

INTER MEDIA & COMMUNICATION S.p.A.

Registered office in Viale della Liberazione 16/18

Share capital of Euro 500,000.00, fully paid-up

Company subject to management and coordination by F.C. Internazionale Milano S.p.A.

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 financial statements, which may be not conform to the generally accepted accounting principles in other countries.

Management Report on operations July 01, 2020 – June, 30 2021

Inter Media & Communication (here follow also the "Company") is part of the F.C. Internazionale Milano Group ("Inter Group") and it deals with sponsorship and trading of audio-visual material related to the First Team of F.C. Internazionale S.p.A, and with management of Inter TV Channel and others operations strictly connected with F.C. Inter brand.

The Company was founded on 6 May 2014, as part of the operational and corporate reorganization of the entire F.C. Internazionale Milano Group, in order to strengthen the "F.C. Inter" brand through management and development of the business "marketing of historical audio-visual material, the Inter TV channel and sponsorship", previously operated by F.C. Internazionale (hereinafter "Inter", "F.C. Inter" or "Parent Company") and the "licensing, merchandising, sponsorship and other operations relating to the Inter brand through the Internet and other media", previously operated by Inter Brand S.r.l. (hereinafter "Inter Brand"). In this way, two companies unit contribution operations were carried out, respectively by F.C. Inter and by Inter Brand on 5 June 2014, contributed to the Company the above-mentioned business, to the Company (hereinafter also in the "Contribution").

The Company is 55.61% owned by F.C. Inter and 44.39% by Inter Brand S.r.l., a wholly owned subsidiary of F.C. Inter.

On May 15, 2021, Great Horizon S.à.r.l., a company controlled by Suning Holdings Group Co. ("Leading Shareholder"), Ltd, as part of a financing transaction involving the Leading Shareholder during this fiscal year aimed at finding available liquidity outside the Chinese borders, contributed the shares held in F.C. Internazionale to the newly formed 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..

It also should be noted that on December 21, 2017, after the change from a limited liability company into a joint-stock company, the Company (Inter Media and Communication) issued and placed a senior institutional secured bond for an amount of Euro 300 million, with maturity date December 31, 2022 and fixed rate at 4.875% (hereinafter also "bond loan") and, at the same time, F.C. Inter has signed a revolving credit facility ("RCF") for a maximum amount of Euro 50 million, entirely used at June 30, 2021; the proceeds of the Bond and the RCF were used for i) fully repaying of the Goldman Sachs International and Unicredit loan equal to Euro 202 million ii) generating of new financial resources to be used for the ordinary activities of the Inter Group. The Bond Loan is guaranteed by the cash flows deriving from sponsorship agreements and media contracts signed by the Company as well as the cash flows deriving from the proceeds of the UEFA rights and the television rights of the Serie A and TIM cup, assigned by FC Inter to the Company similarly to the provisions of the previous loan contract. It should also be noted that, as part of the Intermediation Bond Loan agreement, FC Inter and Inter Brand pledged the shares relating to the share capital held in the Company. The bond 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 Bond Loan are described in the Explanatory Notes.

Assignment from the Parent Company of the audio-visual rights receivables

As previously said, as a requirement of the bond loan similarly to the provisions of the previous Loan contract, Inter Media signed an agreement with F.C. Inter, which assigns the audio-visual rights receivables generated by sport competitions of Serie A, Tim Cup, UEFA, other league or football institution competitions from F.C. Inter to Inter Media. The agreement establishes that the collection of the receivables for media rights must be transferred to Inter Media while the connected revenue to audio-visual rights remain in F.C. Inter because football regulations establish that F.C. Inter must be the first contractor entity. The agreement affects the financial statement in connection to the Cash Flows and the Balance Sheet. The cash flows respectively include the effects of media rights receivables inflows as well as the amount paid back to F.C. Inter. On the other hand, the Balance Sheet includes media rights receivables and payables to F.C. Inter related to the

amount to be paid back.

Analysis of activities

During the fiscal year, the Company continued the actions aimed at developing the above-mentioned strategy through the management and marketing of the historical audiovisual material related to the historical Rai Library and the TV channel Inter Tv and the stipulation of contracts with national and international in-house partners, compatibly with the limitations and difficulties caused by the Covid-19 pandemic.

The Covid-19 pandemic has had, also during the fiscal year ended June 30, 2021, negative impacts on cash flow generation and a deterioration in the Company's economic results. In fact, due to the continuation of this pandemic and the high number of contagions in Italy, the Government and the Authorities have taken drastic safeguard measures, including the limitation of aggregation events, which include national and international sports competitions in which the F.C. Inter First Team takes part. These measures resulted in the 2019/2020 season in the suspension of the Serie A championship, the Coppa Italia and European competitions during February 2020 and the resumption of the same from the date of June 20, 2020. The 2019/2020 football season therefore ended at the end of August 2020, resulting in the postponement of the 2020/2021 football season to September 2020, causing the Company to be unable to play in the 2020/21 fiscal year:

- i) an increase in the time taken to collect receivables from certain counterparties and/or the partial uncollectability of certain credit positions, primarily due to the adverse economic climate in which the clients with whom the Company works operate;
- ii) the non-renewal or renegotiation and renewal at less advantageous rates for the Company of existing contracts with certain minor sponsors;
- iii) the failure to increase revenues from sponsorship and advertising, as provided for in the Company's
- iv) and the Group's business plans.

The above factors have therefore had a negative impact on the Company, which nevertheless managed to maintain its net income, albeit down on the previous year.

With reference to the sponsorship agreements signed with the Leading Shareholder, it should be noted that in the 2016-2017 financial year, a sponsorship agreement was signed with the related company Jiangsu Suning Sports Industry Co., Ltd. with an original expiry date set at June 30, 2020 pursuant to which certain rights were granted, on an exclusive basis, in relation to the naming of the Parent Company's sports centre (Naming Rights), training uniforms and co-branding in the Chinese territory of products belonging to specific product categories.

On December 21, 2017, following the refinancing transaction concluded with the placement of the aforementioned Bond, an amendment to the agreement regarding the Naming Rights was signed by which the distribution of the consideration provided for in the agreement between the Parent Company and the Company was redefined, equal to 47% and 53%, respectively. For the sake of completeness, it should be noted that last year the naming rights agreement was further revised, no longer providing for the variable portion and redefining the fixed fee for a total of Euro 16 million, against an extension of the contractual deadline to June 30, 2022. Finally, in September 2021 the fixed contractual consideration, following the Company's failure to provide certain contractually envisaged services, caused by the continuing effects of the Covid-19 pandemic also in the 2020/2021 football season, was subject to a further revision, corresponding to an overall reduction of Euro 5.4 million for the 2020/21 season and a reduction of Euro 4.5 million for the 2021/2022 season. Consequently, in light of the change, with reference to this contract the Company recorded revenues for the year totalling Euro 5.6 million.

Finally, it should be noted that, as a significant event during the year, the Company 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. In order to determine the higher value connected with the "Inter" brand and the bookstore, 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 independent expert's report.

The revaluation thus led to an increase in the historical cost of the "Inter" brand for Euro 89,650 thousand, as well as an increase in the historical cost of the "Libreria Storica" for Euro 25,024 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.

The revaluation was carried out by intervening 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 event 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.

With regard to the revaluation of the "Inter" brand and the "Libreria Storica", the Company did not opt to pay substitute tax in order to obtain tax recognition of such revaluation. As a balancing entry to offset the increase in the value of the "Inter" brand and the "Libreria Storica", a specific reserve was posted to the Company's shareholders' equity called "Revaluation reserve art. 110 DL 104/2020" amounting to 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.

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

Analysis of the economic results of the 2020-2021 fiscal year

The fiscal year ends with a profit of Euro 16,053 thousand (Euro 27,607 thousand at June 30, 2020), after the recognition of amortisations and depreciation for the period for Euro 18,212 thousand (Euro 18,205 thousand at June 30, 2020), bad debt provision for Euro 40,383 thousand (Euro 519 thousand at June 30, 2020), other provisions for Euro 3,091 thousand (Euro 4,192 at June 30, 2020), accounted net financial expenses for Euro 11,123 thousand (Euro 8,417 thousand at June 30, 2020) and taxes for Euro 9,135 thousand (Euro 11,574 thousand at June 30, 2020).

Revenue for the fiscal year show an increase and their composition is shown as follows:

Euro thousand	Type	12 months at June 30, 2021		12 months at June 30, 2020	
		Amount	%	Amount	%
	Technical Sponsor	24.963	21,95%	11.491	13,38%
	Official Sponsor	16.173	14,22%	9.677	11,26%
	Sponsorship EU Global in house	14.149	12,44%	9.508	11,07%
	Sponsorship Regional	33.162	29,16%	36.255	42,21%
	Sponsorship Global	3.782	3,33%	2.418	2,82%
	Archive Rai-Infront	9.773	8,59%	9.774	11,38%
	TV production	650	0,57%	650	0,76%
	Inter TV	5.445	4,79%	5.621	6,54%
	Revenues from participation in UEFA competitions	66	0,06%	65	0,08%
	Licencing	348	0,31%	115	0,13%
	Others	5.211	4,58%	328	0,38%
Total		113.722	100%	85.901	100%

Before moving on to the analysis of individual revenue items, the following premise must be made: as better commented in the Notes to the Financial Statements, it should be noted that, following the government decisions in response to the spread of the Covid-19 pandemic, which first led to the suspension and then the resumption of competitive activity with the extension of the 2019/2020 football season until August 31, 2020 and the start of the 2020/2021 season from September 1, 2020, the revenues from sponsorship are not directly comparable with those of the comparative reference period as they are not homogeneous: in the present fiscal year, these revenues, recorded pro-rata temporis were first suspended during the "lockdown" period and then recompensed pro-rata temporis from the resumption of activity until the natural conclusion of the 2019/2020 football season, set for August 31, 2020. Consequently, for the 2020/2021 football season the same revenues have been spread over ten monthly periods starting from September 1, 2020 until June 30, 2021.

Income from the Official Sponsor Pirelli and the Technical Sponsor Nike has increased, not only for the reasons described above, but also because these items include bonuses for qualification for the 2020/2021 UEFA Champions League, which took place in 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.

The item "Sponsorship Regional" primarily includes agreements entered into with commercial partners in Asia, as described in greater detail in the Explanatory Notes in the paragraph "Sponsorship agreements".

"Sponsorship Global" revenues refer to the agreement in place with sponsor Lenovo.

The revenues in the items "Archive Rai-Infront" and "TV production" for a total amount of Euro 10,423 thousand, are related to the digitalization, cataloguing and organization of the images belonging to the archive, as well as to the commercialization of the archive, the images of training sessions, interviews and press conferences, media packages and electronic games, as well as the audio-visual production of the Championship and Tim Cup competitions covered by the contracts with Rai and Infront as also described in detail in the paragraph "Other information - Agreements with the Rai and Infront group" of the Explanatory Notes. For the sake of completeness, it should be noted that the existing contract with Infront expired on June 30, 2021.

