Trade payables") when the work performed has been tested and approved by such Municipality in accordance with the Convention stipulated by F.C. Internazionale Milan S.p.A. and A.C. Milan S.p.A. for the exploitation of the Stadium, which provides for the possibility of incurring expenses for the improvement and adjustment to legal requirements of the Stadium, that can be used "as deductions" with respect to the rent.

### **Capitalisation of youth programme costs**

The changes introduced by the D.lgs. 139/2015 have also affected the regime of Capitalisation of youth programme costs, resulting in the issuance of the accounting recommendation # 2 – Capitalisation of youth programme costs by the Italian Football Federation (Figc) in order to define the costs eligible to be deferred. Specifically, the capitalisation of such costs are allowed in the case that these charges are esclusivamente occurred for managing, promote, and develop youth sector.



Such line item also includes the training bonuses paid, in accordance with Article 96 N.O.I.F., to amateur/professional clubs following registration by the Parent Company of young football players coming from them. Under no circumstances can be capitalised the remuneration and reimbursement of expenses recognised for expatriate employees in the youth sector teams.

Such costs, having long-term utility, were capitalised in their entirety without any reference to the individual football players, and are amortised on a straight-line basis in five fiscal years, starting from the fiscal year in which they were incurred. The capitalisation of the above costs is done using a specific line item of the Income Statement called "Capitalisation of youth programme costs".

### Player registration rights

The player registration rights are recognized at their historic purchase cost, inclusive of any directly attributable ancillary costs, and the amounts are net of the amortisation rates that are calculated at constant rates in relation to the duration of the contracts stipulated with the individual professional football players. In the event that the payment for the acquisition of rights is deferred with respect to normal market conditions (generally over 12 months from the date of purchase), the player registration rights is recorded in the financial statements corresponding to the actualized debt value determined in accordance with OIC 19 "Payables".

The amortisation begins in the fiscal year in which the football player is registered by the Parent Company.

For rights acquired during the fiscal year, amortisation starts from the date of the player's availability, using the *pro-rata temporis* method.

The original amortisation plan may be extended as a result of the possible renewal of the contract, even though it occurred after the close of the financial year, but before the approval of the financial statements. The new amortisation plan, on a straight-line basis, takes into account the net book value of the right, at the beginning of the date of the fiscal year, and its new duration.

The player registration rights are recognized (in case of purchase) or are eliminated from the financial statements (in case of sale) at the date of the contract, to which retrospective, pursuant to art. 1360 Civil Code, the effect of the enforceability certificate issued by the National League of Professionals ("*Lega Nazionale Professionisti*") for national transfers or the International Transfer Certificate ("ITC") issued by the Italian Football Federation for international transfers. In the absence of a contractual estimate of the effectiveness of the contract, the timing for the inclusion or elimination from the financial statements is that of the enforceability visa issued by the National Professionals League for national transfers or the effect of the issuance of ITC from part of the Italian Football Federation for international transfers.

Such line item also includes the multi-year costs incurred by the Parent Company for the registration as professionals of football players coming from amateur clubs, or foreign clubs that have contributed to the technical training of such football players.

Specifically, the following have been recognized:

- the bonuses for training and learning technical skills were paid, in accordance with Article 99 N.O.I.F., to the amateur clubs after the stipulation of the first contract as a "professional" of football players coming from it. Such costs are amortised at constant rates in relation to the duration of the contracts stipulated with the individual football players;
- the training indemnities were paid, on the basis of FIFA regulations, to foreign clubs after the stipulation of a contract as a "professional" of football players coming from them. Such costs are amortised at constant rates in relation to the duration of the contracts stipulated with the individual football players.

For the football players of series with a multi-year restriction, the cost is amortised at constant rates over a maximum period of five fiscal years.

The rights recognized in the accounting records refer both to registered athletes that participated, by means of their registration, in the activity of the fiscal year to which the financial statements refer, as well as to the registered athletes for the following season with a transfer contract stipulated prior to the reference date of the financial statements. No amortisation was calculated for them latter.

With specific reference to loan agreements that provide for the obligation that they be transformed from temporary acquisition to a definitive acquisition upon the occurrence of specific conditions ("loan agreement with redemption obligation"), the right to the registration of the football player (corresponding to the overall amount of the consideration provided for the redemption, increased by the consideration due for the temporary acquisition) and the relative payable are recognized in the Balance Sheet starting from the season in which it is highly probable that these conditions will occur because it is in that season that, pursuant to the OIC 24, "control" is manifested over the player's performance, which determines the need to enter all the variable and/or conditional payments (these last ones only when determinable and highly probable); such right is amortised using the same criteria previously described with reference to the multi-year rights to the registrations of the football players. Likewise, in the case of temporary transfers that provide for a redemption obligation on specific conditions, the capital and economic effects (recognition of trade receivable for invoice to be issued amounting to the sell price – which includes the amount of the fees together with the redemption value – and derecognition of the player right with gain or loss arose charged to income statement as a consequence) are recognized at the time when the condition is highly probable. The receivables is instead entered when the contractual condition is realized.

It is also noted that if condition becomes highly probable or occurs between the reference date and the date of the financial statement approval, the capitalisation or the sale of the player registration rights and the consequent effects are backward recognized as adjusting event at the reference date of the financial statement, in accordance to OIC 29, being such transaction related to an asset under the control of the Parent Company according to OIC 24.

If the player is not confirmed at the end of or during a season, by means of the termination of the contract, the residual net accounting value is charged to the Income Statement in the fiscal year, even if the termination of the contract after the reference date of the financial statements or financial statements.

Further, when there are indicators of the loss of value of the multi-year rights to the registrations of the football players, a write-down is made of the residual book value.

The effects of integrations and innovations introduced to the civil code by the D.lgs. 139/2015 on the "Player registration rights" are described in "Payables and receivables to/from football clubs".

#### Other intangible assets

The other intangible assets, mainly related to the work for the requalification of the areas inside of the G. Meazza Stadium, that are not "deducted" from the rent, and improvements to the "Giacinto Facchetti" Sports Centre and to the new building used as legal and administrative headquarter (situated in Viale della Liberazione 16/18, Milan), are recognized at purchase cost, net of the relative amortization fund. The amortization rates were calculated in a straight-line basis in relation to the residual possibility of use. Specifically, with reference to the duration of the amortization period, it corresponds to the shorter between the duration of the concession contract and the useful life of improvements.

#### Property, plant and equipment

Property, plant and equipment are recognized at purchase cost, inclusive of directly attributable ancillary costs, and increased by maintenance costs and repairs of an incremental nature; land and buildings are recognized at their current value on the date of the merger with Inter Capital S.r.l. Maintenance costs and the costs for ordinary repairs that do not involve an increase of the values of assets are instead directly allocated to the Income Statement.

Property, plant and equipment construction in progress are recognized at cost in "Construction in progress" until their construction has been completed; upon completion, the cost is classified in the relative line item and subject to depreciation.

It is specified that in the consolidated financial statements as of June 30, 2021, no economic or monetary revaluations were made in accordance with law.

The values of property, plant and equipment are adjusted, directly in the account as required by the Balance Sheet format, by annual depreciation rates calculated systematically and on an accrual basis, reduced by 50% for assets acquired during the fiscal year, based on tax rates deemed to be representative of the estimated useful economic-technical life of the fixed assets. Purchases of assets in a unitary amount less than Euro 516.46 were allocated directly to the Income Statement. The annual tax rates used for depreciation are indicated in the following table:

Asset	Rate
<b>Land and Buildings</b>	
Buildings	3.0%
Light buildings	10.0%
<b>Plant and Machinery</b>	
Generic systems	10.0%
Specific systems	19.0%
<b>Equipment</b>	
Sports and various equipment	15.5%
Sanitary equipment	12.5%
<b>Other assets</b>	
Electronic machinery	10%-15%-20%
Furniture and office machines	12.0%
Motor vehicles	25.0%

Assets having an unlimited useful life, such land are not subject to depreciation.

If, independently from the depreciation already recorded in the financial statements, there is a long impairment loss of value, there is a corresponding write-down of the fixed asset; if during subsequent periods the reason for impairment loss no longer exist, the original value is restated and adjusted only by depreciation.

#### Loss of value of intangibles and property, plant and equipment

At each reference date intangibles and property, plant and equipment are analysed to determine whether there are any indicators of reduction of their value (*impairment test*). If such indicators are found, an estimate of the recoverable value of the relative assets is made, allocating any write-down to the Income Statement. The recoverable value of an asset is the greater between its fair value, and its value in use, when the latter is the current value of the estimated future financial cash flows for such asset. In calculating the value in use, the forecast future cash flows are discounted using a discount rate that reflects the current market value of the cost of money, the period when the investment was made and the specific risks related to the asset.

A reduction of value is recognized in the Income Statement when the recognition value of the asset is greater than the recoverable value. If the basis for a write-down previously made ceases to exist, the accounting value of the asset, except

for Goodwill, is restored and allocated to the Income Statement, up to the amount of the net carrying value that the asset in object would have had if the write-down had not been made and if it had been amortised.

#### **Financial fixed assets**

##### **Equity investments in associated and other companies**

With reference to M-I Stadio S.r.l., as already described above, the relative financial fixed assets has been recognized in the accounting records using the Shareholders' Equity method (*equity method*).

Financial investments in other companies are recognized in financial statements at their subscription or purchase cost, in case are adjusted following long-lasting losses of value. If on the date of the close of the fiscal year, the financial statements of associates and subsidiaries, based on available data, indicate losses considered to be non-recoverable with respect to future profits, the financial fixed assets investment is written down so that its net value is equal to the pro-quota share of the associate/subsidiary's Shareholders' equity. Impairments of financial fixed assets are not maintained in subsequent fiscal years if the reasons for the write-down no longer exist.

##### **Receivables included in the financial assets**

In this line item there are recognized among others the amounts paid as a guarantee on the Bond Loan placed in the fiscal year 2017/2018 and in July 2020 as better described in the paragraph "*Other information - Debt refinancing*".

Receivables from others represent security deposits recognized at nominal value, and those in foreign currency are recognized in the accounting records in Euro at the exchange rate on the date the transaction took place, or at the exchange rate on the date the fiscal year of reference ended if lower and if the reduction is long-lasting.

##### **Receivables**

The receivables are recognized in the consolidated financial statements according to amortised cost, taking into account the time factor and the estimated realizable value. The amortised cost is not applied when the effects are irrelevant, or when transaction costs, commissions paid between the parties and any other difference between initial value and value at maturity are minor or if the receivables are short term (i.e., with a maturity of less than 12 months).

Trade receivables with maturity beyond 12 months from the time of initial recognition, without payment of interest or interests significantly different from market interest rates, and its revenues, it appears initially to the value determined by discounting the future cash flows to the market interest rate.

The difference between the value of the initial recognition of the receivables so determined and the value completed is recognized in the income statement as financial income along the credit fiscal year using the effective interest method.

The value of the receivables, as determined above, is adjusted, where necessary, by a specific provision for impairment exposed to direct reduction of the value of credits in order to adapt them to their estimated recoverable amounts. The amount of the write-down at the reporting date is equal to the difference between the book value and the value of the estimated future cash flows, reduced by the amounts that you expected not going to cash, discounted at original effective interest rate of the receivable.

The amount of the write-down is recognised in the income statement.

Receivables in currencies different to the Euro were recognized at the exchange rates in effect on the date in which the relative transactions took place. Such receivables were adjusted to the interest rate of the end of the fiscal year and any profits or losses were allocated to the Income Statement (in the line item C17 bis). Any net profits on exchange rates is allocated to a specific reserve that is non-distributable until they are realized.

##### **Financial assets not held as fixed assets**

This line item includes all assets that are short-term investments in financial assets or which are not to be used as long-term investments for the business.

Such short-term financial assets, consisting of equity investments in non-consolidated subsidiaries, are recognized at cost or at their presumable realizable value (calculated on the basis of the estimated realizable value at the time of liquidation) if lower, with the recognition of an impairment. The impairment is eliminated, within the limit of cost, if the basis for such impairment ceases to exist.

##### **Cash at bank and on hand**

Cash at bank and on hand is recognized at nominal value.

##### **Accruals and deferrals**

Shares of costs and proceeds, common to two or more fiscal years, are recognized in these line items, in accordance with the standard of accrual-based accounting.

#### **LIABILITIES**

##### **Shareholders' equity**

This line item represents the difference between all of the asset and liability line items calculated according to the standards set forth herein, and includes contributions made by shareholders at the time of incorporation and subsequent increases of capital, reserves of any kind, profits and losses of prior fiscal years carried forward and the consolidated result of the the fiscal year July 1, 2020 – June 30, 2021.

During the fiscal year ended June 30, 2021, as previously mentioned, the Group availed itself of the option pursuant to art. 110 of Legislative Decree no. 104/2020, converted into Law no. 126 of October 13, 2020, and, with the support of an independent expert, proceeded to revalue the "Inter" brand and the "Libreria Storica", recorded among intangible assets, for a total of Euro 212,141 thousand. As a counter-entry to the increase in the value of intangible fixed assets, a reserve called "Revaluation reserve - DL 104/2020" (profit reserve) amounting to Euro 203,867 thousand was posted to shareholders' equity, net of the related deferred taxation (IRAP), calculated by applying the tax rate in force at the date of the presumed disposal, amounting to Euro 8,273 thousand.

#### **Provisions for risks and charges**

These have been allocated to cover losses or liabilities that are certain or likely to occur, the amount of which or date when they will occur, however, could not be determined as of the date of the close of the fiscal year. Any contingent liabilities are recorded in the financial statements and recognized in the provisions for risks and charges caption if it is deemed more likely than not they will occur and the amount of the relative cost can be reasonably estimated.

In preparing the consolidated financial statements, risks and losses were considered in the commentary, even if they became known after the close of the fiscal year if their accrual basis is referable to the annual financial statements, and specific allocations were made to future risk and charges if required.

Contingent liabilities that are only possible are indicated in the Explanatory Notes without any allocations being made.

#### **Provisions for employee severance indemnities**

Reserve for employee severance indemnities reflects the sums accrued at the end of the fiscal year on behalf of employees, in conformity with contractual regulations and outstanding legislation. Such liability is subject to revaluation using indexes. It is noted that starting from January 1<sup>st</sup> 2007, the Finance Law and the relative implementing decrees modified the severance pay regime, among which the employee's choice with respect to the use of accrued severance pay (to complementary pension funds or to the "Treasury Fund" managed by INPS). The amount recognized in the financial statements is therefore net of the payments made to the cited funds.

#### **Payables**

Payables are measured at amortised cost, taking into account the time factor. Amortised cost is not applied to debts if the effects are irrelevant. The effects are considered irrelevant to the liabilities (i.e., with a maturity of less than 12 months). For the amortised cost please refer to the accounting policy related to "Receivables".

Payables in currency not adhering to the Euro are recognized at the exchange rates in effect on the date the relative transactions took place. Such payables are adjusted to the exchange rate at the end of the fiscal year and any profits and losses are allocated to the fiscal year Income Statement (in line item C17 bis). Any net profit on exchange rates is allocated to a specific reserve that is non-distributable until it is realized.

#### **Payables and receivables to/from football clubs**

Among payables and receivables, we note those deriving from the purchase and sale of rights to the registrations of football players of the team of origin or destination. Specifically, if the team of origin or destination belongs to a foreign federation, the counterpart is the club that sells or buys the right; if instead the team of origin or destination of the football player belongs to the Italian Football Federation, and therefore the purchase contract or transfer of the right is subject to ratification by the National League of Professionals, the settlement of the consideration referable to the fiscal year takes place through the account "Lega c/Trasferimenti", which acts as a "clearing house" for all of the transfers among the Italian football clubs.

Receivables and payables are measured according to the amortised cost, taking into account the time factor and the estimated realizable value. The amortised cost is applied only to receivables and payables with maturities greater than 12 months and when the effect is significant, and are initially recognised at the value determined by discounting the future cash flows to the market interest rate; the difference between the value of initial recognition and the nominal value is recognized in the income statement as financial income on the duration of the credit/debit using the effective interest rate method. The counterpart is accrued in the intangible assets as an adjustment of the value of the "Player registration right" in the case of purchase of the Player Registration Right and in the income statement as an adjustment of the capital gain/loss in case of sales of the Player Registration Right.

The payables or receivables from football clubs belonging to the National Professional League are accounted as already described towards the counterpart Lega Seria A because subject to the compensation line, instead in the explanatory notes are detailed in reference to each parties.

Receivables and payables to football clubs which are not subject to compensation line item "Lega c/Trasferimenti" are indicated as towards each teams.

### **INCOME STATEMENT**

#### **Costs and revenue**

Costs and revenues are shown in the consolidated financial statements according to accounting standards of prudence and on an accrual basis, with recognition of the relative accruals and deferrals.

The revenue from matches and from the licensing of the relative television rights are recognized with reference to the effective time of the service (when the match is played); season tickets are deferred on an accrual basis using the same criteria.

Revenue from licensing, advertising and other services measured on an accrual basis.

Revenue from sales of goods (merchandising) is measured at the time of the transfer of ownership, which is normally when the goods are delivered or shipped.

Operating costs are allocated to the relative Income Statement.

The costs related to the bonuses to which the football players, coaches and technical staff are entitled for achieving pre-determined sports results and bonuses from sponsors are allocated to the relevant Income Statement, upon the occurrence of the sports event to which they are related.

Financial income and expenses are allocated to the relevant Income Statement.

Capital gains and capital losses deriving from the transfer of the multi-year rights to the registrations of football players are respectively classified in revenue and costs from characteristic management and are calculated as the difference between the agreed upon price and the net accounting value on the transfer date or without the predictable contract date, on the certificate of enforceability placed on the contracts by the Serie A National League of Professionals for national transfers, and on the date of the ITC issued by FIGC for international transfers.

In relation to the loan contracts with an obligation to buy, the value of the multi-year rights to the registrations of the football players is adjusted to the agreed price for the sale (including the amount of the redemption and the loan fees) at the time when the condition for redemption becomes highly probable or realized. For further details please refer to the Accounting Principle outlined above regarding the "Player registration rights".

If delays to customers (revenues) or to the Group (costs) are granted, not at normal market conditions without interest maturity, the amount that will be collected or paid is discounted. The difference between current value and amount collected or paid represents, respectively, a financial income or a financial expense recognized on an accruals basis over the maturity of the debt and the credit.

It should be noted that, following the suspension of competitive activities in March 2020, with the end of the 2019/2020 football season on August 31, 2020 and the start of the next one on September 1, 2020, the 2020/21 fiscal year was characterised by a zeroing of revenues from ticketing and season tickets for home matches, due to the fact that these were played behind closed doors or with access limited to 1,000 spectators due to lock-downs, offset however by the recognition of revenues from TV rights and sponsorships, previously deferred to June 30, 2020 and recognised - due to lock-down and postponement of both national and international competitions - in the current financial year, together with part of the costs of FIGC registered personnel, making this year's results not comparable with the previous fiscal year.

#### **Current taxes**

Taxes are set aside on an accrual basis; they therefore represent the allocation for taxes that have been or are to be paid for the fiscal year, calculated according to tax rates and outstanding law.

It is also noted that the Parent Company has an outstanding tax consolidation agreement with its subsidiaries, the details of which are provided in the paragraph "Taxes".

#### **Deferred tax asset and liabilities**

Deferred tax asset and liabilities appear if the individual line items are recognized for tax fiscal year in different fiscal year than their accounting recognition. Specific allocations to funds for deferred taxes are made for the temporary differences. Deferred tax asset including the ones arising from fiscal losses, are recognized as assets if there is reasonable certainty for future taxable income sufficient to recover the losses, considering the provisions of Law no. 111/2011, converted by Law Decree no. 98/2011 called *Urgent provisions for the financial stabilization of the Country*.

The uncertainty of the Company's future profitability, also confirmed by the undertaking of Suning Group to guarantee financial stability until there are stable conditions of autonomous economic balance, means that it is not opportune from a prudent standpoint, as in prior fiscal years, to have pre-paid taxes on temporary differences and fiscal losses. Both are calculated applying the tax rate in force on the date of the calculation.

It should be noted that the consolidated financial statements reflect the calculation of current and deferred taxation with the use of the tax rate of 24% starting from July 1, 2017.