It should be noted that the item "Others" mainly includes Euro 4,266 thousand in revenues from a sponsorship contract, early terminated during the fiscal year, for which the Directors allocated a credit devaluation fund of Euro 2.000 thousand,

in order to adjust the value of the receivable not collected as at June 30, 2021 to its presumable realisation value, as well as releases from the provision for risks and charges for Euro 192 thousand related to allocations made prudentially in the previous financial year but which, following their definition during the year, did not entail charges for the Company.

Costs for the fiscal year show an increase and their composition is as follows:

<i>Euro thousand</i>	12 months at		12 months at	
	June 30, 2021		June 30, 2020	
Type	Amount	%	Amount	%
Costs of raw materials, supplies and consumables	50	0,07%	66	0,17%
Costs for services	11.858	15,32%	11.470	29,95%
Costs of rents and leases	88	0,11%	91	0,24%
Personnel costs	3.137	4,05%	3.284	8,57%
Amortization, depreciation and write-downs	58.595	75,69%	18.725	48,88%
Other provisions	3.091	3,99%	4.193	10,95%
Other operating expenses	593	0,77%	476	1,24%
Total	77.411	100%	38.304	100%

The "Production costs" increased by Euro 39,107 thousand compared to the same period of the previous fiscal year, mainly due to the worsening of the item "Amortization, depreciation and write-downs", directly related to the write-downs made against certain Chinese counterparties, in order to adjust the above credit positions to their estimated realizable value as described in the Explanatory Notes.

The difference between "Value of production" and "Production costs" shows a positive balance of Euro 36,311 thousand, down Euro 11,286 thousand on the previous year, as a direct result of the changes in value of production and production costs described above.

The composition of financial income and charges for the year was as follows:

<i>Euro thousand</i>	12 months as at	12 months as at	Variation
	June 30, 2021	June 30, 2020	
<i>Financial income from receivables in fixed assets:</i>			
- from parent companies	11.168	7.725	3.443
<i>Other financial income:</i>			
- others	193	16	177
<i>Financial expenses</i>			
- on bond	(22.263)	(16.006)	(6.257)
- accessory changes on loans	(216)	(149)	(67)
- others	(2)	(12)	11
Income from exchange	4	14	(10)
Losses on exchange	(7)	(4)	(3)
Total	(11.123)	(8.417)	(2.706)

The result for the fiscal year, in addition to being influenced by the above-mentioned operating performance, was also affected by the worsening in financial management, with net financial charges amounting to euro 11,123 thousand (compared with Euro 8,417 thousand at June 30, 2020), mainly due to the significant increase in financial charges on the Bond, following the new issue of Euro 75 million placed on July 31, 2020, partially offset by the increase in interest income accrued in the period on the Intercompany Loan Agreement.

All the items commented above contributed to the final profit before tax of Euro 25,188 thousand (Euro 39,180 thousand at June 30, 2020).

Taxation decreased by Euro 2,438 thousand compared with the previous year, due to an increase in the Company's taxable income, which was more than offset by the greater recognition of deferred tax assets as a result of increased provisions for doubtful accounts during the fiscal year, as previously mentioned.

Net financial position

The trend of the cash flow, also characterized by the distribution of dividends through cash for Euro 61,727 thousand of which respectively to Inter Brand for Euro 39,981 thousand and to F.C. Inter for Euro 21,746 thousand, is fully illustrated in the Cash Flow Statement, to which reference should be made.

Investments

During the fiscal year, the Company made net investments were made for Euro 75 thousand in intangible assets and Euro 1 thousand in tangible assets.

With reference to financial fixed assets, these relate to an Intercompany Loan Agreement (share capital of Euro 238,627 thousand) disbursed to the Parent Company maturing on December 31, 2047 and to time deposits provided under the Bond Loan, as described in the Explanatory Notes.

Research and development

According to the art. 2428, paragraph 2, number 1, of the Italian Civil Code, it is stated that the Company does not perform any research and development activities, due to the nature of its business.

Number and nominal value of treasury shares and the shares of parent companies held or purchased or sold by the Company

According to the art. 2428 of the Italian Civil Code, it is specified that the Company does not possess and did not purchase or sell treasury shares, directly or through trust companies or intermediaries, during the period.

Principal risks and uncertainties

The principal risks and uncertainties to which the Company is exposed are briefly described below.

The Company does not have any significant receivables and has appropriate procedures in place to minimise the exposure to these risks.

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

The 2020 year 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 the Parent Company, 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, thus generating losses, increase in credit collection times - due to the adverse economic environment in which customers operate - 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 Company and 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 Company has received requests to renegotiate the terms of certain sponsorship agreements and as a result the Company 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 their obligations under current sponsorship agreements, particularly if Covid-19 contagions begin to recur after last summer's containment. This scenario determines possible impacts on the Inter Group's and Company's economic, equity and financial situation.

Financial risks

The principal risks linked with ordinary activities of the Company are:

Credit risk

Unsecured credits are carefully monitored and any collection risks are stated in a specific bad debt reserve. This risk is partially mitigated by the fact that most of the receivables are concentrated with extremely prestigious parties, which are therefore financially solid and able to honour their debts.

However, it should be noted that the collection of part of the receivables, following government restrictions (especially for those due from Chinese companies) and due to the spread of the Covid-19 pandemic, could be subject to delays, without however impacting on the company's ability to continue as a going concern in view of 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 that, as a result of the negative impacts resulting from the spread of the

Covid-19 pandemic, they have expectations such that they will not be able to pay all or part of their debts due to the Company. At the same time, the Company's Directors set aside an allowance for doubtful accounts of Euro 39,337 thousand as of June 30, 2021, in order to adjust the aforementioned receivables to their estimated realizable value.

Risks related to the need for financial means and the minimal level of capitalization

The Company plans to cover financial needs deriving from maturing debts and planned investments through the cash flows produced by operations and available funds, also taking into account the cash flows secured by audio-visual rights, for which receivables have been assigned by the Parent Company to Inter Media in order to satisfy the Loan obligations.

The Company's management performs periodic reviews of operating performance in order to ascertain whether any estimates and assumptions made for assets and liabilities are confirmed in current values and, in the case of changes, these are immediately reflected in the Income Statement. With reference to the Bond Loan, the same provides for compliance with certain financial parameters as better described in the Explanatory Notes. Any failure to comply with the above parameters could result in the Company forfeiting the benefit of the term with the consequent need to raise substantial financial resources in order to repay the residual amount of the bond (the bullet repayment of which is scheduled for December 31, 2022, with six-monthly instalments up to this maturity date which are financed by the cash flows provided for in the 2022-2026 Business Plan, the projections of which are constantly updated, especially at this particular time of emergency). With reference to the verification of compliance with these parameters, reference should be made to the Explanatory Notes.

Risk related to sports performance of the Parent Company's First team

The Company's revenues are heavily influenced by the sport results of the Parent Company, whose principal production factor for its typical activity are the rights on footballers' performance - an activity which is subject to the possible risk of injury which could affect the Company's economic and financial position at any moment. Operating performance is therefore exposed indirectly to the risks of football matches, particularly in terms of the results of the First Team because, if they are negative or worse than expected, they could lead to a reduction in the variable fees linked to sponsorship agreements and also to a reduction in fees when the main agreements are renewed.

Risks related to fluctuations of interest rates

The Company holds financial debt positions shown in these financial statements for Euro 345,0 million deriving from the Bond Loan, of which more details are provided in the Explanatory Notes. These loans provide for a fixed rate of 4.875% and therefore the risks associated with interest rate fluctuations are currently negligible.

Business outlook

The economic trend of the 2021/2022 financial year will present results still conditioned by the measures that will be taken in response to the continuing spread of the Covid-19 pandemic, despite an operational situation that will benefit from the participation of the First Team of F.C. Inter in the Group Stage of the UEFA Champions League. It is not possible, at the moment, to make realistic forecasts on the trend of the next football season which, in addition to the uncertain evolution related to the context conditions, will be influenced by the trend of the sports results that will be achieved. Any better sporting performance could attract new sponsorships and/or renewals of existing contracts with more advantageous fees that could offset the potentially negative effects highlighted above.

Other information

Information required by Art. 2428 of the Italian Civil Code

As already mentioned in the commentary on "Financial Risks", pursuant to the provisions of Article 2428, paragraph 2, point 6 bis of the Italian Civil Code, the Company is exposed to a risk that is not significant with respect to changes in interest rates in relation to the net debt in place consisting of the fixed-rate bond loan placed as part of the debt refinancing operation that took place on December 21, 2017 and July 31, 2020 (of which Euro 335,870 thousand long-term and Euro 9,080 thousand short-term), and the normal risk of exchange rate fluctuations in relation to receivables and payables in foreign currency. See the previous paragraph "Financial risks" for further consideration.

For the Board of Directors
The President
(Zhang Kangyang)



INTER MEDIA AND COMMUNICATION S.P.A.
Financial Statements as of June 30, 2021

Registered office in Viale della Liberazione 16/18
Share capital of Euro 500,000.00, fully paid-up
Company subject to management and coordination by F.C. Internazionale Milano S.p.A.
Translation from the original version issued in Italian

BALANCE SHEET - ASSETS	June 30, 2021 <i>amounts in Euro</i>	June 30, 2020 <i>amounts in Euro</i>
A) RECEIVABLES FROM SHAREHOLDERS FOR UNPAID CAPITAL CONTRIBUTIONS	-	-
B) FIXED ASSETS		
I Intangible assets		
3) Industrial patents and similar intellectual property rights	-	356
4) Concessions, licenses, trademarks and similar rights	288.600.000	186.085.538
5) Goodwill	76.841.053	82.783.210
6) Under construction and advances	46.094	16.879
Total	365.487.147	268.885.983
II Property, plant and equipment		
2) Plant and machinery	167.013	228.991
4) Other assets	2.800	5.347
Total	169.813	234.338
III Financial fixed assets		
2) Receivables		
c) from parent companies - beyond 12 months	242.514.828	169.970.910
d-bis) Other - within 12 months	480.463	28.661
d-bis) Other - beyond 12 months	13.142.081	10.409.514
Total	256.137.372	180.409.085
TOTAL FIXED ASSETS (B)	621.794.332	449.529.406
C) CURRENT ASSETS		
II Receivables		
1) Trade receivables		
a) within 12 months	21.242.702	80.618.544
b) beyond 12 months	22.354.262	-
4) Parent companies		
a) within 12 months	7.009.417	6.126.784
5) Receivables from companies subject to parent companies control		
a) within 12 months	462.500	2.000.000
5 bis) Tax receivables	100.346	324
5 ter) Deferred tax assets	11.542.709	1.789.329
5 quarter) Other		
a) within 12 months	6.460	6.620
Total	62.718.396	90.541.601
IV Cash and cash equivalents		
1) Bank and postal deposit accounts	28.342.770	16.898.116
3) Cash on hand	59	59
Total	28.342.829	16.898.175
TOTAL CURRENT ASSETS (C)	91.061.225	107.439.776
D) PREPAYMENT AND ACCRUED INCOME		
I) Accrued income	-	20.231
II) Prepaid expenses	98.227	113.627
TOTAL ASSETS	712.953.784	557.103.040