Finally, as previously mentioned, during the fiscal year ended June 30, 2021 the Group availed itself of the option pursuant to art. 110 of Law Decree no. 104/2020, converted into Law no. 126 of October 13, 2020, and, with the support of an independent expert, proceeded to revalue the "Inter" brand and the "Libreria Storica", recorded under intangible assets, for a total of Euro 212,141 thousand. As a counter-entry to the increase in the value of intangible fixed assets, a reserve called "Revaluation reserve - DL 104/2020" (profit reserve) amounting to Euro 203,867 thousand was posted to shareholders' equity, net of the related deferred taxation (IRAP), calculated by applying the tax rate in force at the date of the presumed disposal, amounting to Euro 8,273 thousand.

#### **Other information**

##### *Use of estimates*

The preparation of the consolidated financial statements requires Management to make estimates and assumptions that have effects on the values of the assets and liabilities of such consolidated financial statements and on the information related to contingent assets and liabilities as of June 30, 2021. The estimates and assumptions used are based on experience and other factors considered to be relevant. The final results might therefore be different from such estimates. The estimates and assumptions are reviewed periodically and the effects of each variation made to them are reflected in the Income Statement in the fiscal year in which the review of the estimate is made if the review has effects only on such fiscal year, or even in the following periods if the review has effects both in the current period as well as in future periods.

The most significant line items of the financial statements effected by some assumptions of uncertainty are the determination of Bad debt provision, Provisions for risks and charges and the Fair value of tangible and intangible assets.

With reference to the estimate of the bad debt provisions trade receivables, the financial statements reflect the estimate of the liabilities based on the best knowledge of the solvency status of the counterparties and the progress of the disputes, using the information provided in the legal and tax consultants who assist the Group and taking into account existing contacts with counterparties. The risk estimate is subject to the uncertainty inherent in any estimate of future events and the outcome of the litigation procedure and it can not be excluded that in future years there may be charges that can not be estimated due to a worsening of the status of disputes and solvency level of counterparties, even considering the general deterioration of markets solvency caused by the Covid-19 outbreak and its effect on clients and their cash flow generation.

In particular, with reference to the receivables owed by the subsidiary Inter Media to the Chinese companies Beijing Imedia Advertising Co, Ltd, respectively amounting to Euro 55,892 thousand and Euro 7,800 thousand, during the fiscal year, following a worsening of the solvency level of the counterparties, mainly due to the continuing effects caused by the Covid-19 pandemic and the restrictions imposed by the Chinese government on capital allocated abroad, the Directors allocated a provision for bad debts of Euro 39,337 thousand, in order to adjust the aforesaid credit positions to their estimated realizable value, for which more details are described in the paragraph "Sponsorship agreements".

Finally, it should be noted that a dispute is currently underway between LNPA and a television broadcaster with reference to the sixth and last instalment of TV rights for the 2019/2020 football season, which was paid with reserve by the broadcaster itself (i) for Euro 2.9 million directly to Inter Media in February 2021, (ii) for Euro 3.1 million to LNPA (F.C. Inter's share) and retroceded to Inter Media in March 2021. To date, the outcome of this dispute is uncertain and, on the basis of the best information available to date, the Directors have allocated a provision for risks and charges, aimed at covering the Group from the risk of losing the dispute. However, it cannot be ruled out that a worsening (for LNPA and, consequently, for the Parent Company) of this dispute or an outcome favorable to the broadcaster could necessitate further provisions for risks and charges in the near future.

With reference to the assessment of the recoverable amount of intangible assets, the Directors, for the purposes of preparing the consolidated financial statements as at June 30, 2021, carried out the impairment test, to verify the recoverability of the values of the assets of the FC Internazionale Group as at June 30, 2021, in the meantime subject to revaluation pursuant to law as described above, using the 2022-2026 economic and financial projections prepared by the Group Directors (hereinafter, alternatively, the "Group Forecast Data"). It should be noted, in this regard, that the Group's Forecast Data used for the impairment test are based on assumptions, characterised by intrinsic uncertainty with reference to both macroeconomic and sector conditions, as well as the impacts caused by the continuation of the Covid-19 pandemic, and specific conditions linked to the Group, largely dependent on sports results, the achievement of which is currently not foreseeable and could lead to results that differ from those estimated; this could also lead to the need to write down the intangible and tangible fixed assets recorded in the consolidated financial statements, for which there are currently no objective grounds.

With reference to the general forecasts of the Fair Play Finanziario (FFP), in view of the significant discussions underway at institutional level regarding the reform of the current regulations, as briefly described in Report on Operations, the Company is not yet in a position to formulate expectations at this stage regarding the assessment that will be made by UEFA over the coming months on the Club's position as of June 30, 2021.

#### *Agreements with the RAI Group and Infront*

On June 24, 2011 the Parent Company stipulated a contract with RAI for the purchase, starting from June 2011, of the RAI library related to the images and videos of the team's performance (historic library and materials and rights) and the library of self-productions of the thematic channel "Inter Channel" from 2000 through 2008.

At the same time, it stipulated an agreement with RAI that resulted in (i) a settlement regarding the prior use of the Library, (ii) a thirty year right of use until 2041, as well as (iii) the right to renew the contract for the use of the library from June 2041 through June 2071. With reference to such agreement, deferred income is currently recognized in the accounting records in the amount of Euro 11,714 thousand related to consideration which has already been financially settled but which is referable to future accounting periods.

On May 2, 2011 the Group also signed a contract with Infront S.r.l., a primary company operating in the national and International media market, which the Group entrusted with digitalizing, cataloguing and organizing the images belonging to the library that is the object of the RAI contract for the 2011/2012 through the 2015/2016 seasons. On June 21, 2012 an addendum was stipulated to the original contract with Infront S.r.l. which extends the term to the additional 2016/2017 and 2017/2018 football seasons. It also includes, in addition to the marketing of the library - inclusive of marketing the images of training sessions, interviews and press conferences - media packages and electronic games, as well as the audio-visual productions of Championship and Tim Cup matches. On May 13, 2014 another integration was stipulated which further extended the duration of the contract through the 2020/2021 season, and which also increased the consideration. Such integration entered into effect on July 1, 2014.

#### *Debt refinancing*

On December 21, 2017, the subsidiary company Inter Media and Communication, after the change of its legal form from a limited liability company into a joint stock company ("società per azioni"), issued and placed to institutional investors senior secured obligations for an amount of Euro 300 million, with a maturity date on December 31, 2022 and fixed rate at

4.875% ("The Bond Loan") and F.C. Internazionale has signed a revolving credit facility for a maximum amount of Euro 50 million, entirely used on June 30, 2021. The resources obtained from this transaction were used to repay in full the residual debt relating to the loan to Goldman Sachs International and Unicredit for Euro 202 million and to support the ordinary activities of the F.C. Internazionale Milano Group.

On July 31, 2020, in order to finance the ordinary activities of F.C. Inter and mitigate the impact of the aforementioned events that occurred due to the Covid-19 pandemic, the Company issued and placed with institutional investors an additional tranche of senior secured bonds for a total amount of Euro 75 million, maturing on December 31, 2022 and with a fixed rate of 4.875% at an issue price of 93%, with the same guarantees as the above mentioned Bond.

Such Bond Loan is secured by cash flows deriving from the sponsorship agreements and media contracts signed by the subsidiary company Inter Media and Communication S.p.A. as well as the flows deriving from the UEFA rights and the Serie A television rights, similarly to the provisions of the previous loan agreement described above.

It should be noted that, the context of the bond issuing, Inter Media has granted the mortgage on the value of Inter brands, while FC Inter and Inter Brand have granted as pledge their Inter Media's share capital.

#### *Sponsorship Agreements*

The suspension of the sports season decreed by the government and federal authorities due to the spread of the Covid-19 pandemic from March to May 2020, meant that the Group was temporarily unable to fully meet its contractual obligations with the sponsors. Taking this into account and the subsequent resumption of competitive activity, with the new end of the 2019/2020 sports season decreed by the federal authorities until August 31, 2020, sponsorship revenues were recognized pro-rata temporis, with the exception of Naming Rights revenues from the agreement with Jiangsu Suning Sports Industry Co., Ltd. And with Beijing Imedia Advertising Co., Ltd, (better known as iMedia).

In previous years the Group signed sponsorship contracts with Pirelli ("Official Sponsor"), expired and not renewed as of June 30, 2021, Nike ("Technical Sponsor"), Credit Agricole, Hugo Boss, Lenovo, Volvo, Mastercard, Trenitalia, Myworld, Locauto, Manpower and finally Carimi. With the start of the new 2020/2021 sports season, despite the lingering effects of the Covid-19 pandemic, five new partnerships were launched (EA Sports, Snaipay, StarCasino, SDY and LD Sports) and the sponsorships with Volvo, Pepsico and Technogym were renewed. With reference to the "Official Sponsor", during July 2021, Inter Media signed an agreement with Socios.com, for the 2021/2022 football season, for a consideration of Euro 16 million as Global Main Jersey Partner and from the 2022/23 season to the 2024/2025 football season, for an annual consideration of Euro 1 million, as Global Sponsor Advertising Rights.

Moreover, in September 2021, Inter Media signed a new partnership with Zytara Labs LLC, as the new Official Global Cryptocurrency and Sleeve Partner, valid from the 2021/2022 football season until the 2024/2025 football season for a total consideration of Euro 85 million.

The Leading Shareholder has contributed significantly to the development of sponsorships in Asia and in particular, on September 1, 2016, was signed with the company belonging to the Suning Group, Jiangsu Suning Sports Industry Co., Ltd, a contract for i) the sale of the renaming rights of the sports center of Applano Gentile (Suning Sports Center in memory of Angelo Moratti) and the training center of the youth sector (Suning Training Center in memory of Giacinto Facchetti), ii) the rights for the display of the Suning brand on the official training kits, LEDs, backdrop, including VIP hospitality and dedicated tickets for home matches and iii) the co-branding rights on the Asian territory. The contract, originally expiring in June 2020, provided for an irreversible initial signing fee of Euro 25 million and fixed annual fees of Euro 16.5 million until expiry. On December 21, 2017, at the time of the refinancing transaction concluded with the placement of the Bond, an amendment was signed regarding the Naming Rights of the aforementioned contract by which the distribution of the consideration provided for between the Parent Company and Inter Media was redefined, equal to 47% and 53% respectively. During the 2019/2020 fiscal year, the consideration was subject to revision, no longer providing for the variable part and redefining the fixed consideration for a total amount of Euro 16 million, against an extension of the contract deadline to June 30, 2022. Finally, in September 2021 the fixed contractual consideration, following the failure of the Group to provide certain contractually envisaged services, caused by the protracted effects of the Covid-19 pandemic also in the 2020/2021 football season, was subject to a further revision and corresponding for the 2020/21 season to an overall reduction of Euro 5.4 million and for the 2021/2022 season to a reduction of Euro 4.5 million. Consequently, in light of the change, with reference to this contract the Group recorded revenues for the year totalling Euro 10.6 million.

During the 2017/2018 fiscal year, an agreement was signed with the Chinese company Beijing Imedia Advertising Co., Ltd. (better known as iMedia) a Chinese sports marketing agency, expiring June 30, 2024, which provided for an irreversible signing fee of Euro 23.1 million and annual fees of Euro 25 million until maturity.

During the current fiscal year, the Group recorded revenues for a total of Euro 24.5 million, including the additional fees paid by iMedia to the Group, equal to Euro 0.3 million, following the definition during the fiscal year of the agreements between it and the Chinese companies Winchain, Moutai and Yidezhi, reduced by Euro 0.8 million, following the retrocession of the revenues of the sponsor Visa. It should also be noted that on June 28, 2021, pursuant to a contractual provision, iMedia exercised early termination of the contract as of June 30, 2021.

With reference to the aforementioned position, in September 2021, iMedia communicated in a letter addressed to Inter Media that, due to the negative impacts resulting from the continuation of the Covid-19 pandemic, it has such expectations that allow it to only partially honor its debt to the Group, currently amounting to Euro 55,892 thousand as of June 30, 2021. At the same time, the Group set aside a provision for doubtful accounts of Euro 31,537 thousand as of June 30, 2021, in order to adjust the aforesaid receivable position to its estimated realizable value, also taking into account the effect of

discounting it back to present value for the installment portion due after June 30, 2022, in accordance with the proposed repayment plan.

Lastly, it should be noted that, with reference to the receivable due from the Chinese company Beijing Yixinshijie Culture Development Co., Ltd, amounting to Euro 7,800 thousand as at June 30, 2021, accrued against contractual services rendered by the Group during previous fiscal years net of cash received (of which Euro 16.3 million in October 2020), in September 2021 the aforesaid Chinese company communicated in a letter addressed to Inter Media that, due to the negative impacts resulting from the continuation of the Covid-19 pandemic, it has expectations that do not allow it to honor its debt to the Group. At the same time, the Group set aside a provision for bad debts of Euro 7,800 thousand as of June 30, 2021, in order to adjust the aforementioned credit position to its presumable realizable value.



## Analysis of the Balance Sheet line items

### ASSETS

#### Fixed assets

#### Intangible assets

As of June 30, 2021 and June 30, 2020 intangible assets amounted respectively to Euro 644,834 thousand and to Euro 514,734 thousand.

The fiscal year amortisation amounted overall to Euro 150,626 thousand (Euro 132,671 thousand at June 30, 2020). Write-downs were made during the fiscal year in the amount of Euro 16,707 thousand (Euro 3,571 thousand at June 30, 2020).

Euro thousand	Balance as of June 30, 2020	Increase	Decrease	Reclassifications	Revaluation art. 110 DL 104/2020	Balance as of June 30, 2021	Balance Accumulated Amortisation as of June 30, 2020	Impairment	Decrease	Amortisation	Balance Accumulated Amortisation as of June 30, 2021	Net Intangibles
Ind. Patents and similar intellectual rights	438	20	-	-	-	458	(338)	-	-	(25)	(363)	95
Concessions, licenses and trademarks	190,391	16	-	27	212,141	405,575	(110,903)	-	-	(5,592)	(116,495)	289,081
Construction in progress	26,133	266	(2)	(40)	-	26,357	-	-	-	-	-	26,357
Capitalization of youth programme costs	69,199	8,850	-	-	-	78,048	(53,992)	-	-	(7,431)	(61,423)	16,624
Player registration rights	693,898	99,033	(73,365)	-	-	719,616	(307,035)	(16,707)	50,366	(137,053)	(410,429)	309,186
Other intangible assets	17,219	71	-	-	-	17,290	(13,275)	-	-	(525)	(13,800)	3,490
<b>Total</b>	<b>1,000,277</b>	<b>108,306</b>	<b>(73,367)</b>	<b>(13)</b>	<b>212,141</b>	<b>1,247,344</b>	<b>(485,543)</b>	<b>(16,707)</b>	<b>50,366</b>	<b>(150,626)</b>	<b>(602,510)</b>	<b>644,834</b>

The net residual value of the line item "Industrial patents and similar intellectual property rights", amounting to Euro 95 thousand at June 30, 2021, mainly refers to rights to the images (photos and video) of the Intercampus projects throughout the world.

The line item "Concessions, licenses and trademarks" mainly derives from the allocation of the F.C. Inter trademark as the result of the merger surplus in the financial statements as of June 2007 due to the incorporation of Inter Capital S.r.l. in F.C. Internazionale Milano S.p.A. In allocating the above surplus amount, reference was made by using the result arising at the time of the assignment of the F.C. Inter trademark to Inter Brand S.r.l.

As previously described in the paragraph "Revaluation Law 126/2020", during the fiscal year ended June 30, 2021 the Group availed itself of the option pursuant to art. 110 of Law Decree no. 104/2020, converted into Law no. 126 of October 13, 2020, and, with the support of an independent expert, proceeded to revalue the "Inter" brand and the "Libreria Storica", recorded among intangible assets, for a total of Euro 212,141 thousand.

In order to determine the higher value connected with the "Inter" brand and the "Libreria Storica", the "Multi-Period Excess Earnings" ("MPEEM") criterion was used, whereby fair value is obtained by discounting back the excess earnings expected for the years of the asset's residual life (multi-period), and the discounted cash flow method was used, on the basis of an independent expert's report.

The revaluation thus led to an increase in the value of the "Inter" brand for Euro 163,407 thousand, as well as an increase in the value of the "Libreria Storica" for Euro 48,024 thousand.

The revaluation was carried out by acting only on the historical cost, entailing an extension of the amortization period for the "Inter" brand for a further 20 years, which is in any case considered consistent with the effective residual useful life of the revalued asset, while for the "Libreria Storica" the amortization is calculated on a straight-line basis for 20 years from the date of the revaluation during the year, within the time limits of the legal protection of the revalued asset and in line with the description in the report. As previously mentioned, it should be borne in mind that the revaluation did not give rise to any increased depreciation during the year.

Following the revaluation carried out, the revalued net residual value as at June 30, 2021 of the F.C. Inter brand is equal to Euro 218,000 thousand, while that relating to the Historical Bookshop amounts to Euro 70,600 thousand. It is hereby certified that the value obtained following the revaluation does not exceed the recoverable value likely to be attributable to the same assets.

With regard to the revaluation of the "Inter" brand and the "Libreria Storica", the Group did not opt for payment of substitute tax in order to obtain tax recognition of this revaluation. As a counter-entry to the increase in the value of intangible fixed assets, a reserve called "Revaluation reserve - DL 104/2020" amounting to Euro 203,867 thousand was posted to shareholders' equity, net of the related deferred taxation (IRAP), calculated by applying the tax rate in force on the date of presumed disposal, amounting to Euro 8,273 thousand.

#### Impairment test

In accordance with OIC 9, in order to assess the recoverable value of the assets, including intangible fixed assets, recorded in the Group's consolidated financial statements, as well as to verify that the revaluation carried out did not lead the assets to a value higher than their recoverable value, the Directors, with the assistance of the independent expert, carried out an impairment test as at June 30, 2021.

In particular, it should be noted that the impairment test was carried out by the Directors with the support of an external consultant who used the Group's consolidated financial statements as at June 30, 2021 and updated economic and financial projections for the period 2022-2026 ("Group Forecast Data"). The impairment test was carried out by using the Discounted Cash Flow Method, i.e. the assessment of the value of the business by discounting the cash flows deriving from the above economic and financial projections, discounted using the WACC (Weighted average Cost of Capital) rate.

The impairment test was prepared by the Directors of the Group with the support of an independent specialist and approved by the Directors together with the Group's Forecast Data and the approval of the consolidated financial statements on September 30, 2021.

The assumptions adopted in the projection of the Group's revenues and related cash flows take into account (i) revenue values consistent with the forecasts of the sports results of the First Team of F.C. Internazionale which envisage, with reference to the European competitions, for all the years of the plan the elimination in the round of the UEFA Champions League (UCL), with consequent participation in the UEFA Europa League (UEL) and elimination in the quarter-finals of the same competition (ii) reduction in sponsorship revenues for the 2021/22 season, mainly due to the termination of certain contracts with Asian counterparties, which expired on June 30, 2021 and subsequent positive trend for the following seasons, thanks to the more favorable negotiation of certain sponsors expiring in the period of the projections relating to the Group's Forecast Data (iii) revenues from ticketing and/or season tickets consistent with maintaining stadium capacity at 50% for the 2021/22 season with a return to full capacity in the 2022/2023 season; (iv) prudently estimated merchandising trends; and (v) operating cost trends estimated consistent with the current organizational logic of the F.C. Internazionale Group.

The long-term growth rate used in the terminal value and changes in working capital were considered to be zero, with amortization equal to the investments made.

The WACC was determined to be 7.56% using as main components: risk free equal to 1.5% and Market risk premium of 4.72%.

The result of the test showed a recoverable value that is higher than the book value.

In order to perform stress tests with reference to the Impairment test, the Directors carried out sensitivity analyses using changes in some variables linked to certain assumptions, such as the reduction in the growth of some sponsorship revenues, the postponement of the reduction in the number of players' wages by one football season, the lower attendance at the stadium following further restrictions and the cancellation of the growth in ticket pricing over the entire time span of the plan. None of the assumed sensitivities show individually the need to make write-downs. However, the occurrence of all of the negative scenarios assumed in the assumed sensitivities could result in an impairment charge. In particular, if the negative scenarios arising from the sensitivity analysis carried out on sponsors, payroll, stadium attendance and cancellation of the growth in ticket pricing were to occur, the impairment test would show a loss of Euro 27.7 million, which in any case represents an extreme stress test scenario and is currently considered unlikely, with the consequent need to record impairment losses.

Finally, it should be noted that the WACC level for which the recoverable value is equal to the book value is equal to 8.65%, confirming the non-existence of potential indicators of impairment from the impairment test.

However, it should be pointed out that the Directors cannot rule out the possibility that the continuation of the Covid-19 pandemic may have significant impacts that have not been taken into account in the Group's forecast data and in the sensitivity analyses carried out for the impairment test. For this reason, the Directors will monitor the evolution of the aforesaid forecasts, in order to promptly reflect any losses in value when they become probable.

The item "Concessions, licenses and trademarks" therefore refers exclusively to software programs in use by the Company and to the sport title of A.S.D. Femminile Inter Milano, acquired during the last 2018/2019 season for the participation in the Women's Youth Championship, in compliance with the applicable regulations issued by the Lega Nazionale Professionisti and the FIGC.

Construction in progress as at June 30, 2021 mainly refer to the extraordinary maintenance done at the G. Meazza Stadium approved and/or which will be approved by the City of Milan, whose costs on the basis of the concession for the use of the Stadium will be offset with a portion for an equal amount of the licensing fees due to the City of Milan for the use of the Stadium, which are recognized in the line item "Trade payables" in the amount of Euro 28,594 thousand. An initial offset, related to the years ranging from 2000 through 2005, in the amount of Euro 8,173 thousand was made in the month of February 2010; a second offset, related to the years ranging from 2006 through 2010, in the amount of Euro 12,048 thousand, was made in the month of December 2010.

The line item "Capitalisation of youth programme costs" refers to the investments incurred specifically to manage and develop the youth sector and they are amortised for a period of five years, according to what is provided by outstanding federal regulations. The increases refer to the capitalisation of costs related to the management of the activity of the training camp capitalised in accordance with Article 86 N.O.I.F. For an analysis of the nature of the costs of the training camp capitalised during the fiscal year, reference is made to the following specific note of the Income Statement commenting on the line item "Capitalisation of youth programme costs".

The recoverability of the recognition value of the costs of Youth Programme was measured by the Directors with reference to the offers of registration systematically received, which more than remunerate the capitalised cost.

With respect to the line item player registration rights, the main transactions that occurred during the fiscal year are noted below:

Club Purchases	Player	Value of the Righ	Actualization effect	Actualized value	Age	Contract Expiry
<b>Euro thousand</b>						
U.S. Sassuolo Calcio	Sensi Stefano	27.596	(539)	27.057	25	2024
Genoa C.F.C.	Pinamonti Andrea	21.450	(133)	21.317	22	2024
Parma Calcio 1913	Darmian Matteo	3.310	(16)	3.294	31	2023
F.C. Luzern	Males Darian	2.750	-	2.750	20	2025
Free transfer	Hakan Calhanoglu	2.500	(88)	2.412	28	2024
F.C. Barcelona	Vidal Arturo	2.250	-	2.250	34	2023
A.S. Roma	Aleksandar Kolarov	1.660	-	1.660	35	2021
Atalanta B.C.	Dervishi Kristian	1.000	(26)	974	18	2023
Manchester United	Sanchez Alexis	500	-	500	32	2023
F.C. Banik Ostrava	Grygar Samuel	500	-	500	16	2023
Panathinaikos A.O.	Vagiannidis Georgios	475	-	475	19	2024
Paok P.A.E.	Botis Nikolaos Nestoras	350	-	350	17	2023
Calcio Catania	Carboni Valentin	227	-	227	16	2023
Hellas Verona F.C.	Jurgens Oliver	140	-	140	17	2023
Other "Player Registration Rights" acquired during the period (*)		35.189	(12)	35.177		
<b>Total</b>		<b>99.897</b>	<b>(814)</b>	<b>99.083</b>		

(\*) mainly includes earnings premiums accrued during the fiscal year related to players whose registration rights have been acquired in the preceding seasons

Club Sales	Player	Historical Cost	Age
<b>Euro thousand</b>			
S.S.C. Napoli	Politano Matteo	23.706	27
U.C. Sampdoria	Candrea Antonio	23.270	33
Vicenza Calcio	Longo Samuele	14.250	29
Cagliari Calcio	Godin Leal Diego Roberto	3.600	35
Free transfer	Romano' Andrea	2.695	28
Free transfer	Asamoah Kwadwo	2.361	32
Free transfer	Aleksandar Kolarov	1.660	35
Reggina 1914	Rivas Vindel Rigoberto Manuel	340	22
Reggina 1914	Gavioli Lorenzo	320	21
Nogometni Klub Celje	Roric Maj	320	21
Fernana F.C.	Demirovic Eljan	130	20
Fudbalski klub Crvena Zvezda	Bakayoko Axel	100	23
Other "Player Registration Rights" transferred during the period (*)		613	
<b>Total</b>		<b>73.365</b>	

The net book value of the disposals made during the fiscal year amounted to Euro 23 million

It is noted that with reference to the "Player registration rights" whose payments are deferred beyond normal credit terms (beyond one year), we proceeded to register the player right to a present value which considers the discounted effect as described in the accounting principles. This effect, for purchases made during the year, amounted to Euro 814 thousand. More details on the sale of Player Registration Rights can be found in the section "Other revenues and income" in commentary on gains on sale of player registrations rights.

It should also be noted that on October 18, 2018, the Company signed a contract with the Company A.S.D. Femminile Inter Milano for the acquisition of the sports title, with consequent registration among the player registration rights, for the participation to Women Championship and *Primavera* Women Championship, in accordance with the provisions issued by Lega Nazionale Professionisti and FIGC.

With reference to the registration rights of the player Eriksen (whose book value at June 30, 2021 is equal to Euro 18,318 thousand), it should be noted that following a serious injury occurred during the European Championships in June 2021, the player was temporarily banned by the Italian medical authority from playing in the current season. Despite the fact that the player's current conditions are not such as to allow him to obtain sports eligibility in Italy, the same could be obtained in other countries where the player could therefore resume competitive activities. Given that the possibility of obtaining the sports qualification temporarily suspended also in Italy or for the Company to proceed with the transfer of the player to a foreign team where the current conditions do not exclude, as mentioned above, the possibility of obtaining the qualification, there is currently no quantifiable evidence that the book value of the player's registration rights cannot be realized.

However, it should be noted that, with reference to this valuation, there are uncertainties due to the seriousness of the injury that could lead the Directors to review the valuation of the player if new elements or new evidence were to emerge that is not currently available, so that it is not excluded that in the future losses or write-downs could be made in a significant percentage compared to the value currently entered in the financial statements.

Finally, it should be noted that for the 2021/2022 season, compensation from UEFA, as the injury occurred while playing with the national team in an event organized by the same.

Other intangible assets amount to Euro 3,490 at June 30, 2021 and mainly refer to the work of building renovation for the new headquarter of Viale della Liberazione and of new football pitches and training room inside the Suning Sports Centre in memory of Giacinto Facchetti, training centre of the youth sector.

### Property, plant and equipment

As of June 30, 2021 and as of June 30, 2020 property, plant and equipment amounted respectively to Euro 28,920 thousand and to Euro 27,909 thousand.

It is noted that as of June 30, 2021 the Group had outstanding operating leases expiring in 2024 related to electronic office machinery for a total amount of rent that has not matured of Euro 416 thousand. Such amount is included under "Commitments, guarantees and liabilities arising from off-Balance Sheet".

As of June 30, 2021 no property, plant and equipment are encumbered by restrictions of mortgages or liens.

Depreciation allocated during the fiscal year amounted to Euro 1,844 thousand and was calculated on all of the property, plant and equipment depreciated as of June 30, 2021, applying the tax rates representing the technical-economic life, specified in the measurement criteria.

Euro thousand	Balance as of June 30, 2020	Increases	Decreases and Reclassifications	Balance as of June 30, 2021	Balance Accumulated Amortisation as of June 30, 2020	Transfers	Amortisation	Balance Accumulated Amortisation as of June 30, 2021	Net Tangibles
<b>Land and Buildings</b>	24.308	1.579	7.606	33.493	(7.454)	-	(923)	(8.377)	25.116
- Land and Sports Centre	24.157	1.579	7.606	33.342	(7.427)	-	(905)	(8.335)	25.007
- Light Buildings	151	-	-	151	(27)	-	(15)	(42)	109
<b>Plant and Machinery</b>	2.407	218	-	2.625	(1.833)	-	(157)	(1.990)	635
- Specific Systems	813	2	-	815	(574)	-	(37)	(611)	204
- Generic Systems	1.594	216	-	1.810	(1.259)	-	(120)	(1.379)	431
<b>Industrial and commercial equipment</b>	1.242	85	-	1.327	(980)	-	(61)	(1.041)	285
- Sports equipment	316	34	-	350	(226)	-	(24)	(250)	100
- Sanitary equipment	664	46	-	710	(566)	-	(28)	(594)	116
- Various equipment	262	5	-	267	(188)	-	(9)	(197)	70
<b>Other assets</b>	6.880	506	(8)	6.358	(2.799)	8	(703)	(3.494)	2.864
- Electronic machinery	2.152	345	(21)	2.476	(1.157)	8	(368)	(1.517)	959
- Furniture and Office machines	3.692	161	13	3.866	(1.626)	-	(335)	(1.961)	1.905
- Motor Vehicles	16	-	-	16	(16)	-	-	(16)	-
<b>Under construction and advances</b>	7.159	467	(7.606)	20	-	-	-	-	20
<b>Total</b>	<b>40.978</b>	<b>2.855</b>	<b>(8)</b>	<b>43.823</b>	<b>(13.088)</b>	<b>8</b>	<b>(1.844)</b>	<b>(14.902)</b>	<b>28.920</b>

It is noted that the line item "Land and buildings" includes the purchase cost for the "Suning Sports Centre in memory of Angelo Moratti" of Appiano Gentile, the first team's usual headquarters for training and retreats.

The variation in the "land and buildings" item compared to June 30, 2020 shows an increase of Euro 8,262 thousand, which mainly includes (i) costs incurred during the semester for the completion of the hotel and costs of restructuring the fields of the Centro Sportivo di Appiano Gentile for Euro 1,579 thousand; (ii) costs incurred in previous financial years, classified under the line "Advances" for Euro 7,606 thousand, for the construction of the hotel, which ended during the semester. This change is net of depreciation of the fiscal year of Euro 923 thousand.

It is noted that in prior fiscal years, revaluations were made just for statutory purposes and without any tax burden, on real property in accordance with Law Decree 29/11/08, for the total amount of Euro 2,334 thousand on the basis of a specific appraisal.

### Financial fixed assets

#### Investments in associated companies

The balance as of June 30, 2021 represents the value of the 50% stake in M-I Stadio S.r.l.; such equity investment, as already noted in the paragraph "Consolidation Standards", was synthetically consolidated using the "equity method".

The relevant information referring to the associated companies is set forth below:

**M-I Stadio S.r.l.**

Registered Office	P.le A. Moratti snc Milan
Share capital	1.000.000
Shareholders' Equity	2.653.837
Fiscal year result	(3.945.455)
Shareholding	50%
Shareholding (value)	1.326.919
Value in the financial statements	1.326.919

With reference to the investment in M-I Stadio S.r.l., it is noted that the net increase of Euro 1,088 thousand refers to the recovery of the net equity value accumulated by the associate company, that after the the gain in the financial statements as of June 30, 2021, brought the value of the net equity to Euro 2,654 thousand.

The related company at June 30, 2021 prepares its financial statements on a going concern basis, also taking into account the equity and financial support that the Shareholders have indirectly undertaken to guarantee for the foreseeable future, through (i) the signing of a "Services Agreement" effective as of 1 July 2019 and expiring on 30 June 2023 concerning the management of the Stadium; and (ii) the waiver of a receivable claimed by them from the associated company for Euro 1,769 thousand (F.C. Internazionale share of Euro 884,5 thousand), made on June 29, 2021 with a view to strengthening the associated company's equity.

**Investments in other companies**

This line item amounts overall to Euro 45 thousand and includes the 19.5% stake held in Consorzio Acquedotto La Pinetina.

**Receivables recognized in financial fixed assets**

The balance of the line item "Receivables recognized in financial fixed assets" as of June 30, 2021 amounts to Euro 35,707 thousand (Euro 12,537 thousand at June 30, 2020) of which i) Euro 13,623 thousand refers to security deposits paid as a guarantee for the Bond Loan described in the paragraph "Debt refinancing" and "Bond Loan" ii) Euro 20.000 thousand, done by the Company in order to, through Generali Italia S.p.A., took out an insurance guarantee policy for a total of Euro 50 million to guarantee the Company's transfer account balances in favour of the Lega Nazionale Professionisti Serie A, as envisaged by the regulations issued by the FIGC regarding players' registration and transfers (in particular, by FIGC Official Press Release no. 222/A, published on June 15, 2020), iii) and Euro 2,084 thousand refers to security deposits related to outstanding leases.

For more details with reference to financial movements, please refer to the annex "Cash Flow Statement".

**Net working capital**

Prior to proceeding with an analysis of the individual line items, a table summarizing operating assets and liabilities appearing in the Balance Sheet at the close of the current fiscal year and the comparative fiscal year is set forth below.

	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
<b>Euro thousand</b>			
Current assets (with the exclusion of cash at bank and on hand)	129.504	241.249	(111.745)
Accrued income/prepaid expenses	15.084	27.828	(12.744)
Receivables, accrued income and prepaid expenses due beyond 12 month	(57.895)	(47.854)	(10.041)
<b>Operating assets</b>	<b>86.693</b>	<b>221.223</b>	<b>(134.530)</b>
Payables (with the exclusion of financial payables)	(356.096)	(409.010)	52.914
Deferred income and accrued liabilities	(40.156)	(50.016)	9.860
Payables, accrued expenses and prepaid income due beyond 12 month	118.369	157.680	(39.311)
<b>Operating liabilities</b>	<b>(277.883)</b>	<b>(301.346)</b>	<b>23.463</b>
<b>Operating assets and liabilities</b>	<b>(191.190)</b>	<b>(80.123)</b>	<b>(111.067)</b>

The net working capital as of June 30, 2021 shows a negative balance, worse of 111,067 thousand compared to the negative balance of the previous year, mainly due to the combined effect of the decrease in receivables compared to increase in current payables.

Finally, it should also be noted that payables include Euro 28,594 thousand of payables to the City of Milan which will be offset by the value of the improvements to the Meazza Stadium recorded under intangible assets under "Construction in progress" for Euro 26,311 thousand incurred by the Group on behalf of the municipality itself.

## Receivables

Receivables amount to Euro 129,504 thousand and refer to the receivables specified below:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
Receivables from customers	101.829	94.445
Receivables from subsidiaries	48	48
Receivables from parent companies	679	11.984
Receivables from companies subject to parent companies control	463	2.000
Tax receivables	6.904	4.923
Deferred Tax Assets	130	2.230
Receivables from sector-specific institutions	72.302	124.288
Receivables from other	73	11.872
	<b>182.428</b>	<b>251.790</b>
Bad debt provision	(52.924)	(10.541)
	<b>129.504</b>	<b>241.249</b>

## Trade Receivables

The amount of Euro 101,829 thousand includes receivables due from a heterogeneous clientele, mainly composed of private companies for commercial transactions and mainly related to the sale of television rights and sponsorships, including (i) regional sponsors with Chinese counterparties for a total of Euro 64,152 thousand (Euro 55,042 thousand as at June 30, 2020), against which, during the fiscal year, a provision for bad debts was set aside of Euro 39 337 thousand, in order to adjust them to their presumed realisable value; (ii) IMG Media for Euro 4,622 thousand, entirely collected to date; (iii) Nike for Euro 3,975 thousand, entirely collected to date; (iv) Infront for Euro 2,494 thousand, entirely collected to date; (v) Lenovo for Euro 1,717 thousand, entirely collected to date; (vi) Electronics Arts for Euro 1,500 thousand; (vii) Zhengheng (Cambodia) for Euro 1,100 thousand.

With reference to LNPA and Sky Italia receivables, it should be noted that a dispute is underway between the League and a television broadcaster with reference to the sixth and final instalment of the TV rights for the 2019/20 season (referring to revenues generated in the half-year), which was paid under reserve by the broadcaster itself (i) for Euro 2.9 million, directly to the subsidiary Inter Media during February 2021; (ii) for Euro 3.1 million to the Lega Serie A (F.C. Inter's share) and retroceded to the subsidiary Inter Media during March 2021. To date, the outcome of this dispute is uncertain, and on the basis of the best information available to date, the directors of the subsidiary Inter Media have prudentially set aside a provision for risks and charges, aimed at covering the subsidiary from the risk of losing the dispute. However, it cannot be ruled out that a worsening (for the League and, consequently, for F.C. Inter) of this dispute or an outcome of the same that is favourable to the television broadcaster could require a further allocation to the provision for risks and charges for the above-mentioned receivable in the near future.

The item "Receivables from customers" includes receivables due after 12 months, for Euro 22,538 thousand, of which Euro 22,354 thousand refer to the repayment plan signed by Inter Media with the Chinese agency iMedia, net of the related allowance for doubtful accounts, determined also taking into account the effect of discounting it back to present value for the instalment due after June 30, 2022, as described in greater detail in the section "Sponsorship agreements".

Trade receivables due in over 5 years amount to Euro 7,047 thousand.

Further, it is noted that as of June 30, 2021 such line item includes receivables for invoices to be issued in the amount of Euro 4,812 thousand, mainly related to Euro 1,810 thousand related to sponsorship agreements, to Euro 867 thousand for royalties relating to the sale of Nike equipment and Euro 1,100 thousand for the fees related to the summer retreats carried out by the First Team.

#### **Receivables from subsidiaries**

Receivables from subsidiaries are trade receivables and mainly regard the amount of Euro 48 thousand with respect to the companies Inter Brand China Co., Ltd. in liquidation in the amount of Euro 61 thousand, written down in the amount of Euro 45 thousand and Shanghai Inter Brand Trading co., Ltd. in the amount of Euro 243 thousand, recognized net of a write-down fund for receivables in the amount of Euro 211 thousand. The balance as of June 30, 2021 also includes a receivable of Euro 1 referring to a shareholders' loan granted to the company Inter Brand China Co., Ltd. in liquidation for the original amount of USD 27,412, written down because considered to be a doubtful receivable upon at the end of the liquidation. The counter-value in Euro of the above receivable, gross of the write-down fund, amounts to Euro 21,528.

#### **Receivables from parent companies**

Receivables from parent companies amount to Euro 679 thousand and mainly relates to the Licencing agreement signed during the fiscal year and to recharges to the parent company. For the sake of completeness, it should be noted that the receivable outstanding at June 30, 2020 was collected in full during the current fiscal year.

#### **Receivables from companies subject to parent companies control**

Receivables from companies subject to parent company control of Euro 462 thousand as at June 30, 2021 (Euro 2,000 thousand as at June 30, 2020) refer to receivables due from the Suning Great Mercury Limited group company for the sale of broadcasting rights for the Inter TV channel in China.

#### **Tax Receivables**

Receivables from the Italian Treasury amount Euro 6,904 thousand (Euro 4,923 thousand at June 30, 2020) and mainly refer to Euro 5,359 thousand to the total VAT credit for the month of June 2021 of the Parent Company and of the subsidiary Inter Brand.

#### **Receivables for deferred tax assets**

Receivables for deferred tax assets, amounting to Euro 10 thousand at June 30, 2021 (Euro 2,230 thousand at June 30, 2020) are related to the provision for risks and charges.