INTER MEDIA AND COMMUNICATION S.P.A.
Financial Statements as of June 30, 2021

BALANCE SHEET - LIABILITIES

	June 30, 2021 <i>amounts in Euro</i>	June 30, 2020 <i>amounts in Euro</i>
A) SHAREHOLDERS' EQUITY		
I Share capital	500.000	500.000
II Share premium reserve	104.996.531	104.996.531
III Revaluation reserves		
- Revaluation reserve art. 110 DL 104/2020	82.679.439	-
IV Legal reserve	100.000	100.000
VIII Other reserves		
- Reserve for unrealized exchange gains	955	27.499
VIII Retained earnings	4.114.122	4.087.578
IX Profit for the period	16.052.961	27.606.777
Total shareholders' equity	208.444.008	137.318.385
B) PROVISIONS FOR RISKS AND CHARGES		
2) For taxes, including deferred	59.187.382	29.120.353
4) others	3.338.056	4.439.460
Total	62.525.438	33.559.813
C) RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	359.806	262.731
D) PAYABLES		
1) Bond loan		
a) within 12 months	9.080.222	6.900.000
b) beyond 12 months	335.870.108	275.659.066
7) trade payables		
a) within 12 months	3.716.296	4.744.766
11) Parent companies		
a) within 12 months	49.622.228	35.739.302
11-bis) Companies subject to parent companies control		
a) within 12 months	15.273.462	43.000.318
12) Tax payables		
a) within 12 months	2.461.810	344.648
b) beyond 12 months	80.688	-
13) Payables to pension and social security institutions		
a) within 12 months	170.675	206.887
b) beyond 12 months	6.227	-
14) Other		
a) within 12 months	409.701	169.767
b) beyond 12 months	355	-
Total	416.691.772	366.764.754
E) ACCRUALS AND DEFERRED INCOME		
I) Accrued liabilities	83.035	79.460
II) Deferred income	24.849.725	19.117.897
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	712.953.784	557.103.040

INTER MEDIA AND COMMUNICATION S.P.A.
Financial Statements as of June 30, 2021

INCOME STATEMENT	12 months at 30 June 2021	12 months at 30 June 2020
	<i>amounts in Euro</i>	<i>amounts in Euro</i>
A) VALUE OF PRODUCTION		
1) Revenues from the sales and services	108.518.753	85.578.178
5) Other revenues and income		
a) miscellaneous income	5.203.444	322.996
Total	113.722.197	85.901.174
B) PRODUCTION COSTS		
6) Cost of raw materials, supplies and consumables	50.383	66.070
7) Costs of services	11.857.746	11.470.367
8) Costs of rents and leases	87.576	90.969
9) Personnel costs		
a) salaries and wages	2.256.864	2.289.396
b) social security contributions	657.453	629.129
c) employee severance indemnity	165.801	161.450
e) other costs	57.175	204.262
10) Amortisation, depreciation and write-downs		
a) amortisation of intangibles assets	18.147.196	18.144.903
b) depreciation of tangible	64.524	60.252
c) write down of fixed assets	-	-
d) write-down of doubtful account receivables included in current assets	40.382.799	519.371
13) Other provisions	3.091.096	4.192.500
14) Other operating expenses	592.501	475.535
Total	77.411.114	38.304.204
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A - B)	36.311.083	47.596.970
C) FINANCIAL INCOME AND EXPENSES		
16) Other financial income		
a) from receivables classified as fixed assets		
- from parent companies	11.168.105	7.724.887
- from other companies	259	209
d) other income		
- from third parties	192.577	15.559
17) Interest and other financial charges		
d) other financial expenses	(22.480.553)	(16.166.970)
17bis) Gains and losses on foreign currency translation		
a) income from exchange	3.554	13.511
c) losses on exchange	(6.994)	(3.785)
Total (16 - 17)	(11.123.052)	(8.416.589)
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
Pre-tax results	25.188.031	39.180.381
20) Current and deferred income taxes		
a) current taxes	(20.815.269)	(14.616.242)
b) deferred tax liabilities	1.926.818	1.919.919
c) deferred tax assets	9.753.381	1.122.719
PROFIT FOR THE PERIOD	16.052.961	27.606.777

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



Euro	12 months at June 30, 2021	12 months at June 30, 2020
Cash flow from operating activities		
Profit for the period	16,052,961	27,606,777
Current taxes	20,815,269	14,616,242
Net Financial Expenses	11,119,612	8,426,315
1. Profit(Loss) for the fiscal year before taxes and interests	47,987,842	50,649,334
<i>Non cash adjustments</i>		
Amortization	18,211,720	18,206,130
Provision for doubtful account receivable impairment	40,382,799	318,771
Net Employee severance indemnities	97,075	14,610
Net Provision for risks and charges	2,898,596	4,192,500
Deferred Tax Assets and Liabilities	(11,680,199)	(3,042,638)
2. Cash flow from operating activities before changes in net working capital	97,897,833	70,338,707
<i>Changes in Net Working Capital</i>		
Variation in trade and other receivables	(6,806,213)	26,575,430
Variation in trade and other payables	2,691,420	(300,441)
Other variations in net working capital	5,771,034	7,416,003
3. Cash flow from operating activities after changes in working capital	99,554,074	104,029,699
<i>Other Adjustments</i>		
Taxes paid	(1,850,322)	(2,576,466)
Interests and other financial expenses paid	(17,272,403)	(14,400,835)
A Cash flow from operating activities (A)	80,431,349	87,052,398
Cash flow from investing activities		
Net investments in Intangible Assets	(75,074)	(29,989)
Net investments in Property, Plant and Equipment	-	(84,876)
Repayments/(integration) Bank Loan security deposit	(3,184,369)	79,415
B Cash flow from investing activities (B)	(3,259,443)	(35,450)
Cash flow from financing activities		
<i>Debt Financing</i>		
New Intercompany Loan	(61,375,813)	(30,801,296)
New Bond Loan	66,077,830	(6,550,000)
Bond Loan repayments	(8,701,880)	-
<i>Equity Financing</i>		
Dividends	(61,727,391)	(48,431,836)
C Cash flow from financing activities (C)	(65,727,254)	(85,783,132)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	11,444,652	1,233,816
Cash and cash equivalents at the beginning of the period	16,898,175	15,664,359
Cash and cash equivalents at the end of the period	28,342,829	16,898,175
<i>Non monetary transactions during the fiscal year</i>		
Increase in Revaluation reserve art. 110 DL 104/2020	82,679,439	-
Revaluation of the "Inter" brand and "Libreria Storica"	(114,673,286)	-
Recognition of deferred taxes on revaluation of the "Inter" brand and "Libreria Storica"	31,993,847	-

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



INTER MEDIA AND COMMUNICATION S.p.A.

Registered office in Viale della Liberazione 16/18

Share capital of Euro 500,000.00, fully paid-up

Company subject to management and coordination by F.C. Internazionale Milano S.p.A.

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 financial statements, which may be not conform to the generally accepted accounting principles in other countries.

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

General company information

As described in the Report on Operations – to which reference should be made for further details - Inter Media and Communication S.p.A (hereinafter "Inter Media" or "Company"), deals on behalf of the F.C. Internazionale Milano Group with the management of sponsorships and the marketing of audiovisual material mainly related to the First Team F.C. Internazionale, the management of the television channel Inter Tv and other operations closely related to the brand F.C. Inter.

Shareholding structure of the Parent Company

F.C. Internazionale Milano S.p.A. (hereinafter, alternatively, also "F.C. Inter" or "Parent Company") is the Parent Company of the F.C. Internazionale Milano Group, whose Leading Shareholder, as of June 28, 2016, is the company Great Horizon S.à.r.l., a company headed by Suning Holdings Group Co., Ltd. ("Suning Group"), a Chinese multinational operating in the consumer electronics retail market, which, as part of a financing transaction involving the Leading Shareholder during this fiscal year aimed at raising available liquidity outside Chinese borders, on May 15, 2021, transferred the shares held in the Parent Company to the newly incorporated Grand Tower S.à r.l., which has thus become the new direct parent company of the F.C. Internazionale Milano Group, wholly owned by Great Horizon S.à.r.l..

Significant events that occurred during the year

The Shareholders' Meeting held on October 27, 2020 approved the financial statements for the year ended June 30, 2020 with a profit for the year of Euro 27,607 thousand, entirely to be distributed to Shareholders.

During the fiscal year, dividends of Euro 39,982 thousand were distributed in cash to the shareholder Inter Brand S.r.l. (hereinafter, alternatively, also "Inter Brand") of which Euro 10,765 thousand as the balance on the dividend due on the economic result for the year ended June 30, 2018 and Euro 29,217 thousand as an advance on the dividend due on the economic result for the year ended June 30, 2019. The Company therefore has a payable at June 30, 2021 to the shareholder Inter Brand S.r.l. as a dividend for a total of Euro 15,273 thousand of which Euro 3,018 thousand on the result for the year ended June 30, 2019 and Euro 12,255 thousand on the result for the year ended June 30, 2020.

It should also be noted that during the fiscal year was distributed in cash to the parent company F.C. Internazionale Milano S.p.A. the balance payment of the dividend due on the economic result for the fiscal year ended June 30, 2019 for a total amount of Euro 9,951 thousand and the advance payment of the dividend due on the economic result for the fiscal year ended June 30, 2020 for a total amount of Euro 11,795 thousand. The Company therefore presents a payable as at June 30, 2021 to the Shareholder F.C. Internazionale Milano S.p.A. as a dividend of Euro 3,558 on the result as at June 30, 2020.

The of the Covid-19 pandemic has had, also during the fiscal year ended June 30, 2021, negative impacts on cash flow generation and a deterioration in the Company's economic results. In fact, due to the continuation of this pandemic and the high number of contagions in Italy, the Government and the Authorities have taken drastic safeguard measures, including the limitation of aggregation events, which include national and international sports competitions in which the F.C. Inter First Team takes part. These measures resulted in the 2019/2020 season in the suspension of the Serie A championship, the Coppa Italia and European competitions during February 2020 and the resumption of the same from the date of June 20, 2020. The 2019/20 football season therefore ended at the end of August 2020, resulting in the postponement of the 2020/2021 football season to September 2020, causing the Company to be unable to play in the 2020/21 fiscal year:

- i) an increase in the time taken to collect receivables from certain counterparties and/or the partial uncollectability of certain credit positions, primarily due to the adverse economic climate in which the clients with whom the Company works operate;
- ii) the non-renewal or renegotiation and renewal at less advantageous rates for the Company of existing contracts with certain minor sponsors;

-
- iii) iii) the failure to increase revenues from sponsorship and advertising, as provided for in the Company's
 - iv) and the Group's business plans.