#### **Receivables from specific sector institutions**

Receivables from specific sector institutions, included among receivables from football clubs, gross of the relative fund for the write-down of receivables for Euro 2,522 thousand, are the following:

<b>National Clubs</b>	<b>LNP Serie A</b>	<b>Direct</b>
<b>Euro thousand</b>		
SOCIETA' SPORTIVA CALCIO NAPOLI SPA	18.837	
GENOA CRICKET & FOOTBALL CLUB S.p.A.	11.705	
PARMA CALCIO 1913 SRL A SOCIO UNICO	5.826	
ATALANTA BERGAMASCA CALCIO SPA	3.267	
U.C. SAMPDORIA S.p.A.	2.567	
US SASSUOLO CALCIO SRL	1.294	
BENEVENTO CALCIO SRL	776	
TORINO FOOTBALL CLUB SPA	762	
REGGINA 1914 SRL	350	
ASSOCIAZIONE CALCIO MONZA SPA	267	
L.R. Vicenza S.p.A.	200	
A.C. MONZA BRIANZA 1912 S.p.A.	100	
COMO 1907 SRL	2	
ACCADEMIA PAVESE ASD		10
ALTOVICENTINO FCD		9
CELANO F.C. OLIMPIA S.p.A.		6
A.C. PAVIA S.R.L.		1
<b>Total National Clubs</b>	<b>45.953</b>	<b>25</b>
<b>FIGC</b>	<b>15</b>	
<b>Lega c/Campionato Femminile and LND</b>	<b>57</b>	
<b>Lega c/Trasferimenti</b>	<b>2.411</b>	
<b>Receivables for guaranties</b>	<b>5</b>	
<b>Invoices to be issued to specific sector institutions</b>		<b>7.068</b>
<b>Foreign Clubs</b>		
CLUBE DE REGATAS DO FLAMENGO	11.191	
STANDARD DE LIEGE SA	3.424	
THE READING FOOTBALL CLUB LIMITED	2.286	
ALBACETE BALOMPIE S.A.D.	1.531	
F.C. SION - OLYMPIQUE DES ALPES SA	343	
CHELSEA FOOTBALL CLUB LIMITED	201	
REAL MADRID CLUB DE FUTBOL	159	
SPORTING CLUB OLHANENSE FUTEBOL SAD	50	
MANCHESTER UNITED FOOTBALL CLUB LIMITED	47	
ESTUDIANTES DA LA PLATA	28	
CLUB ATLÉTICO DE MADRID	24	
ASOCIATIA FOTBAL CLUB ASTRA	8	
<b>Total Foreign Clubs</b>	<b>19.290</b>	
<b>Bad debt reserve for receivables from specific sector institutions</b>		<b>(2.522)</b>

Receivables from National Clubs are to be considered together with payables to National Clubs recognized in the line item "Payables to specific sector institutions" because the line items are settled for their net amount.

It should be noted that receivables with collection date beyond 12 months, have been recorded as of June 30, 2020, net of a discounting effect of Euro 1,322 thousand.

The item "Lega c/Trasferimenti" also refers to the receivables from the Lega Serie A of Euro 2,411 thousand related to the account Lega c/Trasferimenti entered in refer to the VAT payment made, during the fiscal years 2015/2016 and 2016/2017 by F.C. Inter on behalf of a football club fallen into bankruptcy that never issued the invoices related to transactions emerged in the transfer campaign. Although the football club never issued the invoices, the LNP compensated the credit/debit position, raising the legal obligation in F.C. Inter to pay the VAT as required by the Italian Law. Despite the receivable is due to F.C. Inter from the football club into bankruptcy, the LNP is managing the credit and debit situations on behalf of the football clubs which are involved in this procedures with the football team. It is therefore considered that, as of today, the receivable is collectable despite the uncertainty arising from the bankruptcy proceedings in progress. Following the evolution related to this procedure – with the legal support - the Company considered the doubtful recoverability of the receivable and, in the context of the risk assessment related to the recoverability of the receivable position, during the previous fiscal years has accrued a total write-down of the receivable.



Invoices to be issued, amounting to Euro 7,068 thousand, mainly relate to the balances for the 2020/2021 season of non-audiovisual rights towards the Lega Nazionale Professionisti for Euro 6,068 thousand and to the Market Pool and Final Balance towards UEFA for the 2020/2021 season for Euro 1,000 thousand.

#### Receivables from others

Receivables from others amount to Euro 73 thousand at June 30, 2021 (Euro 11,872 thousand at June 30, 2020) and they mainly refer to receivables for advance payments to employees and commercial suppliers. The decrease in the fiscal year, equal to Euro 11,824 thousand, refers to the collection of the insurance reimbursement obtained during the fiscal year in relation to the season ticket portion for the 2019/2020 season, reimbursed to season ticket holders for their failure to attend the remaining games that were played "behind closed doors" due to restrictions issued by the relevant government and sports authorities for the spread of the Covid-19 pandemic.

#### Bad debt provision

The movement of the bad debt provision during the fiscal year is set forth below:

Euro thousand	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Balance at the start of the period</b>	<b>10.541</b>	<b>17.350</b>
Utilisation	-	(7.351)
Utilisation for surplus	-	(201)
Reclassifications	2.000	-
Accruals	40.383	743
<b>Balance at the end of the period</b>	<b>52.924</b>	<b>10.541</b>

The provision for the period, amounting to Euro 40,383 thousand, reflects the prudential write-down of doubtful receivables, including primarily (i) receivables from the Chinese agency iMedia, amounting to Euro 31,537 thousand and (ii) receivables from the Chinese company Beijing Yixinshijie Culture Development Co. For further details, reference should be made to the previous paragraph "Sponsorship agreements".

For the sake of completeness, it should be noted that, during the year, the amount of Euro 2,000 thousand, set aside in the provisions for risks and charges as of June 30, 2020, was reclassified to the allowance for doubtful accounts in order to adjust the residual receivable from a sponsorship contract terminated early during the year to its estimated realizable value.

It also should be noted that the bad debt provision includes Euro 45 thousand related to the write-down of the receivable from the subsidiary Inter Brand China Co., Ltd. in liquidation with respect to which payables in the amount of Euro 16 thousand and Euro 211 thousand are recorded among liabilities related to the subsidiary Shanghai Inter Brand Trading Co., Ltd.

The breakdown of receivables by currency is set forth below:

Euro thousand	Balance as of June 30, 2021	Balance as of June 30, 2020
Receivables in Euro	122.934	232.617
Receivables in RMB	152	153
Receivables in GBP	2.327	4.948
Receivables in USD	4.091	3.531
	<b>129.504</b>	<b>241.249</b>

#### Financial assets not held as fixed assets

The line item includes:

- the purchase cost of 60% of the share capital of the subsidiary Inter Brand China Co., Ltd. in liquidation, having its registered office in Hong Kong, for the nominal value of HKD 6, or for a counter-value of approximately Euro 1, which was placed in liquidation during the first six months of 2010 and the procedural process, net of any bureaucratic formalities substantially concluded in the month of February 2014; it is noted that in the consolidated financial statements as of June 30, 2021 the net position with respect to the subsidiary is Euro 0.

- the value of the financial fixed asset in the subsidiary Shanghai Inter Brand Trading Co., Ltd., having its registered office in China, whose write-down to 100% of the shareholding held was done during prior fiscal years. It is noted that the negative Shareholders' equity of Euro 5 thousand as of December 31, 2013 does not include the substantial waiver by the Company of a total of Euro 243 thousand written down by Euro 211 thousand. On February 4, 2016, a contract was signed with a consulting company responsible for proceeding with the liquidation of the reference company.

Below are data from the latest available balance sheet of the two companies who do not have annual filing requirements for financial documents:

	<b>Brand China Co., Ltd. In liquidazione</b>	<b>S.I.B.T. Co., Ltd.</b>
	10A, Seapower Industrial Centre, 177 Hoi Bun Road,	Room 420, T 15-5, no. 999 Ningqiao Road, Jinqiao
Registered office	Kwun Tong, Kowloon, HONG KONG	Export Processing Zone, Pudong New District, Shanghai
Share capital	HKD 10	\$ 275.000
Shareholders' equity	HKD (1,161,985) - Euro (125,902)	RMB 84,568 - Euro 11,020
Fiscal year result	HKD (440,850) - Euro (47,766)	RMB 130,727 - Euro 17,035
Stake held	60%	100%
<b>Book Value</b>	<b>Euro 1</b>	<b>Euro 1</b>

### Cash and cash equivalents

Available liquidity consists of temporary liquidity from banks generated in the context of treasury management and amounts to Euro 97,872 thousand as of June 30, 2021 and to Euro 88,472 thousand as of June 30, 2020.

Cash on hand amount to Euro 12 thousand (Euro 34 thousand as of June 30, 2020).

For further details on the trend of liquidity, please refer to the Cash Flow Statement.

It should be noted that the credit line of Euro 50 million drawn by the Group in connection with the debt refinancing operation already described in the paragraph "Other information – Debt refinancing", is entirely used as of June 30, 2021 and recorded under the item "Bank loan".

### Accrued income and prepaid expenses

Last year, accrued interest income was recorded on an accruals basis, as recognized in the judgment that enforced a third-party seizure procedure, and was collected in full in the current year.

The line item accrued income and prepaid expense can be analysed as follows:

	<b>Balance as of June 30, 2021</b>	<b>Balance as of June 30, 2020</b>
<b>Euro thousand</b>		
Prepayments for rent	781	57
Prepaid insurance premiums	177	166
Prepaid expenses for guarantees	3.326	-
Prepaid expenses for loans	165	326
Prepaid expenses for Bond loan	70	44
Prepaid expenses for factoring	8	99
Prepaid expenses FIFA Agents	9.398	10.049
Prepaid expenses for temporary acquisition of football players	-	592
Prepaid expenses First Team salaries	-	15.023
Other prepaid expenses for services	1.159	1.452
<b>Total</b>	<b>15.084</b>	<b>27.808</b>

"Prepaid expenses FIFA Agents" for Euro 9,398 thousand, refer to the costs for agents sustained during the year and related to (i) contract renewals of First Team players and (ii) the maturity of fees caused by the presences of the players assisted by those agents.

Prepaid expenses for commissions on guarantees, amounting to Euro 3,326 thousand, refer to the premium paid for the insurance guarantee policy through Generali Italia S.p.A., as better described above.

The deferral of the salaries of registered First Team players, amounting to Euro 15,023 thousand at June 30, 2020 and fully released during the fiscal year, was related to the accounting of the costs of registered personnel for the months not pertaining to the financial year ended June 30, 2020 and defined according to the pro-rata of the same from March until the end of the 2019/20 football season (August 31, 2020), as established by the competent authorities at the end of the restrictive measures adopted during the lockdown period against the spread of the Covid-19 pandemic.

The item "Prepaid expenses for Bond loan" includes the portions of competence, subsequent to the reference date of these consolidated financial statements, of the fees paid for the annual fees related to the Bond loan.

Prepaid expenses for other services, equal to Euro 1,159 thousand, mainly include prepayments related to company car rents, maintenance of the data service room, marketing systems and Customer Relationship Management of competence of the following year.

It should be noted that the item prepaid expenses also include amounts for Euro 7,173 thousand that expire after 12 months, of which Euro 4 thousand beyond 5 years.

## LIABILITIES

### Shareholders' equity

	Share capital	Share premium reserve	Reserve for future capital increases	Revaluation reserve art. 110 DL 104/2020	Reserve to cover future losses	Retained Earnings/Losses	Fiscal Year profit/losses	Total
Euro thousand								
Balance as of June 30, 2019	19.195	26.943	40.000	-	105.000	(147.306)	(48.387)	(4.555)
Resolution ex Shareholders' meeting on October 28, 2019:								
- Retained earnings (losses)					(63.295)	14.908	48.387	-
- Reserve for future capital increases			70.000					70.000
Result for the fiscal year 2019/2020							(102.394)	(102.394)
Balance as of June 30, 2020	19.195	26.943	110.000	-	41.705	(132.398)	(102.394)	(36.949)
Resolution ex Shareholders' meeting on November 27, 2020:								
- Retained earnings (losses)						(102.394)	102.394	-
- Reserve for future capital increases			132.112					132.112
- Revaluation reserve art. 110 DL 104/2020				203.867				203.867
Result for the fiscal year 2020/2021							(245.579)	(245.579)
Balance as of June 30, 2021	19.195	26.943	242.112	203.867	41.705	(234.792)	(245.579)	53.451

Although the Group recorded losses of Euro 245,579 thousand during the fiscal year, as at June 30, 2021 it had a positive consolidated shareholders' equity of Euro 53,451 thousand and cash and cash equivalents of Euro 97,884 thousand, benefiting from the revaluation carried out during the fiscal year, availing itself of the option pursuant to art. 110 of Legislative Decree no. 104/2020, converted into Law no. 126 of 13/10/2020 and supported by an independent expert, of the values of the "Inter" brand and the "Libreria Storica", recorded in the financial statements of the company Inter Media among intangible assets, for a total of Euro 212,141 thousand. As a counter-entry to the increase in the value of intangible assets, a reserve called "Revaluation reserve - DL 104/2020" (profit reserve) amounting to Euro 203,867 thousand was posted to the Group's shareholders' equity, net of the related deferred taxes (IRAP), calculated by applying the tax rate in force at the date of the presumed disposal, amounting to Euro 8,273 thousand.

It should also be noted that, although the Parent Company reported losses for the year of Euro 214,413 thousand, it had positive shareholders' equity of Euro 91,029 thousand and cash and cash equivalents of Euro 69.105 thousand at June 30, 2021, also benefiting indirectly from the revaluation carried out during the financial year of the values of the "Inter" brand and the "Libreria Storica", entered in the financial statements of the company Inter Media under intangible assets, through the revaluation of the values of the shareholdings held by the same in the subsidiaries Inter Media and Inter Brand, for a total amount of Euro 123.190 thousand, thereby guaranteeing the company an adequate level of capitalization with reference to the capital requirements provided for by the Italian Civil Code, also thanks to the creation of reserves for future capital increases by the Suning Group, through the conversion of shareholders' loans previously granted for a total of Euro 215 million and, during this year for a further Euro 132.1 million, thus enabling the shareholders' equity of the Parent Company - despite the loss for the year and the estimate of further losses in the first quarter of the financial year 2021/2022 - to remain positive, both as at June 30, 2021 and as at the date of approval of the financial statements for the year, complying with the capitalization parameters provided for by the Italian Civil Code pursuant to articles 2446 and 2447. 2446 and 2447; this in the context of the capital and financial support confirmed for the period and reconfirmed also for the future.

In this regard, it should be noted that article 1, paragraph 266, of Law no. 178 of December 30, 2020 (effective as of January 1, 2021) amended the temporary regime previously in force and - in response to new developments in the Covid-19 pandemic - further suspended the application of the obligation to take measures following the reduction of share capital due to losses (arts. 2446 and 2447 of the Italian Civil Code) upon the occurrence of certain conditions provided for by law,

and acknowledges the possibility for the Shareholders' Meeting to postpone the settlement of the loss until the fifth financial year after the one in progress as of December 31, 2020 (or, for the Parent Company, to the financial year closing on June 30, 2026); the Parent Company intends to use this option to postpone the immediate adoption of the obligations provided for by articles 2446 and 2447 of the Italian Civil Code.

Reference should be made to the paragraph "Going concern" for considerations on the use of the going concern assumption in preparing these financial statements.

It should also be noted here that the minimum capitalisation limits provided for in art. 2446 and 2447 of the Italian Civil Code are not applicable to the interim consolidated financial statements.

#### **Share capital**

The share capital subscribed to and paid-in as at the date of June 30, 2021 amounted to a total of Euro 19,195 thousand.

#### **Share premium reserve**

The amount of Euro 26,943 thousand, net of uses in the amount of Euro 82,551 thousand to cover the loss of the fiscal year ended June 30, 2017, as already described above, represents the share premium paid on June 2016 at the time of the subscription to the increase of capital by the Suning Group.

#### **Reserve for future capital increases**

The amount of Euro 242,112 thousand was generated by the conversion of the loan tranches on June 26, 2019 for Euro 40,000 thousand, on March 24, 2020 for Euro 60,000 thousand and on June 22, 2020 for Euro 10,000 thousand, as well as as well as the conversion of the shareholders' loan during this fiscal year for Euro 132.112 thousand (specifically (i) Euro 30 million on December 31, 2020, (ii) Euro 25 million on January 31, 2021, (iii) Euro 30.2 million on March 15, 2021, (iv) Euro 23 million on April 30, 2021, (v) Euro 8.9 million on May 27, 2021 and (vi) Euro 15 million on May 31, 2021.

#### **Reserve to cover future losses**

The amount of Euro 41,705 thousand refers to the conversion of tranches of shareholders loan made on September 29, 2017 for Euro 20,000 thousand and on November 24, 2017 for Euro 85,000 thousand (of which Euro 85 million can also be used for a future capital increase, provided that, in that latter instance, it shall be used only to increase the participation of Great Horizon S.à.r.l.) and from use to cover the loss for the fiscal year ended June 30, 2018, amounting to Euro 63,295 thousand.

#### **Retained earnings (losses)**

The negative amount of Euro 234,792 thousand refers mainly to the reserve generated by the losses recorded in previous periods.

#### **Revaluation reserve - DL104/2020 (profit reserve)**

As previously described in the section "Revaluation Law 126/2020", during the fiscal year the Group availed itself of the option pursuant to art. 110 of Legislative Decree no. 104/2020, converted into Law no. 126 of October 13, 2020, and, with the support of an independent expert, proceeded to revalue the "Inter" brand and the "Libreria Storica", recorded among intangible assets, for a total amount of Euro 212,141 thousand. As a counter-entry to the increase in the value of intangible fixed assets, a reserve called "Revaluation reserve - DL 104/2020" amounting Euro to 203,867 thousand was posted to shareholders' equity, net of the related deferred taxation (IRAP), calculated by applying the tax rate in force at the date of the presumed disposal, amounting to Euro 8,273 thousand.

#### **Availability and distribution of the Shareholders' equity's reserve**

In relation to the availability of the "Shareholders' equity" reserve, it is noted that there is a restriction on the distribution of profits until the reserve created by the monetary revaluation of real property has been re-constituted in accordance with Article 15(16 through 23) of Law Decree no. 185 of 29/11/2008 "Revaluation of real property related to the business", as described in the paragraph "Property, plant and equipment".

#### **Provisions for risks and charges**

##### *Deferred tax liabilities*

As previously described in the section "Revaluation Law 126/2020", during the fiscal year the Group availed itself of the option pursuant to art. 110 of Legislative Decree no. 104/2020, converted into Law no. 126 of October 13, 2020, and, with the support of an independent expert, proceeded to revalue the "Inter" brand and the "Libreria Storica", recorded among intangible assets, for a total of Euro 212,141 thousand. As a counter-entry to the increase in the value of intangible fixed assets, a reserve called "Revaluation reserve - DL 104/2020" (profit reserve) was posted to Shareholders' equity in the amount of Euro 203,867 thousand, net of the related deferred taxes (IRAP), calculated by applying the tax rate in force at the date of the presumed disposal, amounting to Euro 8,273 thousand.

##### *Provisions for risks and charges*

The movements of the provisions for risks and charges during the fiscal year are set forth below:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
<b>Balance at the start of the period</b>	<b>29.932</b>	<b>28.050</b>
Utilisation	(14.875)	(13.351)
Releases	(10.641)	(3)
Reclassifications	(2.000)	-
Provision for period	20.465	15.236
<b>Balance at the end of the period</b>	<b>22.881</b>	<b>29.932</b>

As of June 30, 2021, the key positions in the line item are the following:

- Euro 14,351 thousand accruals made during the fiscal year refer to the provision for salary charges contractually due to FIGC registered personnel no longer employed in the technical project: if during the following season and within December 31, 2021 these personnel take up new positions in other Italian clubs, the residual value of the fund not used for the remuneration paid would be released to the income statement under the item "Other revenues - Release of provisions for risks and charges";
- Euro 3,091 thousand, accrued during the fiscal year, for two credit positions with LNPA and Sky Italia, with reference to the sixth and final instalment of TV rights for the 2019/2020 football season, paid in February and March 2021 by the TV broadcaster with reservations;
- Euro 1,250 thousand, as the expected costs following the definition of an agreement reached on 4 and 6 May 2021 with UEFA (confirmed by UEFA on 7 May 2021), on the basis of which – against the payment of a total sum of Euro 15 million by the 9 clubs which are signatories to the agreement (and, as far as it is the responsibility of F.C. Internazionale Milano S.p.A., proportionally according to the impact of its revenue in the 2019/20 sports season, with respect to the total revenue of these 9 clubs, Again with reference to the sports season 2019/20) - UEFA has waived further sanctions against the Company;
- Euro 1,190 thousand, of which Euro 595 thousand accrued during the fiscal year, relating to the management incentive plan ("Long Term Incentive");
- Euro 1,169 thousand, entirely accrued in the fiscal year, referred to IRPEF tax not paid following the application of the tax regime for "impatriated" workers pursuant to art.5, Legislative Decree 34/2019 which modified the art. 16, paragraph 5-quater, Legislative Decree no. 147 of 14 September 2015, allowing to include professional athletes among the "impatriated" workers with reference to employees' income taxable from the 2020 tax period. The application of the tax regime described above is subject to i) the performing of working activity on Italian territory, ii) the employee has not been resident in Italy in the last two tax periods before the transfer; iii) the employee have to maintain the residence in Italy for at least two years. The company accrued the lower IRPEF paid as a provision, because of it's uncertain the condition that the employees will maintain the residence in Italy for two years;
- Euro 266 thousand (including Euro 8 thousand provision for the fiscal year for the exchange rate adjustment) relating to the estimated costs incurred by the company appointed by Inter Brand to put into liquidation the subsidiary company, Shanghai Inter Brand Trading Co., Ltd .;
- Euro 247 thousand to cover potential liabilities related to the probable risk of repayment of the economic consideration collected in the 2016/2017 sport season in relation to a sponsorship agreement, for which - according to the counterpart – there would have been non-compliance with the contract; with reference to the dispute in question, the Group won the case at first instance, but the sentence is not yet final as the opposing party will appeal.

Utilisations for the fiscal year, amounting to Euro 14,875 thousand, refer (i) for Euro 12,875 thousand to the payment of amounts related to salary charges contractually due to registered personnel no longer employed in the technical project for the period from July 1, 2019 to June 30, 2021, the date of termination of the individual contracts, and (ii) for Euro 2,000 thousand to the definition during the fiscal year of a settlement with reference to a sponsorship agreement inherent to the 2019/2020 fiscal year for which - according to the counterparty - there were contractual defaults closely related to the restrictive measures issued by governmental and federal authorities following the Covid-19 pandemic.

Releases for the fiscal year amounting to Euro 10,641 thousand refer (i) for Euro 10,449 thousand to IRPEF withholdings, previously set aside as at June 30, 2020, not paid following the application of the tax regime for so-called "impatriate" workers. The release was made during the year in the income statement under item "Other revenues - Release of provisions for risks and charges" following the fulfilment of the conditions precedent for the application of the facilitating regime for some registered personnel; (ii) for Euro 192 thousand to the settlement of disputes that did not involve any expense for the Group.

For the sake of completeness, it should be noted that, during the current year, the amount of Euro 2,000 thousand, set aside in the provisions for risks and charges as at June 30, 2020, was reclassified to the provision for bad debts in order to adjust the residual receivable from a sponsorship contract terminated early during the current year to its estimated realizable value.

### Provisions for employee severance indemnity

The following movements were made to the following line items:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
<b>Balance at start of the period</b>	<b>876</b>	<b>876</b>
Uses related to termination contracts	(213)	(503)
Payments to FIFC	(697)	(691)
Substitute Tax	(7)	(9)
Payables to INPS	(937)	(647)
Payables to other funds	(189)	(241)
Provision for the period	2.087	2.091
<b>Balance at the end of the period</b>	<b>920</b>	<b>876</b>

The amount was calculated in relation to contractual obligations and applicable law.

### Payables

Before analysing the payable line items, a summary of the variations that occurred in the fiscal year are set forth below in detail:

<i>Euro thousand</i>	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Bond loan	344.950	282.559	62.391
Shareholders' loan	76.337	78.233	(1.896)
Payables to banks	50.241	50.379	(138)
Advances	4.613	8.832	(4.219)
Trade payables	99.201	96.907	2.294
Payables to subsidiaries	16	16	-
Payables to associated companies	3.594	3.064	530
Payables to parent companies	5.650	285	5.365
Payables to companies subject to parent companies control	-	51.164	(51.164)
Tax payables	49.911	48.513	1.398
Payables to pension and social security institutions	5.485	3.979	1.506
Payables to specific-sector institutions	151.560	207.478	(55.918)
Other payables	36.065	39.935	(3.870)
	<b>827.624</b>	<b>871.344</b>	<b>(43.720)</b>

The item "Payables" decreased overall by Euro 43,720 thousand during the fiscal year, mainly due to the decrease in "Payables to companies subject to parent companies control" (as described in greater detail in the section "Parent Company's corporate structure") and in "Payables due to specific-sector institutions", which was partially offset by the increase in the item "Bond loan" following the new issue and placement with institutional investors of a further tranche of senior secured bonds totaling Euro 75 million, as described in greater detail in the following section.

### Bond

As described in the paragraph "Other information - Debt refinancing", on December 21, 2017 and on July 31, 2020, respectively, issued in two tranches a Bond placed with institutional investors for a nominal amount of Euro 300 million and Euro 75 million at an issue price of 93%, maturing on December 31, 2022 and with a fixed nominal rate of 4.875%. The Bond is secured by the cash flows deriving from sponsorship agreements and media contracts signed by Inter Media, as well as the flows deriving from the proceeds of UEFA rights and Serie A television rights generated by the Parent Company.

The first tranche of Euro 300 million is repayable as follows:

- Euro 3,1 million on December 31, 2018;
- Euro 3,15 million on June 30, 2019;
- Euro 3,25 million on December 31, 2019;
- Euro 3,3 million on June 30, 2020;
- Euro 3,4 million on December 31, 2020;
- Euro 3,5 million on June 30, 2021;
- Euro 3,55 million on December 31, 2021;
- Euro 3,65 million on June 30, 2022;
- Euro 273,1 million within December 31, 2022.

The second tranche of Euro 75 million is repayable as follows:

- Euro 0,89 million on December 31, 2020;
- Euro 0,91 million on June 30, 2021;
- Euro 0,93 million on December 31, 2021;
- Euro 0,95 million on June 30, 2022;
- Euro 71,3 million within December 31, 2022.

The total debt is recorded in this consolidated half-yearly income statement and balance sheet net of accessory costs, in accordance with the amortised cost method, for an amount of Euro 344,950 thousand, which represents the present value of future cash flows, less total transaction costs of Euro 17,910 thousand (respectively Euro 8,988 thousand relating to the first issue of December 31, 2017 and Euro 8,922 thousand, of which Euro 5,250 thousand relate to the issue discount, for the second placement of notes on July 31, 2020). The effective interest rates for the two tranches of the issue, equal to 5.5936% for the first and 10.7295% for the second (the latter calculated over the expected duration of the new debt of 2 years and 5 months), represent the internal rates of return (IRR), constant over the duration of the bond issue, which equal the present value of future cash flows deriving from the total debt and their initial recognition value. As a consequence, it should be noted that the Income Statement is not debited with the interest expense paid at contractual maturity at the rate of 4.875%, but is integrated on the basis of the effective interest rate, which corresponds to the implicit financial burden of the Bond Loan.

The Bond also provides for the respect of two financial parameters (covenants), respectively the Debt Service Coverage Ratio and the Pro Forma Debt Service Coverage Ratio with reference to the Inter Media results. In brief, the first represents the ratio between the net cash flows from operations and the sum of financial expenses and capital payments occurred in the 12 months preceding the calculation date (or alternatively, if 12 months have not elapsed since the Bond issuance date, the period between the issuance date and the calculation date). The second is calculated using the same factors, determined on the estimated values - as reported in the budget - for the 12 months following the calculation date. The aforementioned parameters on the basis of the calculations carried out at June 30, 2021 are respected; similarly, on the basis of the projections available to date, it is estimated that they will also be respected with reference to the next maturities in the time horizon of the next 12 months, taking into account the commitment to financial support by the Suning Group, which makes it possible to neutralise the existing elements of uncertainty also with reference to the effects on cash generation of the Covid-19 pandemic, which to date cannot be estimated.

The installment maturing on June 30, 2018, on December 31, 2018, on June 30, 2019, on December 31, 2019, on June 30, 2020, on December 31, 2020 and on June 30, 2020 has been regularly paid.

For completeness of information, it should be noted that there are bonds with maturity beyond the following year for Euro 335,870 thousand, while there are none with a maturity of more than 5 years.

For further information on the evolution of the Bond Loan during the fiscal year, reference should be made to the Cash Flow Statement.

#### **Shareholders' loan**

Shareholders' loan amount to Euro 76,337 thousand, of which Euro 60,000 thousand relating to the capital share, refer to loans subscribed with the parent company Grand Tower S.à.r.l., as well as interest accrued but not yet paid as at June 30, 2021 to both Grand Tower S.à.r.l. and Great Horizon S.à.r.l. in relation to previous loans already converted into equity reserves.

A new direct parent company Grand Tower S.à.r.l. has issued new shareholders' loan of Euro 75 million (specifically Euro 50 million on May 20, 2021 and Euro 25 million on June 28, 2021), of which Euro 15 million converted into "Reserve for future capital increases" on May 31, 2021. Net interest payable in the course of the fiscal year amounted to Euro 0,3 million (fixed annual rate applied on notional amounts of 8%): As a result, as of June 30, 2021, the Company's debt to Grand Tower S.à.r.l. for shareholders' loan amounted to Euro 60,3 million (of which Euro 60 million was principal and Euro 0,3 million was interest).

With reference to the shareholders' loan provided by the parent company Great Horizon S.à.r.l., on 15 March 2021, the loan of Euro 52,7 million (of which Euro 46,2 million capital and Euro 6,5 million interest) held by Grand Flagship

Limited, a company controlled by the parent company, was sold by the latter to Great Horizon S.à r.l.. In addition, during the fiscal year, "Reserve for future capital increases" were converted for Euro 117,1 million, of which (i) Euro 30 million on 2020 December 25, (ii) Euro 25 million on January 31, 2021, (iii) Euro 30,2 million on March 15, 2021, (iv) Euro 23 million on April 30, 2021, and (v) Euro 8,9 million on May 27, 2021). Net interest income accrued during the fiscal year of Euro 3,8 million (fixed annual rate applied on notional amounts of 8%). As a result, at June 30, 2021, the Company's debt to Great Horizon S.à.r.l. for shareholders' loan amounted to Euro 16,0 million (entirely related to interest). It should be noted that on April 30, 2021, the maturity dates of interests in the shareholders' loan provided by Great Horizon S.à.r.l., were extended to June 30, 2022.

#### Bank loan

Bank loan amounts to Euro 50,241 thousand and refer to the subscription of the revolving credit facility for a maximum amount of Euro 50 million as part of the debt refinancing operation described in the paragraph "Other Information - Other information - Debt refinancing".

In August 2018 the Group used the revolving credit for Euro 43.4 million, with a repayment of Euro 10 million made in November 2018 and a second repayment of Euro 8.4 million in February 2019; in addition, in July 2019 were used further Euro 25 million because of the liquidity needs about the transfer market of 2019/2020 season.

The item Bank loan also includes as at June 30, 2021 the portion of interest, entirely attributable to the portion used on the revolving line of credit, accrued but not yet paid at that date for an amount equal to Euro 241 thousand.

This amount also includes interest, entirely attributable to the interest used on *the revolving financing line*, accrued but not yet cleared at June 30, 2021 for an amount of Euro 241 thousand.

It should be noted that, within the revolving contract, the "clean down" clause provides that the amount of the line of financing received by the Group does not exceed Euro 25 million, in each fiscal year, for a period of at least five consecutive working days. Consequently, both in March 2021 for the fiscal year 2020/21 and in July 2021 for the fiscal year 2021/22, the Group has reimbursed the financing bank Euro 25 million for five consecutive working days, and, once the above-mentioned clean down period has elapsed, The financing bank has re-paid this amount to the Group.

In order to better represent the Balance Sheet at June 30, 2021, by declining the principle of prevalence of the substance on the form of the contractually defined repayment terms, this component of the revolving capital line, equal to Euro 25 million, has also been classified in the short term (payable within the year) in the long term (payable beyond the year), since it is renewable until or at the natural maturity of the financing, coinciding with the repayment date of the subscribed Bond loan. In this context, the comparative balances at June 30, 2020 were also reclassified.

The above-mentioned revolving credit line also provides for the respect of two financial parameters (covenants), respectively the Debt Service Coverage Ratio and the Pro Forma Debt Service Coverage Ratio. In brief, the first represents the ratio between the net cash flows from operations and the sum of financial expenses and capital payments occurred in the 12 months preceding the calculation date. The second one, instead, is calculated using the same factors, determined on the estimated values, as reported by the budget, for the 12 months following the calculation date. With reference to the first parameter, it is complied with as at June 30, 2021, while, with reference to the second parameter, on the basis of current estimates, it would not be complied with. However, the Company has already obtained confirmation from the lenders regarding the non-application of this parameter as at June 30, 2021, which will be formalised by obtaining a waiver.

For further information on the evolution of the financial situation during the fiscal year, please refer to the Cash Flow Statement.

#### Advance payments

The item amounts to Euro 4,613 thousand (Euro 8,832 thousand at June 30, 2020) and mainly includes cash received for match tickets and season tickets sold for the season 2019/2020 that were not played due to the suspension of the Serie A caused by the Covid-19 pandemic. Please note that the Company has reimbursed tickets purchased for the Serie A 19/20 Championship matches played behind closed doors due to the health emergency (Inter-Sampdoria, Inter-Sassuolo and Inter-Brescia) and part of the seven Serie A matches not enjoyed by season tickets subscribers.

#### Trade payables

The balance can be broken-down as follows:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
Current suppliers	30.007	30.676
Suppliers for invoices to be received	69.194	66.231
	<b>99.201</b>	<b>96.907</b>

The amount of Euro 99,201 thousand includes, among others:

- i) payables to FIFA Agents in the amount of Euro 35,576 thousand, of which Euro 23,545 thousand for payables related to invoices to be received;



- ii) payables to the City of Milan in the amount of Euro 28,780 thousand referring to fees for the rental of the Stadium, to be used as an offset with the improvements made by the Company and described in the comment to the line item "Intangible Assets";
- iii) payables to suppliers in the amount of Euro 34,845 thousand, of which Euro 16,869 thousand for invoices to be received, mainly relating to:
  - Euro 3,600 thousand from the debt relating to the fee due in accordance with the contract for the buy-back of Licensing and Retail rights with Nike;
  - Euro 1,100 thousand related to the summer retreat of the First Team;
  - Euro 1,896 thousand in relation to the players' image rights.

The part due beyond 12 months mainly refers to payables to the City of Milan, to FIFA Agents in accordance with agreed upon payment plans and to payable with Nike as described above.

#### Payables to subsidiaries

The line item includes trade payables to the subsidiary Inter Brand China Co., Ltd. in liquidation in the amount of Euro 16 thousand.

#### Payables to associated companies

The line item amounts to Euro 3,594 thousand and mainly refer to net payables mainly related to activities and services which are necessary for the operating management of the G. Meazza Stadium, according to the 2020/2021 season's contract, and for commercial operations with M-I Stadio S.r.l.

#### Payables to parent companies

This item amounts to Euro 5,650 thousand and refers to (i) the reduction envisaged in relation to the Naming Rights contract for the 2020/2021 season, as amended on September 2021 (ii) to Euro 285 thousand and refers to the 60% commission paid to Jiangsu Suning Sports Industry Co., Ltd. on the 2018/2019 and 2019/2020 consideration of the sponsorship contract with ePrice, whose economic and equity balances are summarized in the paragraph "Transactions with related parties".

#### Payables to companies subject to parent companies control

This item amounts to zero Euro following the transfer of the entire debt item to the direct parent company Great Horizon S.à.r.l. on March 15, 2021, as better described above.

#### Tax payables

Tax payables are represented by the following amounts:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
Payables for IRPEF (income tax) for employees, self-employed and registered personnel	41.677	40.906
Payables for IRAP (tax on regional productive activities)	1.999	2.595
Payables for VAT	489	33
With Holding Tax	5.740	4.914
Other payables	7	65
	<b>49.912</b>	<b>48.513</b>

The item "Payables for IRPEF", equal to Euro 41,677 thousand as at June 30, 2021 (Euro 40,906 thousand as at June 30, 2020), refers mainly to contributions accrued on salaries to members. Employees, club members and self-employed", amounting to Euro 41,677 thousand as at June 30, 2021 (Euro 40,906 thousand as at June 30, 2020), mainly refers to contributions accrued on wages and salaries to club members, paid by the Parent Company in the months following June 30, 2021, as well as contributions paid in instalments during the previous and the current financial year, in compliance with the Legislative Decrees of 17 March 2020, 19 May 2020 and 14 August 2020. Payables due beyond 12 months and classified as long-term, amounting to Euro 9,820 thousand, mainly include IRPEF payables relating to withholding taxes due in March, April and May 2020 and January and February 2021, accrued in 24 monthly instalments, the last of which is due in April 2023.

The item relating to payables for "With Holding Tax", amounting to Euro 5,740 thousand as at June 30, 2021 (Euro 4,914 thousand as at June 30, 2020), includes the interest expense accrued on the loans granted by the parent companies Great Horizon S.à.r.l. and Grand Tower S.à.r.l..

#### Social security payables

This amount, related to contributions for the month of June, can be broken-down as follows:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
Payables to INPS (national social welfare institution)	1.191	896
Payables to INAIL (national institute for insurance against accidents at work)	323	233
Payables to PREVINDAI (pension fund for directors)	102	86
Payables to ENPALS (entertainment industry employees' pension organization)	3.507	2.470
Expenses for vacations matured but not taken	333	251
Payables to other entities	29	43
	<b>5.485</b>	<b>3.979</b>

The item "Payables to ENPALS" amounting to Euro 3,507 thousand as at June 30, 2021 (Euro 2,470 thousand as at June 30, 2020), refers to contributions accrued as at June 30, 2021, paid by the Group in the months following this date.

The item "Payables to INPS" equal to Euro 1,191 thousand as at June 30, 2021 (Euro 896 thousand as at June 30, 2020), refers to the contributions accrued as at June 30, 2021, paid by the Group in the months following this date.

The item "Payables to INAIL" amounting to Euro 323 thousand as at June 30, 2021 (Euro 233 thousand as at June 30, 2020), refers to contributions accrued as at June 30, 2021, paid by the Group in the months following this date.

The item also includes contributions accrued in accordance with the Legislative Decrees of March 17, 2020, May 19, 2020 and August 14, 2020 classified over 12 months, amounting to Euro 1,628 thousand, relating to withholdings to be paid in March, April and May 2020 and January and February 2021, accrued in 24 monthly instalments and whose last instalment is due in April 2023.

#### **Payables to specific sector institutions**

This refers to relationships with entities and companies in the sector and shows an increase of Euro 55,918 thousand compared to June 30, 2020.

The balance consists of: i) payables to national football clubs in the amount of Euro 67,471 thousand, ii) payables to foreign football clubs in the amount of Euro 81,991 thousand and iii) invoices to be received from football clubs, including solidarity contribution, in the amount of Euro 2,098 thousand.