The above factors have therefore had a negative impact on the Company, which nevertheless managed to maintain its net income, albeit down on the previous year.

Structure and contents of the financial statements

The following financial statements include the Balance Sheet, Income Statement, Cash Flow Statement and Explanatory Notes. In particular, the purpose of the latter is to provide an explanation and analysis of the figures in the financial statements and contains the information required by Article 2427 of the Italian Civil Code.

The Balance Sheet, the Income Statement and the Cash Flow Statement have been prepared according to the schemes established by Arts. 2424 and 2425 C.C., as modified by Legislative Decree no. 6/2003, as well as by the additions and amendment introduced by the Civil Code with the D.lgs. 139/2015, which adopted the European Accounting Directives 34/2013/EU; these requirements have been also adopted in preparation of the Report on Operations and these Explanatory Notes.

Changes in individual items and comments on the main items are indicated in the Explanatory Notes.

Evaluation criteria and accounting standards

The financial statements as of June 30, 2021 has been prepared to give a true and fair view of the Company's financial position 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, as stated in the art. 2423 of the Italian Civil Code. The financial statements as of June 30, 2021 has been prepared according to the general principles of prudence and accrual basis and using the going concern assumption as well as considering the economic function of assets and liabilities.

The accounting policies have been adapted with the amendments introduced to the Civil Code by the D.lgs. 139/2015, which adopted 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 further amendments issued in December 2017 and in January 2019 to be implemented for the financial statements ended December 31, 2018; the new amendments of January 2019 and March 2020 have not resulted in any discontinuity of assessment and classification in the criteria of preparation of the Financial Statements compared to the Financial Statements for the fiscal year ended June 30, 2019.

The valuation of the items has been made taking into account the economic function of the asset or liability items and considering the principle of the prevalence of substance over form, which is mandatory unless it expressly conflict with other specific rules on the preparation of Financial Statements. This allows to evaluate and to account the transactions according to the economic substance rather than to the formal aspects.

It's important to stress that, during the drafting of the Financial Statements as of June 30, 2020 the derogations pursuant to art. 2423, paragraph 4, and 2423 bis, last paragraph, C.C., have not been applied.

The criteria used to measure each caption in the Balance Sheet and Income Statement are set forth below in connection with each single class of caption of the balance sheet and income statement.

Revaluation Law 126/2020

As an exception to the cost criterio, plus directly attributable expenses, and in derogation of the general prohibition of revaluation, the Company 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 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). As this is a long-standing brand with multiple 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 "Libreria Storica" was determined by determining the present value of the cash flows expected from a specific asset, in this case the "Libreria Storica", as deduced from the Forecast Data. In addition, given the fact that the images and videos in the "Libreria Storica" 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, which 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,

In addition, 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 led to an increase in the historical cost of the "Inter" brand for Euro 89,650 thousand, as well as an increase in the historical cost of the "History Bookshop" for Euro 25,024 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 Company did not opt to pay the substitute tax in order to obtain tax recognition of this revaluation. 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 Company's shareholders' equity called "Revaluation reserve pursuant to art. 110 of Legislative Decree no. 104/2020" amounting to 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 reserve pursuant to art. 110 of Legislative Decree no. 104/2020" is subject to specific statutory restrictions, which are described in greater detail below. As the Company did not opt for tax recognition of the revaluation of intangible assets, it is in the nature of a profit reserve, the use of which does not generate any expense for the Company.

The revaluation, which is carried out for statutory purposes and not for tax purposes, was carried out in order to realign the value of the "Inter" brand and the "Libreria Storica" with their actual value, in view of their potential useful life.

The revaluation was carried out by intervening 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 event considered consistent with the effective residual useful life of the revalued asset, whilst for the "Old Library" 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 given in the report. As previously mentioned, it should be borne in mind that the revaluation did not result in increased depreciation in the previous year.

The following table summarizes the accounting effects of the revaluation performed on the Company's financial statements as of June 30, 2021:

Financial statements line	Revaluation without option for tax recognition of higher values
Euro thousand	
Concessions, licenses, trademarks and similar rights	114.673
Provisions for deferred taxes (IRES and IRAP)	(31.994)
Revaluation reserve art. 110 DL 104/2020	82.679

Going concern

The financial statements for the fiscal year ended June 30, 2021 have been prepared on a going concern basis in accordance with the considerations set out below.

The continuation of the pandemic caused by Covid-19 represented for the Company, also during the financial year 2020/21, a relevant event, with a direct impact on its cash flows and economic result, as described above. However, in this context, the Company was also able to benefit from the sports results achieved by the First Team of F.C. Internazionale, culminating in the victory of the Serie A championship for the 2020/21 football season, enabling it to better negotiate conditions, referred to sponsors, of greater economic convenience in the next renewals or in the signing of agreements with new commercial partners. In the months following June 30, 2021, the Company 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 to the 2024/2025 football 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, valid from the 2021/2022 football season until the 2024/2025 football season for a total consideration of Euro 85 million, enabling the Company to partially offset the lower future revenues from sponsorships following the termination of certain sponsorship contracts, which ended on June 30, 2021.

It should be noted, however, that although the Company is solidly capitalised and generates income and cash flows that make it independent from the point of view of business continuity, its activities are closely linked to the sports performance of the parent company and the regular running of the Serie A championship and the European cups, and could therefore be influenced by further potential impacts, not foreseeable at present, connected with the continuation of the Covid-19 pandemic, which could in turn affect the activities and results of the Parent Company F.C. Internazionale Milano S.p.A.. The Directors, therefore, in drawing up the financial statements of Inter Media, have taken into account the ability of the parent company to guarantee, in turn, where necessary, capital and financial support to the Company in the event of further interruptions of sports activities and/or other restrictive measures that could impact on the Company's business activities and compromise its ability to generate cash flows independently and necessary to meet its obligations, also taking into account the support that the Leading Shareholder has guaranteed to the Parent Company for the period of 12 months from the date of approval of the financial statements.

ASSETS

Intangible assets

Intangible assets are recorded at the cost of purchase, including acquisition costs and amortized over their expected useful life. Where, irrespective of the amortization already recorded, the value of intangible assets reports a permanent impairment, a write-down is recognized through the income statement. When an impairment loss no longer applies, with the exception of Goodwill, the carrying amount of the asset is increased to its new estimated recoverable amount, which may not exceed original cost net of depreciation. The reversal of an impairment loss is recognized through the income statement.

Industrial patents and intellectual property rights

These are amortized - according to their expected useful life - starting from the fiscal year in which their economic use is initiated. In the event that the recoverability of the investments is not clear, the necessary write-downs are made.

Concessions, licenses, trademarks and similar rights, other intangible assets and under construction and advances

Intangible assets include the value of the "Library" and the "F.C. Inter" brand. The "F.C. Inter" brand, a "centenario" brand with a great tradition. The "Libreria Storica" refers to the purchase of the RAI television archive (historical archive of images, materials and rights regarding F.C. 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 Company 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.

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 "Library" 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.

Assets under construction and advances are recorded at the cost incurred for the renewal of the registration of INTER marks, which will take effect upon actual acceptance of the same.

Goodwill

Goodwill has been accounted under intangible assets on the Balance Sheet in view of its long-term utility. Amortisation is calculated on a straight-line basis among 20 years from the date of the Contribution, period considered representative of the useful life of such asset.

Property, plant and equipment

Tangible assets are accounted at the cost of purchase, including directly attributable acquisition costs and increased by improvement costs. Annual or periodical maintenance costs, which do not constitute an improvement of the asset, are recorded directly on the Income Statement.

No monetary or economic revaluations according to law were recorded on the financial statements as of June 30, 2021.

Property, plant and equipment, as required by the Balance Sheet format, are depreciated on a straight-line basis, using the rates deemed to reflect the useful economical and technical lifetime of the assets. The depreciation is reduced by 50% for assets acquired during the fiscal year.

The annual depreciation rates used are shown in the table below:

Description	Rate
Machinery	19,00%
Electronic Machines	20,00%
Forniture	12,00%
Mobile Telephones	20,00%

Where the value of asset reports a permanent impairment, independent of the amortization already recorded, a write-down of the asset is recognized through the income statement. When an impairment loss no longer applies, the carrying amount of the asset is increased to its new estimated recoverable amount, which may not exceed original cost net of depreciation. The reversal of an impairment loss is recognized through the income statement.

Impairment of tangible and intangible assets

Tangible and intangible assets are analysed annually to identify any indicators of impairment (so-called *impairment test*). If these indicators are present, the recoverable amount of the assets is estimated, allocating any write-down – whether occurred – to the Income Statement. The recoverable value of an asset is the higher between its fair value and the value in use, corresponding to the estimated future cash flows generated by the asset or by the class of asset (CGU). In the calculation of 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, in relation to the investment period and the specific risks of the asset. Impairment loss is recognized in the Income Statement when the book value of the asset is higher than the recoverable value. When an impairment loss no longer applies, with the exception of Goodwill, the carrying amount of the asset is increased to its new estimated recoverable amount, which may not exceed original cost net of depreciation. The reversal of an impairment loss is recognized through the income statement.

Financial fixed assets

Receivables included in the financial fixed assets

This item includes an intercompany loan to the Parent Company F.C. Inter and restricted cash used as collateral of the Bond Loan recorded at their nominal value. Regarding the loan to the Parent company, the amortized cost has not been applied because transaction costs, commissions paid between contracting parties and any other difference between initial value and final value, are not significant.

Trade and other receivables included in the current assets

Receivables are recognized according to the amortized cost criteria and taking into account of their timing and the expected realizable value. The amortized cost is not applied when its effects are immaterial or when settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity date is not significant or if the receivables are classified as short-term (i.e. with a maturity of the receivable of less than 12 months).

Receivables beyond 12 months, without interest payment or with interest significantly different from market rates, are initially accounted at the value resulting from the discounting of future financial flows using market interest rate.

The difference between the nominal value of the receivable and its value on maturity is registered into the Income Statement as financial income along the credit period, using the effective interest rate method.

The value of receivables, established as above, is adjusted, if necessary, by a bad debt reserve, presented as a direct reduction of the value of the receivables to their expected realizable value. The value of that depreciation is equal to the difference between the book value and the value of the estimated financial cash flows, less amounts that are not expected to be received, discounted to the original effective interest rate.