Specifically, payables to football clubs are the following:

<b>National Clubs</b>	<b>LNP Serie A</b>	<b>Direct</b>
<b>Euro thousand</b>		
US SASSUOLO CALCIO SRL	36.859	
GENOA CRICKET & FOOTBALL CLUB SPA	15.443	
CAGLIARI CALCIO S.P.A.	6.994	
PARMA CALCIO 1913 S.R.L. A SOCIO UNICO	4.013	
ATALANTA BC SPA	2.982	
HELLAS VERONA	200	
FUSSBALL CLUB SUDTIROL S.R.L.	190	
DELFINO PESCARA 1936 SPA	150	
U.S. PERGOLETTESE 1932	100	
S.S.D. VIRTUS CISERANOBERGAMO 1909 S.R.L.	100	
VENEZIA F.C. S.R.L.	50	
A.S.D. TAU CALCIO ALTOPASCIO	50	
A.S. LIVORNO CALCIO S.P.A	50	
VICENZA CALCIO SPA	43	
A.C. RENATE S.R.L.	40	
A.S.D. DONATELLO CALCIO	30	
L.R. VICENZA S.P.A.	30	
C.S.D. UESSE SARNICO 1908	10	
F.C. ENOTRIA 1908	10	
URBS REGGINA 1914 SRL	10	
SSD PRO SESTO SRL	10	
SPAL 2013 S.R.L.	5	
CREMONESE SPA	2	
SSD PRO SESTO SRL		27
A.C. MONZA BRIANZA 1912 SPA		5
ASD ROZZANO CALCIO		4
CUNEO 1905 SRL		1
<b>Totale National Clubs</b>	<b>67.369</b>	<b>37</b>
<b>Lega c/Campionato</b>		<b>65</b>
<b>Invoices to be received Foreign Solidarity Contributions</b>		<b>450</b>
<b>Invoices to be received from specific-sector institutions</b>		<b>1.648</b>
<b>Foreign Clubs</b>		
MANCHESTER UTD F.C. LTD	36.016	
REAL MADRID CLUB DE FUTBOL	29.214	
HERTHA BSC GMBH & CO.	6.862	
TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LTD	6.334	
CLUB NACIONAL DE FOOTBALL	997	
RSC ANDERLECHT N.V./S.A.	671	
CHELSEA FOOTBALL CLUB	574	
EVERTON FOOTBALL CLUB CO LTD	306	
BORUSSIA DORTMUND GMBH & CO. KGAA	294	
FC RED BULL SALZBURG GMBH	228	
AFC AJAX NV	154	
LYNGBY BOLDKLUB A/S	101	
ODENSE SPORT & EVENTS A/S	89	
STEIRISCHER FUßBALLVERBAND (STFV)	67	
FC BANIK OSTRAVA A.S.	50	
NOGOMETNI KLUB ZAGREB	30	
POCO SITIO (LIGA PALERMO DE FUTBOL INFANTIL)	4	
<b>Total Foreign Clubs</b>		<b>81.991</b>

It should be noted that payables with payment dates beyond the year are recorded net of a discounted effect of Euro 3,936 thousand in accordance with the new accounting standards.

#### **Other payables**

Other payables are composed as follows:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
Payables to employees and contractors for remuneration accrued but not yet paid	34.957	38.767
Miscellaneous other payables	1.108	1.168
	<b>36.065</b>	<b>39.935</b>

The item "Payables due to employees and collaborators for amounts accrued but not paid" mainly includes (i) payables due to registered personnel for wages and salaries accrued as at June 30, 2021, equal to Euro 8,629 thousand, and paid in July and August 2021; (ii) payables related to the allocation of bonuses accrued by registered personnel and employees linked to the seasonal objectives achieved, equal to Euro 20,270 thousand, which will be paid in the first half of the 2021/2022 fiscal year.

As of June 30, 2021 there are "Other payables" amounting to Euro 355 due after 12 months, while there are no payables due after 5 years.

The following is the breakdown of payables by foreign currency:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
Payables in Euro	827.194	870.993
Payables in USD	350	346
Payables in GBP	62	18
Payables in HK\$	16	16
Payables in AUD	2	2
Payables in RMB	-	(29)
Payables in CHF	-	(2)
	<b>827.624</b>	<b>871.344</b>

#### Accrued expenses and deferred income

This consists of allocations related to accrued expenses and revenue realized during the fiscal year but referable to fiscal years after June 30, 2021:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
Accrued expenses	573	574
Deferred income	39.583	49.443
	<b>40.156</b>	<b>50.017</b>

The accrued expenses mainly relate to costs related to employees and ancillary charges (13th month), accrued by the end of the financial year but whose payment is deferred for Euro 573 thousand.

Deferred income amounts to Euro 39,583 thousand and regards:

	Balance as of June 30, 2021	Balance as of June 30, 2020
<b>Euro thousand</b>		
RAI - Infront Library	10.867	11.290
TV Rights	10.979	24.913
Friendly matches	987	-
Sponsorship - Official	-	2.769
Sponsorship - Technical	3.742	2.823
Sponsorship - EU in house	6.846	1.466
Sponsorship - Regional	2.300	335
Sponsorship - Global	1.667	732
Licencing	960	1.027
Inter Academies	1	84
Revenue from temporary loan of players	100	3.005
Other	1.134	999
<b>Total</b>	<b>39.583</b>	<b>49.443</b>

As indicated in the paragraph "Other Information - Agreements with the RAI and Infront Group", the share of the "RAI-Infront Archives" deferred income represents the deferment of the income accruing in future years for the marketing of the rights to use the historical library.

Deferred income mainly refers to: i) advance payment of television rights for the 2021/2022 season, for Euro 10,979 thousand, ii) revenues from friendly matches already invoiced but related to events to be played in July 2021, for Euro 987 thousand, iii) revenues related to merchandising and licencing activities managed by the Group, already invoiced but pertaining to the 2021/2022 season, for Euro 960 thousand, iv) revenues from sponsorships, already invoiced but pertaining to the 2021/2022 season, for Euro 14,555 thousand and v) revenues generated by the temporary disposal of players, for Euro 100 thousand.

In the item "Others", amounting to Euro 1,134 thousand, there are mainly deferrals related to the proceeds from the subscription of Fan Cards and Inter Club membership fees pertaining to the following financial years.

At June 30, 2021 there are deferred income for Euro 14,422 thousand with expiry beyond 12 months, of which Euro 9,098 thousand with expiry beyond 5 years.

## Analysis of the line items of the Income Statement

For the sake of clarity, it should be noted that, following the government decisions in response to the spread of the COVID-19 pandemic, which led first to the suspension and then to the resumption of competitive activities, with the extension of the 2019/2020 football season until August 31, 2020 and the start of the 2020/2021 football season as of September 1, 2020, the revenues related to matches, television and advertising rights and sponsorships, as well as the costs for wages and salaries of FIGC registered personnel, are not comparable with those of the same comparative reference period as they are not homogeneous. Specifically, the revenues related to the 2019/20 TV revenues were deferred in July and August 2020 consistently with the postponement of the related matches, match revenues were zeroed out following the playing of matches behind closed doors or with access limited to 1,000 spectators, while revenues related to sponsorships, first suspended in the lockdown period (March-May 2020), were then recalculated pro-rata temporis from the resumption of operations until the natural end of the previous football season, on August 31, 2020. The cost of FIGC registered personnel was instead recognised in full until the month of February 2020, with the residual cost, related to the months of March - June 2020, which was recalculated on the new residual duration of the 2019/20 football season, extended to August 31, 2020. Consequently, for the 2020/21 football season, the cost of registered personnel has been recalculated as of September 1, 2020 in ten monthly instalments, until June 30, 2021.

### PRODUCTION VALUE

#### Revenue from sales and services

Revenues from sales and services mainly refers to the revenues received from matches and seasons tickets, or income from the sale of tickets and season tickets to attend the matches of the First Team and the Youth Teams membership in the Inter Club, as well as income related to concessions of advertising space, from the thematic channel "Inter Tv" and from the marketing of the television library.

Revenue can be broken-down as follows:

Euro thousand	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Revenue from sales and services:</b>		
- Championship matches	-	16.480
- Tim Cup matches	-	1.525
- International Cup matches	-	6.945
- Tournaments and friendly matches	-	2.624
- Season Tickets	-	16.803
<b>Other Revenue:</b>		
- Inter Club/Member Fan Cards	2.182	2.446
- Sponsorship EU in house	14.149	9.508
- Sponsorship Regional	38.161	43.775
- Sponsorship Global	3.782	2.418
- Rai-Infront Library	10.423	10.424
- Inter TV	5.445	5.621
- Others	316	296
<b>Total</b>	<b>74.458</b>	<b>118.865</b>

Revenues from sales and services" decreased considerably compared with the same period of the previous year, primarily due to the cancellation of match revenues as a result of matches being played behind closed doors or with access limited to 1,000 spectators.

The substantial stability of sponsorship revenues during the year is primarily due to the signing of new commercial agreements with partners such as, among others, EA Sports, SnayPay, StarCasino, SDI and LD Sports, as well as the suspension of the same during the 2019/2020 football season during the lockdown period (March-May 2020) and the subsequent pro-rata recognition from the resumption of competitive activities during June 2020 until June 30, 2020, considering the effective conclusion of the same football season on August 31, 2020, thus deferring part of the revenues related to the 2019/20 season to the 2020/21 fiscal year.

Reference should be made to the Report on Operations for a description of the trend in revenues for the year.

### Capitalization of youth programme costs

The capitalization of youth programme costs related to the fiscal year refer to the following structural and operating costs referring and attributable to the training camp:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Coaches compensation and bonuses	4.533	4.447
Inps – Enpals – cost for coaches	1.203	1.212
Coaches and of career allowances	239	228
Health care costs	2	1
Retirement management	564	832
Sport Facilities	2.167	1.702
Room and Board for the matches	142	213
<b>Total</b>	<b>8.850</b>	<b>8.635</b>

The amount capitalised is consistent with the new capitalisation requirements as described above in the "Intangible assets" and in the accounting principles.

### Other revenue and income

#### Sponsorship, miscellaneous income and other revenue

Specifically, such income consists of the following:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Operating grants and contributions	8.524	4.653
Sponsorships	41.605	22.155
Advertising income	7	2.711
Commercial income and royalties	4.210	2.537
Income from the sale of television rights:		
- television revenues	125.413	69.755
- television income from UEFA competitions	64.324	45.603
Revenue from temporary loans of players	5.061	5.515
Gains on sale of player registrations	2.288	61.546
Other income from player management	1.006	3.926
Sundry revenues and income	28.966	26.470
<b>Total</b>	<b>281.404</b>	<b>244.871</b>

Grants and Contributions of Euro 8,524 thousand relates to contributions paid during the fiscal year by the Lega Serie A with reference to the Coppa Italia prizes, accrued after reaching the semi-finals of the competition, as well as collective revenues excluding audiovisual rights;

Revenues from "Sponsorships", amounting to Euro 41,605 thousand, mainly refer to the income recognized by the "Official Sponsor" Pirelli and the "Technical Sponsor" Nike, including bonuses for qualification to the UEFA Champions League 2020/2021, which took place during July 2020 and the UEFA Champions League 2021/2022, which took place in May 2021, as well as for the sports results achieved in the final phase of the UEFA Europe League 2019/2020, which took place in August 2020 and with the victory in the Serie A 2020/2021 championship, which took place in May 2021;

Advertising related to promotional activities included in subscriptions, show a zero compared to the figure for the last fiscal year because of the dispute between games of this season behind closed doors or with limited access to 1,000 spectators, following government decisions in response to the spread of the Covid-19 pandemic;

Commercial income and royalties are equal to Euro 4,210 thousand and they are mainly related to the revenue related to

merchandising and licensing activities;

The line item Income from the sale of television rights amounts to Euro 125,413 thousand and shows an increase compared to the previous fiscal year mainly related to the suspension and extension of the 2019/2020 season until August 2020, which led to the recognition of part of the income from television rights of the 2019/2020 season in the 2020/2021 fiscal year, as well as the best placement achieved by the first team in the 2020/2021 football season.

Similarly, the increase in television revenues from UEFA competitions, amounting to Euro 64,258 thousand at June 30, 2021 is related to the First Team's achievement of the UEFA Europa League final, played in August 2020;

Revenue from temporary loans of players is mainly related to players Dalbert Chagas Estevao and Valentino Lazaro;

Gains on sale of players registration during the fiscal year are listed below, with an indication of the name of the football player and the transferee club:

Football Player	Transferor	Net Book Value	Value of the transfer	Actualization	Gains
<b>Euro thousand</b>					
Politano Matteo	Societa' Sportiva Calcio Napoli S.p.A.	18.017	20.455	(323)	2.115
Gavioli Lorenzo	Reggina 1914	69	200	-	131
Rivas Vindel Rigoberto Manuel	Reggina 1914	109	150	-	41
Settimo Pietro Maria	Como 1907	-	1	-	1
<b>Total</b>					<b>2.288</b>

Other income from player management, in the amount of Euro 1,006 thousand, refers for Euro 457 thousand to solidarity contributions accrued in the transfers of players to international clubs related to players Alex Telles, Cepele, Gnonto, e Kondogbia and for Euro 549 thousand to bonuses other than the transfer campaign for football players matured for players Politano and Odgaard.

Sundry revenues and income mainly include revenues from Inter Academies for Euro 5,587 thousand, income due to contracts signed with the parent Suning Sports International Limited for the sharing of technical and professional staff (Know-how) for Euro 3,500 thousand and services to associates for Euro 725 thousand. The item also includes extraordinary income and non-existent liabilities of Euro 18,503 thousand, mainly related to (i) the release of IRPEF tax not paid following the application of the tax regime for "impatriated" workers for Euro 10,449 thousand (ii) the 2019/2020 season ending balances of Serie A non-audiovisual rights fees and UEFA Champions League revenues and (iii) the amount of Euro 4,266 thousand, deriving from a sponsorship contract, terminated prematurely during the fiscal year, against which the Directors allocated an allowance for doubtful accounts of Euro 2,000 thousand, in order to adjust the value of the uncollected receivable at June 30, 2021 to its estimated realizable value.

## PRODUCTION COSTS

### Costs of raw materials, supplies and consumables

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Technical material	937	987
Consumables	980	1.780
Health material	235	272
Other	96	204
	<b>2.249</b>	<b>3.243</b>

The decrease compared to the previous year is mainly due to the reduced activities carried out as a result of the Covid-19 pandemic and the restrictive measures put in place by Authorities and Institutions in response to its continuation.



## Costs of services

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Costs for sport activities	7.768	6.192
Specific technical costs	12.251	13.321
Costs for accomodation, food, transport	2.033	2.677
Ticketing service, ground admission, security control	399	2.511
Insurance and pension	2.230	1.755
Intercampus	200	456
Administrative, advertising and general	26.807	38.179
	<b>51.688</b>	<b>65.091</b>

The costs relating to the "Ticketing service, ground admission, security control" decreased significantly due to the fact that the competitive events were held behind closed doors or with access limited to 1,000 spectators, following government decisions in response to the spread of the Covid-19 pandemic.

Costs for sports activities include the following:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Costs for training sessions and camps	1.714	1.929
Health expenses	1.931	300
Fees for self-employed contractors	2.403	2.104
Retirement costs	564	857
Expenses for maintenance of sport pitches	840	654
Sundry	316	348
	<b>7.768</b>	<b>6.192</b>

The increase in costs for sports activities is mainly related to the item "Health expenses" for Euro 1,631 thousand, following the swabs and checks carried out by the First Team as required by Federation protocols.

The "Specific technical costs" include:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Player scouting and trials	910	1.005
Subsidized teams	270	275
Transfer campaign agent fees	10.981	11.853
Sundry	90	188
	<b>12.251</b>	<b>13.321</b>

The decrease of specific technical costs is mainly tied to the increase of "Transfer campaign agents fees" following lower costs for transactions, consulting and commissions related to FIFA agents.

The administrative, advertising and general costs include, among others:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Other costs	-	6.000
External consultant	4.235	6.644
Services from associated	5.031	5.056
Inter TV	3.601	3.211
Player Image Rights and passive commissions	1.911	1.828
External events	58	977
Advertising costs	995	1.535
Directors fees	1.516	1.690
Legal and notary fees	1.721	1.598
Giveaways, promotional and representation gifts	1.192	3.356
Ordinary maintenance and repairs	1.374	983
Postal and telephone expenses	840	1.036
Supervisory and cleaning expenses	1.311	917
Other utilities	888	635
Statutory Auditors fees	227	223
Bank charges	50	98
Independent Auditing Firm fees	114	104
Factoring costs	92	333
Guarantees fees	675	1

The reduction in the item relating to "Administrative, advertising and general costs", in addition to the effect of the restrictions imposed by the spread of the Covid-19 pandemic, is mainly due to the absence of the amount charged in the previous year, amounting to Euro 6,000 thousand and relating to the fee paid to Nike for the repurchase by the Parent Company of the rights to retail and licensing activities.

Costs for "Services from associated" mainly refer to the contract with MI-Stadio, which provides for the charging to the parent company of operational management services for the stadium.

Costs for "External consultant", "External events" and "Advertising" decreased significantly compared to the same period of the previous year, due to lower costs incurred as a result of restrictions imposed following the spread of the Covid-19 pandemic.

The costs for services also include fees to the Statutory Auditors in the amount of Euro 227 thousand and to the Independent Auditing Firm in the amount of Euro 114 thousand.

#### Costs of rent and leases

Costs of rent and lease consist of:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Licence to use Meazza Stadium	4.697	4.697
Rental expenses	2.692	1.981
Operating lease payments	19	6
Other user licence fees	2.051	2.582
Concession sports facilities	450	628
Other Rental fees	2.688	2.044
	<b>12.597</b>	<b>11.938</b>

The increase compared with the same period of the previous year is essentially due to the increase in costs incurred with reference to the items "Rental expenses" and "Other Rental fees", partially offset by the decrease in "Other user license fees". In particular, the increase in "Rental expenses" is primarily linked to the exchange contract entered into with Volvo for the rental of company cars, the corresponding income from which is included in the item "Sponsorship EU in house", commented on in the section "Revenues from sales and services".

#### Personnel costs

The personnel cost is as follows:

Euro thousand	12 months as of June 30, 2021		12 months as of June 30, 2020	
	Registered	Other	Registered	Other
Salaries and wages	215.763	20.923	163.043	18.298
Social security contribution	3.940	4.557	3.724	4.597
Employee severance indemnity	569	1.518	567	1.524
Other costs	13.384	924	3.730	2.522
	<b>233.656</b>	<b>27.922</b>	<b>171.064</b>	<b>26.941</b>
<b>Total personnel costs</b>		<b>261.578</b>		<b>198.005</b>

Personnel costs as at June 2021, equal to Euro 261,578 thousand, show an increase compared to the previous fiscal year equal to Euro 198,005 thousand, mainly due to the increase in the number of wages and salaries for registered personnel. In addition, as stated above, the cost of the first team's staff was accounted for in full until the February 2020 and the remaining cost for the 2019/2020 season was fixed on the remaining duration of the sports season extended to August 31, 2020; for the 2020/2021 season, however, the cost of the first team's staff was accounted for according to the pro-rata temporis criterio from September 1, 2020.

With respect to registered employees, the cost is set forth in detail as follows:

Euro thousand	12 months as of June 30, 2021	12 months as of June 30, 2020
Contractual remuneration players	153.310	114.029
Contractual remuneration coaches and technical staff	33.390	23.528
Performance bonuses	26.083	21.033
Image rights	2.980	4.453
	<b>215.763</b>	<b>163.043</b>

The increase in contractual remuneration for players and technical staff is connected to the combined effect above mentioned.

During the fiscal year performance bonuses of Euro 26,083 thousand were accrued as specified in the contract, mainly related to the win of the Serie A Championship.

Image rights, amounting to Euro 2,980, entirely refer to football players of the First Team.

The average personnel employed by the Company can be broken-down as follows:

<b>Workforce</b>	<b>as of June 30, 2021</b>	<b>as of June 30, 2020</b>	<b>Variation</b>
Players first team and youth teams	78	81	(3)
Coaches	108	115	(7)
Other technical staff	91	50	41
Executives	20	17	3
Managers	31	29	2
Clerical employees	179	178	1
Blue collar workers	13	13	-
<b>Total average workforce</b>	<b>520</b>	<b>483</b>	<b>37</b>

## Depreciation and amortisation

### Amortisation of intangible assets

Amortisation of intangible assets amounted to Euro 150,626 thousand with respect to Euro 132,671 thousand of the prior fiscal year and consist of the following:

- Euro 25 thousand (Euro 21 thousand at June 30, 2020) for amortisation of industrial property rights and copyright;
- Euro 137,053 thousand (Euro 120,213 at June 30, 2020) for amortisation of players registration rights, calculated with tax rates proportional to the duration of the respective contracts;
- Euro 7,431 thousand (Euro 6,255 thousand at June 30, 2020) for amortisation related to the capitalisation of youth programme costs;
- Euro 5,592 thousand (Euro 5,616 thousand at June 30, 2020) for amortisation related to the line item "concessions, licenses and trademarks";
- Euro 525 thousand (Euro 566 thousand at June 30, 2020) for the portion of amortisation related to other intangible assets.