The amount of write-down provision is accounted in the Income Statement.

Receivables in foreign currency under current assets are registered at the current exchange rates on the date when the relative transactions take place. They are adjusted to the year-end exchange rate and any gains or losses are recorded on the Income Statement (in item C17 bis) for the year. Any net profit is set aside in a specific reserve which may only be distributed upon realization.

Cash at bank and on hand

Cash at bank and on hand are stated at nominal value.

Accruals, deferred income and prepaid expenses

Accrued income are related to the portion of revenue or income already earned but not yet invoiced.

Prepaid expenses are related to the portion of costs related to future periods/years for which invoices and the related payables have been already received/paid.

Accrued expenses are related to the portion of costs already occurred but for which the invoice has not been received.

Deferred income are related to the portion of revenue or income related to future periods/years for which invoices and the related receivables have been already received/paid.

LIABILITIES

Shareholders' Equity

This line item represents the difference between asset and liability calculated according to the accounting standard applicable for the financial statement of the Company, and includes the value of the net assets contributed in kind by the shareholders at the time of the Contribution and subsequent increases of capital, reserves of any kind, profits and losses of prior fiscal years carried forward and the result of the fiscal year 2020/2021.

During the fiscal year ended June 30, 2021, as previously mentioned, the Company 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 114,673 thousand. As a balancing entry to the increase in the value of the "Inter" brand and the "Libreria Storica", a specific reserve was posted to the Company's shareholders' equity called "Revaluation reserve art. 110 DL 104/2020" for 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.

Provisions for risks and charges

Provisions for risks and charges are recorded based on the principles of prudence and accruals and include provisions made to cover losses and debts of a certain nature and of a certain and probable existence, with uncertain amount and occurrence date. The valuation of risks and charges which are dependent on future events considers also the information available after the fiscal year end and up to the preparation of the present Financial Statements. The provisions reflect the best estimate on the basis of available information at the reporting date. Potential liabilities which are only considered possible are described in the explanatory notes.

Provision for employee severance indemnity

This reserve reflects the amounts accrued for employees at the end of the period, in accordance with contractual and current legislation. This liability is subject to indexation. It shall be noted that as of January 1, 2007, the Finance Law and its implementing decrees introduced relevant changes in the regulations of employees severance indemnity, including the employee's choice concerning the allocation of severance indemnities occurring (to the supplementary pension funds or to the "Treasury Fund" managed by INPS). The amount accounted in the balance sheet is net of payments to the funds mentioned.

Payables

Payables are recognized according to the amortized cost method, considering the time factor. The amortized cost method is not applied if its effects are irrelevant and for short-term debts (within 12 months). For the amortized cost method, please see on "Receivables included in the current assets" paragraph.

Trade payables in foreign currency are registered at the exchange rate at the date of the transaction. Then, they are adjusted on a year-end exchange rate and the difference between the two values are registered in the Income Statement (in the line item C17 bis) for the year. The net profit is set apart in a specific reserve, which may be distributed only upon realization.

INCOME STATEMENT

Costs and revenues

These are shown in the financial statements in accordance with the principles of prudence and accruals with recognition of the related accruals and deferrals. Operating costs, financial income and charges are charged to the Income Statement on an accruals basis.

Sponsorship income is recognised progressively over the duration of the contract when the service has actually been rendered. Up-front fees are fully recognised in the Income Statement when they are verified, usually at the execution of the contract.

In cases where extensions are granted to customers (revenues) or to the Group (costs) not at normal market conditions without interest accruing, the amount that will be collected or paid is discounted. The difference between the present value and the amount collected or paid constitutes a financial income or charge recorded on an accruals basis over the period of maturity of the receivable and payable respectively.

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 2020/2021 football season on September 1, 2020, the fiscal year was characterised by the recognition of revenues from sponsorship, previously deferred to June 30, 2020 and recognised - due to lock down and postponement of both national and international sporting competitions - in this fiscal year, making the reference period not comparable with the same period of last year from the point of view of the economic result. For further information, reference should be made to the following section "Analysis of the items on the Income Statement".

Taxes

Taxes are recognised for in accordance with the accruals principle; amount for taxes paid or payable for the fiscal year, determined in accordance with the rates and regulations in force.

The Company also has a tax consolidation agreement with its Parent Company which details are explained in the paragraph "Current and deferred income taxes".

Deferred tax assets and liabilities

Deferred tax assets and liabilities emerge when the individual items are recognized for taxation purposes in different periods compared to their accounting recognition period. Specific provisions to deferred tax liabilities are made based on temporary differences. Deferred tax assets including those arising from tax losses are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized, considering the requirements of Law n. 111/2011, which converted Decree Law no. 98/2011 *Urgent measures for financial stabilisation of the country* (2011 corrective measure). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

In this regard, it should be noted that these financial statements reflect the calculation of current and deferred taxation using the corporate income tax (IRES) rate of 24% as from July 1, 2017.

Finally, as previously mentioned, during the fiscal year ended June 30, 2021 the Company 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 114,673 thousand. As a balancing entry to the increase in the value of the "Inter" brand and the "Library",

a specific reserve was posted to the Company's shareholders' equity called "Revaluation reserve art. 110 DL 104/2020" for 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.

Other information

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the values of the assets and liabilities in the financial statements and on the information relating to potential assets and liabilities at the date of the financial statements. The estimates and assumptions used are based on experience and other factors considered relevant. The actual results may therefore differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of any changes made to them are reflected in the income statement in the year in which the estimate is revised if the revision affects only that year, or also in subsequent years if the revision affects both the current year and future years. Items in the financial statements affected by certain assumptions of uncertainty are the determination of the provision for bad debts, the provision for risks and charges and the valuation of the recoverable value of intangible assets and goodwill.

With reference to the allowance for doubtful accounts and the allowance for risks and charges, the financial statements reflect an estimate of liabilities based on the best knowledge of the state of solvency of the counterparties and the progress of disputes, in this case using the information provided by the legal advisors assisting the Company and taking account of existing contacts with the counterparties. The estimate of the risks is subject to the risk of uncertainty inherent in any estimate of future events and the outcome of the litigation proceedings and it cannot be excluded that in future years there may be charges that cannot be estimated at present due to a worsening in the state of the disputes and the level of solvency of the counterparties, also in view of the general deterioration in the solvency of the markets, especially the Asian market, following the effects caused by the Covid-19 pandemic on the operations of clients and their ability to generate cash.

In particular, with reference to receivables due from the Chinese companies Beijing Imedia Advertising Co, Ltd, respectively amounting to Euro 55,892 thousand and Euro 7,800 thousand, during the year, following a worsening of the level of solvency 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 further details are provided in the paragraph "Sponsorship agreements".

Finally 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 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.

With reference to the evaluation of the recoverable amount of intangible assets (including goodwill), the Directors conducted an impairment test at June 30, 2021, in order to verify the recoverability of the values of the Company's assets, using the Forecast Data prepared by the Company Directors. This Forecast Data is based on assumptions characterised by intrinsic uncertainty with reference to both macroeconomic and sector conditions and specific conditions linked to the Company, which also depend on the sports results of the Parent Company, as well as the impacts caused by the continuation of the Covid-19 pandemic crisis, the possible outcome of which, currently unforeseeable, could lead to results that differ from those estimated, thus necessitating the need to write down intangible assets or goodwill recorded in the financial statements, for which there are currently no objective grounds.

Agreements with the Rai Group and Infront

On June 24, 2011, the Parent Company signed a contract with the Rai for the acquisition, effective from June 30, 2011, of the Rai historical archive of images and videos of the football team (historical archive - material and rights) and the historical archive of broadcasts on Inter Channel from 2000 to 2008.

An agreement was simultaneously signed with the Rai which settled (i) a transaction for prior use of the library, (ii) the thirty-year right to use the library up to 2041, and also (iii) the right to renew the contract from 30 June 2041 to 30 June 2071. In the financial statements, in relation to this transaction, are recognized deferred income for Euro 11,714 thousand relating to the portion of revenue related to future periods/years for which invoices and the related receivables have been already issued/paid.

On May 2, 2011, the Parent Company entered an agreement with Infront Italy S.r.l. ("Infront"), a leading national and international media company, which digitalised, catalogued and organised the images referred to in the Rai contract for the seasons from 2011-2012 to 2015-2016. On June 21, 2012, an *addendum* to the original contract with Infront S.r.l. was signed which extended the deadline to the 2016-2017 and 2017-2018 football seasons. In addition to commercialization of the archive, the agreement also includes the commercialization of the images of training sessions, interviews and press conferences, the *media packages* and electronic games, and also the audio-visual productions of Championship and Tim Cup matches. On 13 May 2014, a further

amendment was signed, which extended the duration of the contract to the 2020-2021 season, with a corresponding increase in the fees. This amendment was effective from July 1, 2014.

Other information - Debt refinancing

On December 21, 2017, the Company, after having been converted from a limited liability company into a joint-stock company, issued and placed to institutional investors Senior Secured Notes for an amount equal to Euro 300 million, expiring on December 31, 2022 and fixed rate at 4.875% and at the same time F.C. Inter signed a revolving credit facility for a maximum amount of Euro 50 million, which has been entirely used as of June 30, 2021. This transaction led to full repay of the G.S. equal to Euro 202 million and to generate of new financial resources to be used for the ordinary activities of the Inter Group. On July 31, 2020, in order to finance the ordinary activities of FC 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. The Bond Loan is secured by the cash flows deriving from sponsorship agreements and media contracts signed by the Company as well as the cash flows deriving from the proceeds of the UEFA rights and the television rights of the Serie A and Tim Cup, similar to the previous Loan described above. It should also be noted that, as part of the Bond by the Company, FC Inter and Inter Brand pledged the shares relating to the share capital held in Inter Media.

Sponsorship Agreements

The suspension of the last football 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 Company was temporarily unable to fully meet its contractual obligations with sponsors. Taking this into account and the subsequent resumption of competitive activities in June 2020, with the new end of the 2019/2020 football season decreed by the Federal Authorities as of August 31, 2020, sponsorship revenues were recognized pro-rata temporis until that date, except for revenues related to the Naming Rights agreement, signed with the parent company Jiangsu Suning Sports Industry Co, Ltd., and for the revenues deriving from the agreement signed with the agency Beijing iMedia Advertising Co.

During the previous financial years, the Company signed sponsorship agreements with Pirelli ("Official Sponsor") expiring on June 30, 2021, Nike ("Technical Sponsor"), Credit Agricole, Hugo Boss, Lenovo, Volvo, Mastercard, Trenitalia, Myworld, Locauto, Esprinet, Manpower, Carimi. In addition, with the start of the 2020/2021 sports season, despite the continuing effects of the Covid-19 pandemic, five new partnerships were launched with EA Sports, Snaipay, StarCasino, SDY and LD Sports, as well as the renewal of sponsorships with Volvo, Pepsico and Technogym. With reference to the "Official Sponsor", during July 2021, the Company 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 addition, in September 2021, the Company signed a new partnership with Zytara Labs LLC, as the new Official Global Cryptocurrency and Sleeve Partner, effective 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 Suning Jiangsu Suning Sports Industry Co., Ltd, a contract for i) the sale of the renaming rights of the sports centre of Appiano 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 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, whereby the distribution of the consideration provided for between the Parent Company and the Company was redefined, equal to 47% and 53% respectively. During the 2019/2020 fiscal year, the consideration was subject to revision, no longer envisaging 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 Company's failure 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, with reference to this contract the Company recorded revenues for the year totalling Euro 5.6 million.

With reference to the sponsorship agreements signed with certain Chinese counterparties, it should be noted that during the 2017/2018 financial year an agreement was signed with the Chinese company Beijing iMedia Advertising Co., Ltd. (better known as "iMedia"), a Chinese sports marketing agency, with an original expiry date set for June 30, 2024 (but with the possibility of early termination), which provided for an irreversible signing fee of Euro 23.1 million and annual fees until contractual expiry of Euro 25 million.

During the current year, the Company recorded revenues for the period totalling Euro 24.5 million, including the additional fees paid by iMedia to the Company, amounting to Euro 0.3 million, following the definition during the year of the agreements between

it and the Chinese companies Winchain, Moutai and Yidezhi, reduced by Euro 0.8 million, following the sale 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 the Company that, due to the negative impacts resulting from the continuation of the Covid-19 pandemic, it has expectations such that it can only partially pay its debt to the Company, currently amounting to Euro 55,892 thousand as of June 30, 2021. At the same time, the Company's Directors have set aside a provision for doubtful debts of Euro 31,537 thousand as of June 30, 2021, in order to adjust the aforementioned credit position to its presumed realizable value, also taking into account the effect of discounting the same for the portion accrued and collectable 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 Company in previous years net of collections received (of which Euro 16.3 million in October 2020), in September 2021 the aforesaid Chinese company sent a letter to the Company informing it that, due to the negative impact of the continuation of the Covid-19 pandemic, it has expectations that do not allow it to honor its debt to the Company. At the same time, the Company's Directors set aside an allowance 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.

Analysis of Balance Sheet items

ASSETS

Fixed assets

Intangible assets

As of June 30, 2021 and June 30 2020, intangible assets amount respectively to Euro 365,487 thousand and Euro 268,886 thousand, with an amortization of the period of Euro 18,147 thousand (Euro 18,145 thousand at June 30, 2020).

Euro thousand	Balance as of June 30, 2020	Increases	Decreases	Reclass.	Revaluation art. 110 DL 104/2020	Balance as of June 30, 2021	Amortizations as of June 30, 2020	Write-downs	Decreases	Amortization	Amortization as of June 30, 2021	Net Book Value
Industrial patents and similar intellectual property rights	-	-	-	-	-	-	-	-	-	-	-	-
Concessions, licenses, trademarks and similar rights	337,376	6	-	40	114,673	452,095	(151,290)	-	-	(12,205)	(163,495)	288,600
Goodwill	116,643	-	-	-	-	116,643	(36,060)	-	-	(5,942)	(42,002)	76,641
Construction in progress and advances	17	71	(2)	(40)	-	46	-	-	-	-	-	46
Total	454,036	77	(2)	-	114,673	570,964	(187,350)	-	-	(18,147)	(205,497)	365,487

The item "Concessions, licences, trademarks and similar rights" includes the value of Rai television archive (historical library - material and rights as previously described), the share of the archive of self-production for the Inter TV channel from 2000 to 2008 and the "Fc Inter" trademark that were contributed in kind to the Company by Fc Inter.

As previously mentioned in the section "Revaluation Law 126/2020", during the fiscal year the Company 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 assistance of an independent expert, proceeded to revalue the "Inter" brand and the "Libreria Storica", recorded among intangible assets.

The "Multi-Period Excess Earnings" ("MPEEM") criterion, by 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, based on an independent expert's report, were used to determine the higher value of the "Inter" brand and the bookstore.

The revaluation thus led to an increase in the value of the "Inter" brand for Euro 89,650 thousand, as well as an increase in the value of the "Libreria Storica" for Euro 25,024 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 "History Bookshop" 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 in the previous year.

Following the revaluation carried out, the residual net value as of June 30, 2021 of the "Inter" brand is equal to Euro 218,000 thousand, whilst the value of the "Libreria Storica" is 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 Company did not opt for payment of substitute tax in order to obtain tax recognition of this revaluation. As a balancing entry to offset the increase in the value of the "Inter" brand and the "Libreria Storica", a specific reserve called "Revaluation reserve art. 110 DL 104/2020" was posted to the Company's shareholders' equity for 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 increase of Euro 77 thousand during the year mainly refers to the costs incurred for the renewal of the registration of the INTER marks, of which Euro 71 thousand was posted under fixed assets in progress and advances.

"Goodwill" refers to the residual amount calculated as difference between the fair value and the net book value emerged from the Contribution.

The Directors, in accordance with OIC 9, in order to support the significant value of intangible assets recorded in the 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, proceeded, with the assistance of the independent expert, to carry out an impairment test as of June 30, 2021.

In particular, it should be noted that the impairment test of Inter Media was carried out by the Directors with the support of an external consultant who used Inter Media's financial statements as at June 30, 2021 and updated economic and financial projections for the period 2022/2026 ("Forecast Data"). The impairment test was carried out using the Discounted Cash Flow Analysis, i.e. the valuation of the value of the company by discounting the cash flows deriving from the above economic and financial projections, discounted at a WACC (Weighted Average Cost of Capital) company-specific rate of 7.89% (7.98% as of June 30, 2020), determined using a risk free rate of 1.50%, a market risk premium of 4.72% and a size premium of 4.28%. The impairment test was approved by the Board of Directors together with the Forecast Data on September 30, 2021.

The assumptions adopted in the projection of the revenues and related cash flows of the subsidiary take into account (i) revenue values consistent with the forecasts of the sports results of the First Team of Fc Internazionale which envisage, with reference to European competitions, for all the years of the plan the elimination in the group of the UEFA Champions League (UCL), with consequent participation in the UEFA Europe League (UEL) and elimination in the quarter-finals of the same competition; (ii) a

reduction in sponsorship revenues for the 2021/2022 season, mainly due to the expiry of certain contracts with Asian counterparties, which expired on June 30, 2021 and a subsequent positive trend for subsequent seasons, thanks to the more favourable negotiation of certain sponsors expiring in the period of the projections relating to the Forecast Data; (iii) prudently estimated merchandising trends and (iv) operating cost trends estimated in line with the current organisational logic of FC Internazionale Group.

As a result of the work carried out, including consideration of the sensitivity analyses of the scenario included in the Forecast Data and the WACC, with the aim of carrying out "stress tests" to check the sensitivity of the recoverable amount of the assets to changes in the forecast assumptions, there was no need to make any adjustment to the values of Inter Media's assets as of June 30, 2021, as the recoverable value of its assets is higher than the value recorded in the financial statements, including following the revaluation carried out during the year.

Tangible assets

As of June 30, 2021 and as of June 30, 2020, these assets amount respectively to Euro 170 thousand and Euro 234 thousand. Depreciation for the period amount to Euro 65 thousand and has been calculated on all the tangible assets depreciated as of June 30, 2021, applying the rates which represent the useful economic and technical lifetime, specified in the evaluation measurement criteria.

<i>Euro thousand</i>	Balance as of June 30, 2020	Increases	Decreases	Balance as of June 30, 2021	Amortizations as of June 30, 2020	Amortization	Amortizations as of June 30, 2021	Net Book Value
Plant and Machinery	326	-	-	326	(97)	(62)	(159)	167
- machinery	326	-	-	326	(97)	(62)	(159)	167
Other assets	43	-	-	43	(39)	(3)	(42)	3
- electronic office machines	23	-	-	23	(22)	(1)	(23)	-
- furniture	4	-	-	4	(1)	(1)	(2)	3
- mobile telephones	16	-	-	16	(16)	(1)	(17)	-
Total	370	-	-	370	(136)	(65)	(201)	170

Financial fixed assets

Receivables included in the financial assets

<i>Euro thousand</i>	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Receivables from parent companies	242.515	169.971	72.544
Other receivables	13.623	10.438	3.184
Total	256.137	180.409	75.728

"Receivables from parent companies" amount to Euro 242,515 thousand and refers to the Intercompany Loan Agreement, (share capital of Euro 238,627 thousand and interest of Euro 3,888 thousand), which accrues interests of 4.875% + three-month Euribor every six months and whose repayment of both the principal amount and the interest portion is due by June 30, 2047.

The balance of the item "Other receivables" as of June 30, 2021 amount to Euro 13,623 thousand (Euro 10,438 thousand as of June 30, 2020) and refers to time deposits paid as collateral for the bond loan described in the paragraph "Bond". It should be noted that for Euro 13,142 thousand they are due after one year.

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

Net Working Capital

Before analysing the individual items, we show a table summarizing the operating assets and liabilities at the end of the current and previous fiscal year.

<i>Euro thousand</i>	<i>Balance as of June 30, 2021</i>	<i>Balance as of June 30, 2020</i>	<i>Variation</i>
Current assets (with excl. Cash at bank and on hand)	62.718	90.542	(27.823)
Accrued income and prepaid expenses	98	134	(36)
Receivables prepaid expenses due beyond 12 months	(22.357)	(5)	(22.352)
Operating assets	40.459	90.670	(50.211)
Payables (excl. Financial Payables)	(52.910)	(31.254)	(21.656)
Accrued expenses and deferred income	(24.933)	(19.197)	(5.735)
Payables and deferred income due beyond 12 months	13.631	10.898	2.733
Operating liabilities	(64.212)	(39.553)	(24.659)
Operating assets and liabilities	(23.753)	51.117	(74.870)

Net working capital as at 30 June 2021 showed a negative balance, worsening compared to the balance as at 30 June 2020 by Euro 74,870 thousand, mainly due to the combined effect of the decrease in current assets (mainly attributable to the item "Current assets", as a result of the write-downs made during the year on some credit positions, in order to adjust them to their estimated realisable value, as already commented in the paragraph "Sponsorship agreements") and the increase in current liabilities (mainly due to the increase in current payables, in relation to the item "Payables to parent companies", as better commented in the following paragraph "Related party transactions").