### Depreciation of property, plant and equipment

Depreciation of property, plant and equipment as of June 30, 2021 amounts to Euro 1,844 thousand with respect to Euro 2,055 thousand as of June 30, 2020 and consists of:

- Euro 923 thousand (Euro 1,264 thousand at June 30, 2020) for depreciation related to the line item land and buildings;
- Euro 157 thousand (Euro 133 thousand at June 30, 2020) for depreciation related to the capitalisation of purchase costs for systems and machinery;
- Euro 61 thousand (Euro 47 thousand at June 30, 2020) for the portion of depreciation related to industrial and commercial equipment;
- Euro 703 thousand (Euro 611 thousand at June 30, 2020) for the portion of depreciation related to other property, plant and equipment.

It should be noted that the depreciation of assets of less than €516.46, amounting to Euro 1 thousand, is reclassified under the item "Cost of raw materials and consumables".

### Impairment of assets

The line item, amounting to Euro 16,707 thousand, includes the write-downs made to reflect indicators of long-term loss with reference to multi-year rights to sports services. The write-downs were determined following the permanent transfer or release of the players in the 2021/2022 summer transfer campaign at a value lower than the net carrying amount. This item as at 30 June 2021 mainly includes the write-down of the players Naval Da Costa Eduardo Joao Mario, for Euro 7,279 thousand whose economic contract was terminated in July 2021 and the player Radja Nainggolan, for Euro 8,570 thousand, whose economic contract was terminated in August 2021.

### Write-down of doubtful account receivables included current assets

The provision for the period of Euro 40,383 thousand prudentially reflects the updated assessment of the risk of uncollectability of specific credit positions. For further information on the movements during the year with regard to the item in question, please refer to the note to the "Bad debt provision".

### Provision for risks and charges

For more information, please refer to the description in the note for the "Provision for risks and charges".

### Other provisions

Accruals of the fiscal year, amounting to Euro 20,457 thousand, mainly refer to:

- Euro 14,351 thousand accruals made during the fiscal year refer to the provision for salary charges contractually due to FIGC registered personnel no longer employed in the technical project: if during the following season and within December 31, 2021 these personnel take up new positions in other Italian clubs, the residual value of the fund not used

for the remuneration paid would be released to the income statement under the item "Other revenues - Release of provisions for risks and charges";

- Euro 3,091 thousand, accrued during the fiscal year, for two credit positions with LNPA and Sky Italia, with reference to the sixth and final instalment of TV rights for the 2019/2020 football season, paid in February and March 2021 by the TV broadcaster with reservations;

- Euro 1,250 thousand, as the expected costs following the definition of an agreement reached on 4 and 6 May 2021 with UEFA (confirmed by UEFA on May 7, 2021), on the basis of which – against the payment of a total sum of Euro 15 million by the 9 clubs which are signatories to the agreement (and, as far as it is the responsibility of F.C. Internazionale Milano S.p.A., proportionally according to the impact of its revenue in the 2019/20 sports season, with respect to the total revenue of these 9 clubs, Again with reference to the sports season 2019/20) - UEFA has waived further sanctions against the Company;

- Euro 1,169 thousand, accrued during the fiscal year, referred to IRPEF tax not paid following the application of the tax regime for "impatriated" workers pursuant to art.5, Legislative Decree 34/2019 which modified the art. 16, paragraph 5- quater, Legislative Decree no. 147 of 14 September 2015, allowing to include professional athletes among the "impatriated" workers with reference to employees' income taxable from the 2020 tax period. The application of the tax regime described above is subject to i) the performing of working activity on Italian territory, ii) the employee has not been resident in Italy in the last two tax periods before the transfer; iii) the employee has to maintain the residence in Italy for at least two years. The company accrued the lower IRPEF paid as a provision, because of it's uncertain the condition that the employees will maintain the residence in Italy for two years.

### Other operating expenses

Other operating expenses regard:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Sundry match organization costs	1.275	2.987
Competition registration fees	3	15
Specific expenses paid to away team:		
Percentage revenues games visiting teams	-	277
Costs for temporary acquisition of players	560	3.068
Losses on the long-term sale player registration rights	2.042	36
Other expenses from player management	1.738	673
Other operating expenses:		
- Costs, fines and penalties for matches	169	145
- Indirect tax expenses	342	412
- Contributions from Football League	1.544	1.319
- Transactions and compensation	-	13
- Cost of previously years	2.638	2.039
- Sundry costs	335	390
	<b>10.646</b>	<b>11.374</b>

Sundry match organization costs refer to various costs tied to the matches and maintenance of the Stadium. The reduction of the fiscal year is due to the lower costs incurred by the tendering organizations following the dispute of the domestic matches relating to national and international competitions behind closed doors or with limited access to 1,000 spectators, following government decisions in response to the spread of the Covid-19 pandemic.

The costs for the temporary acquisition of players, in the amount of Euro 560 thousand, mainly related to the football players Stefano Sensi and Victor Moses, whose loans have been extended until August 31, 2020 for the end of the sports season 2019/20.

The losses on the long-term sale player registration rights, realized during the period, are mainly due to the sale of footballer Antonio Candreva.

The other expenses from player management include the solidarity contributions accrued in the period relating to market operations with international clubs.

Costs of previously years for Euro 2,638 thousand mainly refer to to insurance claims from previous years.

## Financial income and expenses

### Financial income

Other financial income amount to Euro 2,707 thousand and mainly refer to interest income relating to the actualization of receivables made in the financial year as required by the changes, additions and changes introduced to the civil code by the D.lgs. 139/2015 described in " Payables to specific sector institutions".

### Interests and other financial expenses

Financial expenses can be broken down as follows:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
On payables to banks	2.509	2.437
On payables for loans	216	149
On Bond loan	22.263	16.006
On payables to parent companies	5.476	5.530
On payables to companies subject to parent companies control	-	3.014
On payables to factoring	4	2.499
On late payments	12	22
On actualization	5.724	4.305
Other expenses and bank commissions	19	43
	<b>36.223</b>	<b>34.005</b>

Interest expense on Bond loan calculated according to the amortised cost method amounted to Euro 22,263 thousand at June 30, 2021 (Euro 16,006 thousand at June 30, 2020).

The financial expenses on the actualization for an amount of Euro 5,724 thousand relate to the discounting of payables carried out in the financial year as required by the amendments, additions and changes introduced to the rules of the civil code by the Legislative Decree. 139/2015 described in "payables and receivables from football clubs", whose increase is mainly due to the dynamics of the transfer campaign, mainly characterised by purchases whose payment is deferred in several years.

Financial expenses on payables to parent companies, amounting to Euro 5,476 thousand at June 30, 2021 (Euro 5,530 thousand at June 30, 2020) refer to interests on Shareholders' loan as better described in the paragraph "Shareholders' loan".

Financial expense due to companies subject to parent companies control zeroed out compared with the same period of the previous year due to the fact that the loan held by Grand Flagship Limited was transferred, including the principal and accrued interest, to Great Horizon S.à.r.l. in March 2021.

The item "On payables to banks", amounting to Euro 2,509 thousand as at June 30, 2021 (Euro 2,437 thousand as at June 30, 2020) refers to the interest expense calculated on the use of the revolving line of credit granted to the Group and included in the Bond listing transaction, as better described in the paragraph "Other information - Debt refinancing".

Factoring expenses were significantly reduced compared to the previous year as no receivables were transferred without recourse in relation to the sale of players' registration rights.

### Gain and losses on foreign currency translation

These are sub-divided as follows:

	12 months as of June 30, 2021	12 months as of June 30, 2020
<b>Euro thousand</b>		
Income on exchange	97	562
Losses on exchange	(11)	(406)
	<b>86</b>	<b>156</b>

The effects on receivables and payables in foreign currency, deriving from the trend of exchange rates as of June 30, 2021, are insignificant.

#### **Impairment of financial assets**

As of June 30, 2021 the amount of 1,973 thousand referred to the impairment loss of the equity investment in M-I Stadio S.r.l. In fact, following the negative result recorded during the fiscal year, shows as of June 30,, 2021 an Equity of Euro 2,654 thousand.

#### **Income taxes**

Starting from fiscal year 2014/2015, the Group companies exercised the option to adhere to the Tax Consolidation set forth in Articles 117-129 of D.P.R. 917/86 as consolidated parties, with FC Inter as the parent company.

Due to the effect of the joint fiscal year of such option by the Parent Company and its subsidiaries, the former as the consolidating company, it is noted that the relative option was exercised within 16 December 2013 for the three-year period 2013/2016, renewed for other three years.

The allocation for the fiscal year income taxes for the consolidated companies was made on the basis of the presumable tax burden according to outstanding law.

Taxes are calculated as follows:

- current taxes in the amount of Euro 4,009 thousand;
- pre-paid taxes in the amount of Euro 2,100 thousand;
- deferred tax assets in the amount of Euro 4 thousand.

As a result, income taxes also include the income and expenses resulting to the tax consolidation. The net income of F.C. Internazionale Milan S.p.A. from the tax consolidation, it amounted to Euro 17,665 thousand, while the tax burden transferred by Inter Media and Communication S.p.A. it is equal to Euro 17,202 thousand - divided into Euro 19,339 thousand as income related to the portion absorbable from the taxable income recognized by the subsidiary and Euro 2,136 as a charge related to the excess of RoI produced on interest payable that can be used and transferred to the Tax Consolidation as per specific regulation in the context of existing consolidation agreements – of Inter Brand is equal to Euro 462 thousand.

The amount of tax losses pertaining to F.C. Internazionale, not valued for prudence, amounts to Euro 427,551 thousand, in addition to tax losses of Euro 310,081 thousand, also not valued for prudence, which can only be used within the tax consolidation.

#### **Litigation and tax assessments**

The Parent Company is involved with various tax litigation, mainly related to two cases that are specific to the football industry.

One case regards the relevancy for purposes of IRAP of capital gains from the transfer of football players. The Tax Authority ("Agenzia delle Entrate") contested the exclusion from the IRAP taxable base of capital gains from the transfer of football players, since the Parent Company considered this to be extraordinary and therefore not subject to IRAP taxation (the "Capital Gains" case).

The second case instead regards the relationships between the Parent Company, its registered personnel and sports agents. Specifically, the Tax Authority contested that the costs for services provided by "Sports Agents" are incurred by the Company in the primary interests of the football players, and therefore are remuneration in kind paid to the football players (a fringe benefit). Therefore, with reference to such costs the failure to subject them to withholding tax, and their non-deductibility for Value Added Tax and their non-deductibility for purposes of IRAP and IRES was contested ("Sports Agents" case).

In relation to the "Capital Gains" case, the Parent Company has received various notices of tax assessments starting from fiscal year 2001/2002, specifically:

- with reference to the notices of assessment received for the 2001/2002, 2002/2003 and 2003/2004 financial years, the Parent Company appealed at various levels of judgment, in which favourable sentences (generally at first instance) alternated with contrary sentences. The appeals relating to the aforementioned assessments during 2019 were all cashed. The Court of Cassation (i) rejected the appeals filed by the Revenue Agency, thus recognizing that penalties are not applicable because at the time of the facts there were jurisprudential disagreements on the point, as pointed out in the ruling of the Council of State of 11-12-2012 (Cass.Civ. 2015 n. 24588) and (ii) rejected the appeals filed by the Company, thus recognizing the taxability of Capital Gains for IRAP purposes since, as clarified by the above mentioned Council of State ruling on the legitimacy, the transfer of a soccer player is an act that falls within the management of a soccer team, representing an event related to the ordinary activity of the club, so that the capital gains from the sale of fixed assets, when the disposal of the asset constitutes an ordinary event of the company's management, are part of the income and expenses of the accessory "ordinary" management. In November 2019, the Parent Company received from the Agenzia delle Entrate a payment slip of Euro 1,475 thousand, relating to the tax period 2001 and falling within the case of "Capital gains", following a ruling issued by the Court of Cassation; the amount due was paid in full in January 2020.
- with respect to fiscal year 2004/2005, the assessment received only resulted in the variation of the IRAP taxable income base, which remains negative, and therefore no increased tax was imposed on the Parent Company.

- with reference to fiscal years 2005/2006 and 2006/2007, on 12 December 2011 the Parent Company received two notices of tax assessments and filed an appeal in front of the Provincial Tax Commission of Milan. It is noted that the Tax Authority included comments with respect to the "Sports Agents" in the above notices of tax assessment, just with respect to the IRAP component. The Parent Company, in accordance with legislation on appeals, paid the amount of Euro 654 thousand in fiscal year 2012/2013, which was entirely charged to the Income Statement. On 13 March 2014, the Parent Company received notice from the Provincial Tax Commission of Milan related to the judgment in which the appeal was accepted for both notices of tax assessment mentioned, both with reference to the "Capital Gains" case as well as with reference to the "Sports Agents" case. Consequently, during the month of July 2014, the Parent Company received reimbursement of what it had paid to be able to file the first level appeal. Such amount, from a prudential standpoint, was recognized in the financial statements in the line item "miscellaneous payables", while waiting for the final conclusion of the litigation in the residual levels of judgment. In November 2015, the Parent Company received a notice of payment in the amount of Euro 2,095 thousand related to the above mentioned notices of tax assessments for fiscal years 2005/2006 and 2006/2007 consequent to the unfavourable judgment on appeal. The above tax notice, which will be paid in accordance with an agreed-upon instalment plan, resulted in the use of the "Provision for risks and charges" in the amount of Euro 1,441 thousand, as better described in the paragraph "Provisions for risk and charges", while for the remaining portion already entered into debt, during the previous year has been pre-paid. For completeness it is noted that the Parent Company has appealed in the month of March 2016.

For completeness of information, it is noted that, as is known, in relation to the "Capital Gains" case that was just described, in the month of December 2012 the State Council, upon the request for an opinion by the Ministry of the Economy and Finance, gave its favourable opinion for the taxation of the capital gains for the purposes of IRAP.

The Parent Company has not received further notices of tax assessments with reference to such cases and the years that are still open from a tax standpoint.

Even with reference to the "Sports Agents" case, the Parent Company has received various notices of tax assessments starting from fiscal year 2004-2005, whose description is relevant for purposes of the information regarding these consolidated financial statements, specifically:

- with reference to fiscal years 2004-2005, 2005-2006 and 2006-2007, in fiscal year 2011/2012 the Parent Company agreed to settle the tax assessments received related to the above fiscal years that contested non-deductible costs for purposes of IRAP in relation to the 2004-2005 fiscal year, as well as more VAT and withholding tax for the years 2005, 2006 and 2007. The overall cost, inclusive of ancillary penalties and interest, was approximately Euro 7.7 million;
- with reference to fiscal years 2007/2008, 2008/2009, 2009/2010, 2010/2011, 2011/2012 and 2012/2013, in March 2018 the Parent Company received a tax transaction proposal from the Tax Authority ("Agenzia delle Entrate") in order to avoid the continuation of situations of tax litigation; the Parent Company subscribed the aforementioned transaction which provided an outcome in line with that recorded under the item "Provisions for risks and charges" which took place entirely in the current fiscal year. Specifically, with reference to the settlement agreement relating to the "Sports Agents" case, these were carried out with a view to cost / benefit, assessing on the one hand the residual duration of disputes which, more likely, would have been prolonged. Up to the third degree with related consultancy costs, and on the other hand the positive effects deriving from the elimination of a tax slope. However, the Management of the Group believes, with the support of its legal counsel, that the choice of settlement definition is not linked to legal assessments and that therefore to date the potential liability in relation to the tax-cleared financial years and the current litigation, both still opposable in any degree of judgment as well as at the moment not quantifiable;
- with reference to 2012/13 and 2013/14 fiscal years, in December 2018 the Company received from the Tax Authority the findings of the assessments relating to the aforementioned financial years that contested non-deductible costs for IRAP purposes in relation to the financial year 2012/2013, higher withholding tax not applied as a withholding agent in relation to the financial year 2012/2013 as well as higher VAT tax in relation to the financial years 2012/2013 and 2013/2014. The total charge including ancillary sanctions and interest amounts to approximately Euro 0.25 million, providing for a disbursement in February and April 2019 through the use of Provisions for risks and charges of previous years. For more information, refer to what is written in the note "Provisions for risks and charges";
- in relation to the years 2013/2014 and 2014/2015, in July 2019 the Company received from the Tax Authority an Act that contests higher VAT tax during those years. The Parental Company paid Euro 17 thousand in August 2019.

Finally, in January 2021 sports agent Martinus Schoots filed an arbitration petition with the Collegio di Garanzia dello Sport for the payment of the amount due under the contract signed for the transfer of the player Christian Eriksen. The Company and the sports agent have therefore signed a settlement agreement for the payment of the amount due, with the consequent waiver by the agent of the petition filed.

#### **Transactions with related parties**

Transactions carried out by the Group with related parties relate mainly to the financing and sponsorship by the new Leading Shareholder (Great Horizon S.à.r.l. and Grand Tower S.à.r.l. and Jiangsu Suning Sports Industry Co., Ltd.) against the Group, as specified in the section "Shareholders' loan" and "Receivables from parent companies". No further significant transactions with related parties were made.

All transactions with related parties were made at normal market conditions.



During the fiscal year, the following assets and liabilities were reported with subsidiaries and related companies:

Company	Nature of relationship	Receivables/Accruals	Payable/Deferals	Revenue	Costs
		June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021
Great Horizon S.à.r.l.	Financial	-	16.058	-	3.772
Grand Tower S.à.r.l.	Financial	-	60.280	-	280
Jiangsu Suning Sports Industry Co., Ltd.	Commercial	10	5.650	10.633	-
Suning Sports International Ltd.	Commercial/Financial	22	-	9.500	-
Jiangsu Family Sports & Culture Development Co., Ltd.	Commercial	220	-	-	-
Jiangsu Suning Football Club Co., Ltd.	Commercial	-	-	-	-
Suning Appliance Group Co., Ltd.	Commercial	228	-	-	-
Jiangsu Inter Business Development Co. Ltd.	Commercial	200	-	200	-
Great Mercury Limited	Commercial	462	-	1.000	-
Inter Brand China Co., Ltd. in liquidazione	Commercial/Financial	16	16	-	-
Shanghai I.Brand Trading Co., Ltd.	Commercial	32	-	-	-
M-I Stadio S.r.l.	Commercial	-	3.594	725	5.031
<b>Total</b>		<b>1.190</b>	<b>85.598</b>	<b>22.058</b>	<b>9.083</b>

### Fees for Directors and Auditors

The Board of Directors fees amount to Euro 1,500 thousand at June 30, 2021.

The fees to which the Statutory Auditors and Independent Auditing Firm were entitled as of June 30, 2021 amounted respectively to Euro 227 thousand and Euro 114 thousand.

For the sake of complete disclosure, it is noted that all of the fees paid to the Independent Auditing Firm exclusively refer to normal auditing activities.

### Dividend-right shares, bonds convertible in shares and similar securities or valuables issued by the Group Companies

The consolidated companies do not have any of the securities in object.

### Number and characteristics of other financial instruments issued by the Group Companies

The companies that are part of the consolidation perimeter do not have any other financial instruments.

### Guarantees, commitments and liabilities arising from the Balance Sheet

The table below gives details of the commitments, guarantees and contingent liabilities not disclosed in the financial statements as of June 30, 2021.

Euro thousand	
<b>Pledges</b>	
Pledge on the shares of the equity investment in the subsidiary Inter Media	208.444
Pledge on Inter Media brands in favor of Bond loan investors	218.000
<b>Guarantees</b>	
to third parties	38.265
<b>Commitments</b>	
Operating leasing fees	416

The Group has granted a pledge the shares of the share capital held in the company Inter Media to guarantees of the bond as described in the paragraph "Other information - Debt refinancing".

The main guarantees are in favor of third parties and amount to Euro 38,265 thousand and are due to guarantee the Company's transfer account balances in favour of the Lega Nazionale Professionisti Serie A, as envisaged by the regulations issued by the FIGC regarding players' registration and transfers (in particular, by FIGC Official Press Release no. 222/A, published on June 15, 2020) and to the lease contract with the City of Milan for the use of San Siro Stadium.