Receivables

Receivables amount to Euro 62,718 thousand and refer to:

<i>Euro thousand</i>	<i>Balance as of June 30, 2021</i>	<i>Balance as of June 30, 2020</i>	<i>Variation</i>
Trade receivables	88.732	83.371	5.360
Receivables from parent companies	7.009	6.127	883
Receivables from companies subject to parent companies control	463	2.000	(1.538)
Tax receivables	100	-	100
Deferred tax assets	11.543	1.789	9.753
Other receivables	6	7	(1)
Total receivables	107.853	93.294	14.559
(Bad debt provision)	(45.135)	(2.752)	(42.383)
Total	62.718	90.542	(27.824)

Trade receivables

The amount of Euro 88,732 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 63,692 thousand (Euro 54,992 thousand as at June 30, 2020), against which, during the fiscal year, a provision for bad debts was set aside for 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 and (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 "Trade receivables" includes receivables of Euro 22,354 thousand due after 12 months, entirely referring to the repayment plan signed with the Chinese agency iMedia, net of the related allowance for doubtful accounts, also taking account of the effect of discounting the installment 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.

Receivables from parent companies

Receivables from parent companies amounting to Euro 7,009 thousand at June 30, 2021 (Euro 6,127 thousand at June 30, 2020) refer entirely to trade receivables due from F.C. Inter.

Receivables from companies subject to the control of parent companies

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

Tax receivables, amounting to Euro 100 thousand as at June 30, 2021, mainly refer to receivables for withholding tax on bank interest income and With Holding Tax.

Receivables for deferred tax assets

Deferred tax assets amounted to Euro 11,543 thousand as at June 30, 2021 (Euro 1,789 thousand as at June 30, 2020). Changes during the year are shown below:

<i>Euro thousand</i>	Balance as of June 30, 2020	Increases	Decreases	Balance as of June 30, 2021
Receivables for deferred tax assets	1.789	10.924	(1.170)	11.543
	1.789	10.924	(1.170)	11.543

Deferred tax assets relate to (i) provisions to the allowance for doubtful accounts for the amount exceeding the deductibility limit provided for under current tax regulations, in the amount of Euro 10,610 thousand, (ii) exchange rate losses on valuation, in the amount of Euro 1 thousand and (iii) provisions for risks and charges in the amount of Euro 931 thousand, as detailed below:

<i>Euro thousand</i>	Balance as of June 30, 2021		Balance as of June 30, 2020	
	Temporary Differences	Tax	Temporary Differences	Tax
Bad debt Provision	44.210	10.610	2.294	551
Losses on exchange by evaluation	4	1	-	-
Provision for risks	3.338	811	4.439	1.239
	47.552	11.422	6.734	1.789

The recoverability of these receivables has been assessed taking into account participation in the tax consolidation and future taxable profits.

Other receivables

Receivables from others amount to Euro 6 thousand and relate principally to receivables from the INAIL for an advance made on self-payment.

Bad debt provision

The change in value adjustments for risks of non-collectability is examined below.

Bad Debt Provision	Bad Debt Provision ex art. 2426 Italian Civil Code	of which Bad Debt Provision ex art. 106 D.P.R. 917/1986
Balance as of June 30, 2020	2.752	457
Use for losses on receivables	-	-
Releases due to surplus	2.000	-
Provisions for the year	40.383	467
Balance as of June 30, 2021	45.135	924

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 contracts".

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.

The composition of receivables by currency is as follows:

Euro thousand	Balance as of June 30, 2021	Balance as of June 30, 2020
Receivables in Euro	62.570	90.466
Receivables in GBP	13	5
Receivables in USD	135	71
	62.718	90.542

Cash and cash equivalents

This item consists of temporary funds at banks produced in treasury management and amount of Euro 28,343 thousand as of June 30, 2021, whereas Euro 16,898 thousand as of June 30, 2020. Cash and cash equivalents amount to Euro 59.

Please see the Cash Flow Statement for further details.

Accruals and prepaid expenses

Accrued income amounted to Euro 0 thousand at June 30, 2021 (Euro 114 thousand at June 30, 2020).

The item prepaid expenses is detailed below:

Euro thousand	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Accessory charges on Bond Loan	69	44	26
Insurance premiums	9	7	2
Other prepaid expenses	20	63	(43)
Total	98	114	(15)

The item "Accessory charges on Bond Loan" amounts to Euro 69 thousand and includes the portions accruing after the current year of the costs incurred annually for the fees associated with the Bond Loan.

In "Other prepaid expenses" the amount shown in the table amounts to Euro 20 thousand, of which Euro 3 thousand is due beyond 12 months.

There are no prepayments and accrued income with a maturity beyond 5 years.

LIABILITIES

Shareholders' Equity

Euro thousand	Share capital	Share premium reserve	Revaluation reserve art. 110 DL 104/2020	Statutory reserve	Reserve for unrealized exchange gains	Retained Earnings/Losses	Profit/Loss for the year	Total
Balance as of June 30, 2019	500	104.997	-	100	-	4.088	72.646	182.330
Shareholders' resolution as of October 28, 2019:								
- reserve for unrealized exchange gains					27		(27)	
- dividend distribution as of June 30, 2019							(72.619)	(72.619)
Operating result as of June 30, 2020							27.607	27.607
Balance as of June 30, 2020	500	104.997	-	100	27	4.088	27.607	137.318
Shareholders' resolution as of October 27, 2020:								
- reserve for unrealized exchange gains					(26)	26		-
- dividend distribution as of June 30, 2020							(27.607)	(27.607)
- revaluation reserve art. 110 DL 104/2020			82.679					82.679
Operating result as of June 30, 2021							16.053	16.053
Balance as of June 30, 2021	500	104.997	82.679	100	1	4.114	16.053	208.444

At the Shareholders' Meeting held on 27 October 2020, the distribution to the Shareholders of the profit for the year as at June 30, 2020, equal to Euro 27,607 thousand, was resolved, delegating to the Board of Directors the powers to implement the resolution.

During the fiscal year, the Company partially implemented the above resolution, by paying the dividend due to the parent company F.C. Inter for Euro 11,795 thousand, compared to the approved amount of Euro 15,352 thousand (F.C. Inter's share). For completeness of information, it should be noted that on September 16, 2020, the Company paid Euro 9,951 thousand in cash as the balance of the dividend due to the Parent Company on the economic result for the year ended June 30, 2019.

During the year, the Company also paid a total of Euro 39,982 thousand in cash to the shareholder Inter Brand S.r.l., of which Euro 10,765 thousand as the balance of the dividend due on the economic result for the year ended June 30, 2018 and Euro 29,217 thousand as an advance on the dividend due on the economic result for the year ended June 30, 2019.

Share capital

The subscribed share capital as of June 30, 2021 amounts to Euro 500 thousand.

Share premium reserve

The amount of Euro 104,997 thousand already discussed above represents the residual share premium defined on Contribution, minus subsequent distributions.

Revaluation art. 110 DL 104/2020

As previously described in the section "Revaluation Law 126/2020", the Company 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 114,673 thousand. As a balancing entry to the increase in the value of the "Inter" brand and the "Libreria Storica", a specific reserve was posted to the Company's shareholders' equity called "Revaluation art. 110 DL 104/2020" for 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.

Statutory reserve

The statutory reserve of Euro 100 thousand, equal to one fifth of share capital, was created, as specified above, on June 30, 2014.

Retained earnings

The amount of Euro 4,114 thousand refers for Euro 4,088 thousand to the residual undistributed profit from the financial statements for the fiscal year ended June 30, 2016 and for Euro 27 thousand to the release of the reserve for unrealized foreign exchange gains resolved by the Shareholders' Meeting of October 27, 2020 when approving the financial statements for the fiscal year ended June 30, 2020.

Availability of reserves

The information required by art. 2427 no. 7 bis C.C. on available and distributable reserves is provided below:

Euro thousand	Balance as of June 30, 2021	Possibility of use	Available	Balance as of June 30, 200
Share capital	500			500
Reserves:				
Share premium reserve	104.997	A, B and C	104.997	104.997
Revaluation reserve art. 110 DL 104/2020	82.679	A, B and C		0
Statutory reserve	100	B		100
Reserve for unrealized exchange gains	1	A and B		27
Retained earnings/losses	4.114	A, B and C	4.114	4.088
Profit/loss for the period	16.053	A, B and C	16.053	27.607
Total	208.444		125.164	137.318

Legend

A share capital increase

B coverage of losses

C distribution to shareholders

Provisions for risks and charges, including deferred tax liabilities

Deferred tax liabilities

These amount to Euro 59,187 thousand and regard the deferred taxes recorded on the capital gains allocated at the time of the Contribution, as well as the revaluation carried out during the year with reference to the "Inter" brand and the "Libreria Storica", for a total of Euro 114,673 thousand, availing itself of the option pursuant to art. 110 of Law Decree 104/2020, converted into Law no. 126 of 13/10/2020, and supported by an independent expert. In fact, as previously described in the paragraph "Revaluation Law 126/2020", as a balancing entry to the increase in the value of the "Inter" brand and the "Historical Bookshop", a specific reserve called "Revaluation reserve art. 110 DL 104/2020" was posted to the Company's shareholders' equity for 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, equal to Euro 31,994 thousand.

The amount of the provision as at June 30, 2021 is net of the release pertaining to the period equal to Euro 1,923 thousand.

Provisions for risk and charges

As at June 30, 2021, this item amounted to Euro 3,338 thousand (Euro 4,439 thousand as at June 30, 2020) and mainly consists of the following positions:

Euro thousand	Balance as of June 30, 2021
Balance at the beginning of the fiscal year	4.439
Utilisation	(2.000)
Releases	(193)
Reclassifications	(2.000)
Provision for the year	3.091
Balance at the end of the fiscal year	3.338

The item "Provisions for risks and charges" mainly comprises the following positions:

- Euro 3,091 thousand, provision for the year against 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, collected in February and March 2021 by the TV broadcaster with reserve. To date, the outcome of this dispute is uncertain and on the basis of the best information available, the Company's Directors have prudentially allocated a provision for risks and charges, aimed at covering the Company from the risk of losing the case;

- Euro 247 thousand for contingent liabilities connected with the probable risk of repayment of the sum collected in the 2016/2017 football season in relation to a sponsorship agreement for which - according to the counterparty - there were contractual breaches; it should also be noted that, with reference to the dispute in, the Company won the case in first instance, but the sentence is not yet final as the counterparty will appeal.

Utilisation, amounting to Euro 2,000 thousand, refers 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 year, amounting to Euro 192 thousand, refer to the settlement of disputes that did not involve any charges for the Company.

For the sake of completeness, it should be noted that, during this 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 provision for bad debts in order to adjust the residual receivable of a sponsorship contract terminated early during this year to its estimated realizable value.

Reserve for employee severance indemnity

The change in this item is shown below:

<i>Euro thousand</i>	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Balance at the beginning of the fiscal year	263	248	15
Use to terminate employment	-	(92)	92
Use for substitute tax	(1)	(1)	-
Use for INPS payments	(33)	(39)	6
Use for other funds	(24)	(15)	(9)
Provision for the year	156	161	(5)
Balance at the end of the fiscal year	360	263	98

The total is calculated in relation to contractual obligations and legal requirements.