The commitments for operating lease payments not yet due amount to Euro 416 thousand and represent the total value of future lease payments to be paid to the leasing company under the contracts and excluding installments already paid.

It is also noted that some contracts for the purchase of players in the transfer campaigns foresee adjustments upon the occurrence of specific future sports results that could lead to exposure of the Group for a maximum amount of Euro 22,833 thousand; the active side of contingent consideration due from other clubs to achieve sports results defined relative to major divestments of players in the different transfer campaigns (including loan sales and repurchase obligation not yet due conditions) would be equal to Euro 9,750 thousand.

#### **Value and type of assets and legal relationship included in each asset to be used for a specific transaction**

The F.C. Internazionale Milano Group does not have any assets to be used for a specific transaction.

#### **Income set forth in the third clause and assets set forth in the fourth clause of Article 2447-decies**

None of the cases in question regard the consolidated companies.

#### **Finance leasing transactions**

The companies of the F.C. Internazionale Milano Group do not have any finance leasing transactions.

#### **Nature and economic objectives of agreements not appearing from the Balance Sheet (Article 2427 – 22 ter of the Italian Civil Code)**

During the fiscal year, the companies within the consolidation perimeter did not stipulate any agreements that are not reflected in the Balance Sheet.

#### **Nature and effect balance, financial and economic of facts occurred after June 30, 2021 (Article 2427 – 22 quarter Civil Code)**

The summer transfer campaign in July and August, 2021 was mainly characterised by:

- The definitive acquisition of the football registration rights of the player Zinho Vanheusden from Standard Liege with the temporary transfer of the same player to Genoa for the 2021/2022 season;
- The temporary transfer of the football registration rights of the player Sebastiano Esposito to Basilea with a purchase option to be finalized within the end of the 2021/2022 season;
- The temporary transfer of the football registration rights of the player Darian Males to Basilea for the 2021/2022 and 2022/2023 seasons with a purchase option to be finalized within the end of the 2022/2023 season;
- The temporary transfer of the football registration rights of the player Chagas Estevao Dalbert Enrique to Cagliari with a purchase option to be finalized within the end of the 2021/2022 season;
- Free transfer of the player Aleksandar Kolarov, already registered to the Company until June 30, 2021;
- The definitive transfer of the football registration rights of the players Achraf Hakimi to Paris Saint Germain and Romelu Lukaku to Chelsea.
- The definitive acquisition of the football registration rights of the players Denzel Dumfries from PSV and Edin Dzeko from Roma;
- The temporary transfer of the football registration rights of the player Carlos Joaquin Correa from Lazio; the agreement, valid for the sports season 2021/2022, provides for the obligation to purchase at the first point of the First Team after the date of February 2, 2022;
- Temporary transfer of the football registration rights of the player Andrea Pinamonti to Empoli;
- In July 2021 the Company terminated the contract of the players Naval Da Costa Eduardo Joao Mario and Radja Nainggolan, expiring on June 30, 2022, with recognition of the economic effect in these financial statements, as better described in the paragraph "Impairment of assets".

In July 2021, the F.C. Internazionale Group, through its subsidiary Inter Media & Communications S.p.A., signed an agreement with Socios.com, for the 2021/2022 football season, for a consideration of Euro 16 million as Global Main Jersey Partner and from the 2022/23 season to the 2024/2025 football season, for an annual consideration of Euro 1 million, as Global Sponsor Advertising Rights.

In September 2021, the F.C. Internazionale Group, through its subsidiary Inter Media & Communications S.p.A., signed a new partnership with *Zytara Labs LLC*, as the new Official Global Cryptocurrency and Sleeve Partner, from the 2021/2022 sports season to the 2024/2025 sports season for a total consideration of Euro 85 million.

In September 2021, with reference to the Naming Rights contract signed with the Major Shareholder in previous years, the fixed contractual consideration, following the failure of the Group to provide certain contractually envisaged services, caused by the protracted effects of the Covid-19 pandemic also in the 2020/2021 football season, was subject to a further revision, corresponding for the 2020/21 season to an overall reduction of Euro 5.4 million and for the 2021/2022 season to a reduction of Euro 4.5 million. Consequently, in light of the change occurred, with reference to this contract the Group recorded revenues for the year for a total of Euro 10.6 million.

In addition, as previously commented, it should be noted that, in September 2021, the Chinese company iMedia, in a letter addressed to Inter Media, announced that, due to the negative impacts resulting from the continuation of the Covid-19

pandemic, it has such expectations that allow it to only partially pay its debt to the Group, amounting to Euro 55,892 thousand as of June 30, 2021. At the same time, the Directors of the Group set aside a provision for doubtful accounts of Euro 31,537 thousand as of June 30, 2021, in order to adjust the above credit position to its presumed realizable value, also taking into account the effect of discounting the same for the installment portion due after June 30, 2022, in line with the repayment plan envisaged.

Lastly, it should be noted that, with reference to the receivable due from the Chinese company Beijing Yixinshijie Culture Development Co., Ltd, amounting to Euro 7,800 thousand as at June 30, 2021, accrued against contractual services rendered by the Group during previous years net of cash received (of which Euro 16.3 million in October 2020), in September 2021 the aforesaid Chinese company communicated in a letter addressed to Inter Media that, due to the negative impact of the continuation of the Covid-19 pandemic, it has expectations that do not allow it to honour its debt to the Group. At the same time, the Group's Directors set aside a provision for doubtful accounts of Euro 7,800 thousand as of June 30, 2021, in order to adjust the above credit position to its estimated realizable value.

#### **Discipline on transparency of public grants and subsidies**

The entry into force of Law 124/2017, Article 1 (125) to (129), subsequently supplemented by the "Security" Decree Law (No. 113/2018) and the "Simplification" Decree Law (No. 135/2018) has introduced a number of advertising and transparency obligations to a plurality of individuals who have economic relations with the Public Administrations. Article 1, paragraph 125 provides for the publication of information on grants, contributions, remunerated engagements and, in any case, economic advantages received in the period of more than Euro 10 thousand. Companies fulfil their obligation by publishing this information in the Notes of the financial statements and in the Notes of the consolidated financial statements, where it exists.

In accordance with this obligation, it is indicated below, adopting the cash criterion of subsidies, contributions, remunerated engagements and, in any case, economic advantages of any kind received in the period of more than Euro 10 thousand. During the fiscal year ended June 30, 2021, the Company did not receive public grants and subsidies to be reported.

This Consolidated Financial Statements, consisting of the Balance Sheet, Income Statement, Cash Flow and Explanatory Notes, represent in a truthful and accurate manner the financial and economic position as well as the economic result of the fiscal year and correspond to the accounting records.

**On behalf of the Board of Directors**  
The President  
(Zhang Kangyang)



**F.C. Internazionale Milano S.p.A.**

Sede sociale in Milano – Corso Vittorio Emanuele II n. 9

Capitale Sociale Euro 19.195.313 = i.v.

Codice Fiscale n. 80066310154

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**RELAZIONE DEL COLLEGIO SINDACALE  
SUL BILANCIO CONSOLIDATO CHIUSO IL 30/06/2021  
AI SENSI DELL'ART. 2429 – COMMA 2 DEL CODICE CIVILE**

All'Assemblea degli Azionisti della società F.C. Internazionale Milano S.p.A.

Signori Azionisti,

il bilancio consolidato chiuso al 30 giugno 2021 del gruppo F.C. Internazionale Milano S.p.A. (di seguito anche "Gruppo"), redatto dagli amministratori, è stato approvato dal Consiglio di Amministrazione in data 30 settembre 2021 e trasmesso, nei termini di cui al primo comma dell'articolo 2429 del Codice Civile, al Collegio Sindacale unitamente ai prospetti, agli allegati di dettaglio ed alla relazione sulla gestione.

Vi ricordiamo che l'Assemblea degli Azionisti ha deliberato di affidare, ai sensi e per gli effetti dell'art. 2409-bis del Codice Civile e degli artt. 13 e 14 del D.Lgs. 39/10, l'incarico per lo svolgimento dell'attività di revisione legale dei conti della Società alla società di revisione Deloitte & Touche S.p.A., a cui pertanto compete l'espressione del giudizio professionale in relazione alla revisione legale dei conti.

Non essendo pertanto a noi demandato il controllo analitico di merito sul contenuto del bilancio consolidato, abbiamo vigilato sull'impostazione generale data allo stesso, nonché sulla sua generale conformità alla legge per quel che riguarda la sua formazione e struttura.

Come evidenziato nella nota integrativa, l'esercizio chiuso in data 30 giugno 2016 è stato caratterizzato dall'ingresso nella compagine sociale della Società di un nuovo azionista di maggioranza facente capo al gruppo Suning Commerce Group, multinazionale cinese quotata allo Shenzhen Stock Exchange dal 2004. A seguito di tale operazione la compagine sociale della Società risulta di seguito dettagliata:

- Great Horizon S.a.r.L. 68,55%;
- International Sport Capital S.p.A. 31,05%;
- Altri azionisti di minoranza 0,4%.

A seguito del summenzionato riassetto della compagine sociale, a partire dall'esercizio chiuso al

30 giugno 2016, la Società è tenuta, anche ai fini di legge, alla redazione del bilancio consolidato precedentemente redatto esclusivamente per le finalità previste dalle Norme Organizzative Interne Federali (N.O.I.F.) della F.I.G.C. e dal “Manuale delle Licenze UEFA”.

Nel mese di febbraio 2019 il socio International Sports Capital HK, Ltd. (“ISC HK”) e LionRock Zuqiu Limited (“LionRock”) – società controllata da LionRock Capital, investitore istituzionale con sede in Hong Kong – hanno perfezionato un’operazione di trasferimento, da parte di ISC HK a favore di LionRock, dell’intera partecipazione detenuta dalla stessa ISC HK nella società International Sports Capital S.p.A., la quale è titolare di n. 4.636.221.998 azioni rappresentanti il 31,05% del capitale sociale della società F.C. Internazionale Milano S.p.A..

### 1. Vigilanza in ordine al bilancio consolidato e alla relazione sulla gestione

La norma in tema di relazione dei sindaci pone a carico del Collegio Sindacale l’obbligo di riferire all’Assemblea sui risultati dell’esercizio sociale.

Lo Stato patrimoniale evidenzia una perdita di euro 245.579.264 e si riassume nei seguenti valori:

Immobilizzazioni	euro	710.833.727
Attivo circolante	euro	227.387.530
Ratei e risconti attivi	euro	15.083.936
<b>Totale attivo</b>	<b>euro</b>	<b>953.305.193</b>
Patrimonio Netto	euro	53.450.988
TFR – Fondi rischi e oneri	euro	32.074.848
Debiti	euro	827.459.335
Ratei e risconti passivi	euro	40.320.022
<b>Totale passivo</b>	<b>euro</b>	<b>953.305.193</b>

Il Conto Economico presenta, in sintesi, i seguenti valori:

Valore della produzione	euro	364.712.220
Costi della produzione	euro	568.782.409
<b>Differenza</b>	<b>euro</b>	<b>(204.070.189)</b>
Proventi e oneri finanziari	euro	(33.431.112)
Rettifiche valore di attività finanziarie	euro	(1.972.728)
<b>Risultato prima delle imposte</b>	<b>euro</b>	<b>(239.474.029)</b>
Imposte sul reddito	euro	(6.105.235)
<b>Utile (Perdita) dell’esercizio</b>	<b>euro</b>	<b>(245.579.264)</b>

Nonostante la perdita conseguita dalla Capogruppo nell’esercizio, il patrimonio netto di gruppo risulta attualmente congruo con riferimento ai requisiti patrimoniali previsti dal Codice Civile,

tenuto conto della avvenuta rivalutazione del marchio e della library i cui effetti sul bilancio consolidato sono riportati in nota integrativa.

La Deloitte & Touche S.p.A. ha ultimato la propria revisione del bilancio consolidato chiuso al 30 giugno 2021 e ha rilasciato la propria relazione con la quale attesta che “[...]il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo F.C. Internazionale Milano al 30 giugno 2021, del risultato economico e dei flussi di cassa per l’esercizio chiuso a tale data in conformità alle norme italiane che ne disciplinano i criteri di redazione.”, “[...] la relazione sulla gestione è coerente con il bilancio consolidato del gruppo F.C. Internazionale Milano al 30 giugno 2021 ed è redatta in conformità alle norme di legge.”.

Si evidenzia, come adeguatamente dettagliato sia nella Nota Integrativa che nella Relazione sulla gestione, come i risultati economici, finanziari e patrimoniali della Società siano stati sostanzialmente impattati dagli effetti della diffusione della pandemia COVID-19 e dalle conseguenziali misure di salvaguardia attuate, a partire dal mese di febbraio, dal Governo e delle Autorità Federali. Al riguardo si rinvia al richiamo di informativa di cui alla Relazione Deloitte in relazione alla tematica della ricorrenza della continuità aziendale.

Il Collegio Sindacale nella sua attività di vigilanza sul bilancio d’esercizio ha verificato l’osservanza, da parte degli amministratori, delle disposizioni del Codice Civile sul procedimento di formazione, controllo e approvazione del bilancio.

L’esame sul bilancio consolidato è stato svolto facendo riferimento alle norme di legge che disciplinano il bilancio d’esercizio interpretate e integrate dai corretti principi contabili enunciati dai Consigli nazionali dei Dottori commercialisti ed Esperti Contabili così come modificati dall’Organismo Italiano di Contabilità (O.I.C.) in relazione alla riforma del diritto societario tenendo conto anche della prassi di settore e delle disposizioni diramate dalla Federazione Italiana Giuoco Calcio (F.I.G.C.) e dalla Commissione di Vigilanza per le Società di Calcio che hanno permesso di interpretare sotto l’aspetto tecnico le norme di legge.

In particolare è stato verificato:

- che gli schemi di stato patrimoniale e conto economico siano conformi alle disposizioni dell’art. 32 D.lgs. 127/1991 e che gli stessi presentino ai fini comparativi i valori dell’esercizio precedente;
- che la valutazione delle voci di bilancio consolidato sia stata fatta ispirandosi ai criteri generali di prudenza e competenza nella prospettiva della continuazione dell’attività;
- che la Nota Integrativa e la Relazione sulla gestione riportino, rispettivamente, quanto prescritto dall’art. 38 e 40 del D.lgs. 127/1991;
- che i principi di consolidamento ed i criteri di formazione dell’area di consolidamento siano conformi alle disposizioni del D.lgs. 127/1991;

- la completezza e la chiarezza informativa della nota integrativa e della relazione sulla gestione alla luce dei principi di verità, correttezza e chiarezza stabiliti dalla legge;
- che la Relazione sulla gestione fornisca adeguate informazioni sui principali rischi e incertezze, di natura sia organizzativa sia funzionale, cui il Gruppo è esposto;
- la rispondenza del bilancio consolidato ai fatti e alle informazioni di cui il Collegio Sindacale è a conoscenza a seguito della partecipazione alle riunioni degli organi sociali, dell'esercizio dei suoi doveri di vigilanza e dei suoi poteri di ispezione e controllo.
- in relazione alla "continuità aziendale" si rinvia al richiamo di informativa di cui alla Relazione Deloitte.
- Si segnala, rinviando ai dettagli in nota integrativa, in deroga al criterio del costo e in generale al divieto di rivalutazione, la Società si è avvalsa della facoltà di cui all'art. 110 del DL 104/2020, convertito nella legge n. 126 del 13 ottobre 2020, e, supportata da terzo perito indipendente, ha proceduto a rivalutare il marchio "Inter" e la libreria storica iscritti tra le immobilizzazioni immateriali; in relazione all'effetto sul bilancio consolidato della citata rivalutazione, si rinvia al richiamo di informativa di cui alla Relazione di revisione Deloitte.

Per quanto a conoscenza del Collegio Sindacale, gli Amministratori, nella redazione del bilancio consolidato, non hanno derogato alle norme di legge ai sensi dell'art. 2423, 4° comma, e 2423 bis, 2° comma, del Codice Civile, con eccezione della rivalutazione ammessa per legge.

A giudizio del Collegio Sindacale, la valutazione del patrimonio di pertinenza del Gruppo è stata effettuata in conformità ai criteri dell'art. 2426 del Codice Civile.

## **2. Attività di vigilanza**

A partire dalla data di nomina del Collegio Sindacale, avvenuta con Assemblea degli Azionisti del 28 giugno 2016, e fino alla chiusura dell'esercizio al 30 giugno 2020, abbiamo proceduto al controllo sul rispetto dei principi di corretta amministrazione ed alla vigilanza sull'osservanza della Legge e dello Statuto in linea con i suggerimenti indicati nelle Norme di Comportamento del Collegio Sindacale raccomandate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili.

Nel corso del nostro mandato non sono pervenute al Collegio Sindacale denunce ai sensi dell'art. 2408 del Codice Civile e non abbiamo avuto notizia di esposti o di segnalazioni, anche da terzi, né si sono evidenziate le situazioni di cui all'art. 2409 dello stesso Codice Civile per le quali il Collegio Sindacale dovesse attivarsi per richiederne l'applicazione.

Nel corso dell'attività di vigilanza, come sopra descritta, non sono emersi fatti significativi tali da richiederne la menzione nella presente relazione.

Nel corso del nostro mandato non abbiamo rilasciato pareri previsti dalla Legge, dato che non

sono state poste in essere operazioni o delibere che lo richiedessero.

Nel corso dell'attività di vigilanza, come sopra descritta, non sono emersi ulteriori fatti significativi tali da richiederne la menzione nella presente Relazione.

In materia di fatti di rilievo avvenuti nel corso dell'esercizio e successivi alla chiusura dello stesso, si rinvia al contenuto della nota integrativa e relazione sulla gestione predisposte dagli Amministratori ed accluse al bilancio di esercizio.


### 3. Conclusioni

Considerato quanto riassunto nei paragrafi precedenti e considerando anche le risultanze dell'attività svolta dal soggetto incaricato della revisione legale dei conti, concordiamo sul contenuto e sulla forma del bilancio consolidato chiuso al 30 giugno 2021 del Gruppo FC Internazionale Milano.

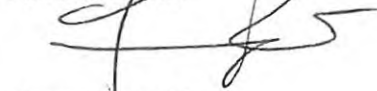
Milano, 13 ottobre 2021.

IL COLLEGIO SINDACALE

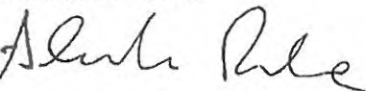
Luca Nicodemi



Giacomo Perrone



Alessandro Padula





## INDEPENDENT AUDITORS' REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of  
F.C. Internazionale Milano S.p.A.

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated financial statements of F.C. Internazionale Milano S.p.A. and its subsidiaries (the F.C. Internazionale Milano Group), which comprise the balance sheet as at June 30, 2021, the income statement and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the F.C. Internazionale Milano Group as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

##### *Going Concern*

We draw attention to the disclosure provided by Directors in the paragraph "Going Concern" of Explanatory Notes to the consolidated financial statements, which describes the considerations and the evaluations carried out by them to support the going concern assumptions, with consequent use of the accounting principles of an entity in operation for the preparation of the consolidated financial statements as at June 30, 2021.

## *Revaluation Law 126/2020*

We draw attention to the paragraph "Revaluation Law 126/2020" of the Explanatory Notes to the consolidated financial statements, in which the Directors indicate that, in the preparation of the consolidated financial statements for the year ended June 30, 2021, they revalued the trademark "Inter" and the "Historical Library" classified in the intangible fixed assets. The methodology adopted to carry out the revaluation and the effects on the value of intangible fixed assets, deferred tax liabilities and shareholders' equity are indicated in the Explanatory Notes.

Our opinion is not qualified in relation to these aspects.

## **Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements**

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the Italian law governing financial statements and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the parent company F.C. Internazionale Milano S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10

The Directors of F.C. Internazionale Milano S.p.A. are responsible for the preparation of the report on operations of F.C. Internazionale Milano Group as at June 30, 2021, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of F.C. Internazionale Milano Group as at June 30, 2021 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the consolidated financial statements of F.C. Internazionale Milano Group as at June 30, 2021 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Davide Bertola**  
Partner

Milan, Italy  
October 13, 2021

*This report has been translated into the English language solely for the convenience of international readers.*