Payables

The balance at June 30, 2021 of Euro 416,692 thousand (Euro 366,765 thousand as of June 30, 2020) is divided as shown below:

<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
Trade payables	3.716	4.745	(1.028)
Payables to parent companies	49.622	35.739	13.883
Payables to companies subject to parent companies control	15.273	43.000	(27.727)
Tax payables	2.542	345	2.198
Social security payables	177	207	(30)
Other payables	410	170	240
Total payables	416.692	366.765	49.927

The most significant changes mainly concern (i) the increase in the item "Bond loan" for Euro 62,391 thousand, following the new issue and placement with institutional investors of a further tranche of senior secured bonds for a total amount of Euro 75 million, as better described below, (ii) the increase in "Payables to parent companies", directly related to the allocation of net tax consolidation expenses for the 2020/2021 fiscal year, as well as the increase, compared to the comparative year, in payables for the sale of receivables securing the Bond Loan and (iii) the increase in "Tax payables" due to the higher net balance of IRAP for the year. This effect was partially offset by the reduction in "Trade Payables" and "Payables to companies subject to parent companies control", the latter due to the dividends paid during the year to the shareholders F.C. Internazionale and Inter Brand.

Bond Loan

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

The repayment schedule for the principal in six-monthly instalments of the two above-mentioned issues is shown below.

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 30 June 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 on December 31, 2022.

The total debt is recorded in the financial statements net of ancillary costs according to the amortized cost criterion, for an amount equal to Euro 344,950 thousand, which represents the current value of future cash flows, less transaction costs equal to Euro 17,910 thousand (respectively Euro 8,988 thousand relating to the first issue of December 17, 2017 and Euro 8,922 thousand - of which Euro 5,250 thousand relating to the issue discount - for the second placement of notes on July 31, 2020). The effective interest rates relating to the two tranches of issue equal to 5.5936% for the first and 10.7295% for the second, represent the internal rates of return (IRR), constant over the duration of the Bond, which make the present value of future cash flows deriving from the total debt equal to their initial recognition value. As a result, it should be noted that the Income Statement is not debited with the interest expense paid at maturity to the extent of the nominal interest 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.

The Bond also provides for compliance with two financial parameters (covenants) respectively the Debt Service Coverage Ratio and the Pro-forma Debt Service Coverage Ratio with reference to the Company's results. In brief, the first represents the ratio between the net cash flows from operations and the sum of financial charges and capital payments made in the 12 months prior to the calculation date (or alternatively, if 12 months have not passed since the Bond was stipulated, the period between the stipulation date and the calculation date). The second, on the other hand, 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 as of June 30, 2021 are respected; similarly, on the basis of the projections available to date, it is estimated that the same will be respected with reference to the next maturities over the next 12 months, taking into account the commitment to financial support by the Suning Group, which makes it possible to neutralize the existing elements of uncertainty also with reference to the effects on the generation of cash flow deriving from the continuation of the Covid-19 pandemic, which cannot be estimated at present.

Installments due June 30, 2018, December 31, 2018, June 30, 2019, December 31, 2019, June 30, 2020, December 31, 2020, and June 30, 2021 have been duly paid.

For the sake of completeness of information, it should be noted that there are obligations due beyond the next financial year for Euro 335,870 thousand, while there are none due beyond 5 years.

For further information on the evolution of the bond loan during the year, please refer to the Cash Flow Statement.

Trade payables

The balance is shown below:

Euro thousand	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Current suppliers	2.631	4.014	(1.383)
Suppliers for invoices to be received	1.085	731	354
Total Trade payables	3.716	4.745	(1.029)

The amount of Euro 3,716 thousand relates principally to commercial and marketing consultancy and to the Inter TV channel with the program and video production and digitalisation activities.

The item in question does not include amounts payable beyond the current year and beyond 5 years.

Payables to parent companies

The item amounts to Euro 49,622 thousand and referred to trade payables of Euro 39,978 thousand, including those relating to the sale of audiovisual rights from F.C. Inter to Inter Media for Euro 35,899 thousand (Euro 15,867 thousand at June 30, 2020), for Euro 6,086 thousand (Euro 3,136 thousand at June 30, 2020) to net taxable amounts to be transferred to the Parent Company

F.C. Inter as a result of participation in the tax consolidation and Euro 3,558 to dividends distributed but not yet paid with reference to the financial statements for the year ended June 30, 2020.

Payables from companies subject to the control of parent companies

The debt recorded in the financial statements, as better described in the section "Shareholders' Equity", refers to the residual portion of profits that Inter Media has yet to pay to Inter Brand with reference to the financial statements for the years ended June 30, 2019 and June 30, 2020, as resolved by the Shareholders' Meeting on October 26, 2019 and October 27, 2020.

Tax payables

These are represented by the following amounts:

Euro thousand	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Payables for IRPEF for employees and self-employed	72	108	(36)
Payables for IRAP	1.999	235	1.763
Payables for VAT	472	1	471
Total	2.543	345	2.198

The item "Payables for IRPEF for employees and self-employed" refers to withholding tax paid by the Company in July 2021 and relating to the month of June 2021, as well as the residual amounts relating to the month of March 2020, the payment of which was postponed by Legislative Decree of March 17, 2020 until September 16, 2020 in order to support the liquidity of companies as a result of the COVID-19 pandemic. This measure also provided for the possibility to pay such unpaid amounts in installments, an option that the Company has taken up and it should be noted that as of today the overdue installments under the plan have been duly paid.

For the same reasons, the VAT payable for March 2020 has also been paid in installments, without penalties and interest, in accordance with the above legislation as of September 16, 2020 and, as of today, the installments due have been paid regularly.

For the sake of completeness, it should be noted that, with reference to the above installment plans, there are tax payables due in more than 12 months amounting to Euro 81 thousand, of which Euro 76 thousand for VAT and Euro 5 thousand for IRPEF, while there are no payables due in more than 5 years.

Social security payables

The amount, relating to contributions for March 2020 and June 2021, is shown in the table below:

Euro thousand	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Payables to INPS	6	26	(20)
Payables to INAIL	3	3	0
Payables to PREVINDAI	6	-	6
Payables to ENPALS	89	106	(17)
Payables for holidays accrued but not taken	58	45	13
Payables to other agencies	14	27	(13)
Total	177	207	(30)

The change in the period is in line with the cost of labour. It should be noted that the contributions for March 2020, following the spread of the Covid-19 pandemic, also benefited from the government measure to support the liquidity of companies and their payment began on September 16, 2020 through an instalment plan without application of penalties and interest, the instalments of which have been duly paid to date. With reference to the aforesaid plan, it should be noted that the item in question includes payables due after 12 months amounting to Euro 1 thousand, while there are no payables due after 5 years.

Other payables

These are shown below:

<i>Euro thousand</i>	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Payables to employees and collaborators for remuneration accrued and not paid	381	157	224
Other payables	29	13	16
Total other payables	410	170	240

Amounts due to employees also include payables for vacations accrued and not taken by employees, in addition to those relating to the provision for bonuses linked to the Parent Company's win in the 2020/2021 Serie A championship, amounting to Euro 180 thousand.

Payables in foreign currency are shown below:

<i>Euro thousand</i>	Balance as of June 30, 2021	Balance as of June 30, 2020
Payables in Euro	416.662	366.759
Payables in USD	4	-
Payables in GBP	26	6
	416.692	366.765

Accrued expenses and deferred income

These are provisions relating to charges and revenues occurring during the year but relating to periods after June 30, 2021:

<i>Euro thousand</i>	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Accrued expenses	83	79	4
Deferred income	24.850	19.118	5.732
Total	24.933	19.197	5.735

Accrued expenses amount to Euro 83 thousand and relate to costs relating to employees and accessory charges (13th month's salary), accrued by the closing date of the financial year, but the payment of which is deferred.

Deferred income relates mainly to:

<i>Euro thousand</i>	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Sponsorship - EU in house	6.846	1.125	5.721
Sponsorship - Regional	2.300	376	1.924
Sponsorship - Global	1.667	732	935
Official Sponsor	-	2.769	(2.769)
Technical Sponsor	3.125	2.823	302
Licencing	45	-	45
Rai Archive-Infront	10.867	11.290	(423)
Others	-	2	(2)
Total	24.850	19.118	5.732

The increase in sponsorship deferred income is directly related to the advance billing of income whose economic competence will be reflected after June 30, 2021.

The cancellation of the deferred income inherent to the "Official Sponsor" compared to the same comparative period of reference is essentially due to the fact that, as previously commented, the 2019/2020 football season had been extended until August 31, 2020 due to the spread of the Covid-19 pandemic.

As indicated in the paragraph "Other Information - Agreements with the Rai Group and Infront" and in the comment to the item "Receivables from customers", the portion of the deferred income relating to the "Rai Archives" represents the deferral of income accruing in future years for the marketing of the rights to use the historical library.

At June 30, 2021 there are deferred income for Euro 13,544 thousand with expiry beyond 12 months of which Euro 9,001 thousand with expiry beyond 5 years.

Analysis of the items on the Income Statement

It should be reiterated for the sake of clarity of presentation that, following government decisions in response to the spread of the Covid-19 pandemic that resulted in first the suspension and then 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, sponsorship revenues are not comparable with those of the comparative reference period as they are not homogeneous. Specifically, these revenues were first suspended in the lockdown period (March-May 2020) and then prorated pro rata temporis from the resumption of operations until the end of the previous football season, which was redefined as of August 31, 2020. Consequently, for the 2020/2021 football season, the same income has been spread over ten monthly payments from September 1, 2021 until June 30, 2021.

VALUE OF PRODUCTION

Revenues from the sales and services

Revenues from the sales and services relate principally to revenue from sponsorship and those relating to the Inter TV and commercialization of the television archive.

Revenues on services are shown below:

Euro thousand	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Official Sponsor	24.963	11.491	13.472
Technical Sponsor	16.173	9.677	6.496
Sponsorship EU Global in house	14.149	9.508	4.641
Sponsorship Regional	33.162	36.255	(3.093)
Sponsorship Global	3.782	2.418	1.364
Archive Rai-Infront	9.773	9.774	(1)
Inter TV	5.445	5.621	(175)
TV Production	650	650	-
Revenues from participation in UEFA competitions	66	65	1
Licencing	349	115	234
Others	7	5	2
Total	108.519	85.578	22.941

"Revenues from the sales and services" showed a significant increase compared to the same period of the previous year, mainly due to sponsorship revenues both for the signing of new commercial agreements with partners such as, among others, EA Sports, Snaypay, StarCasino, SDI and LD Sports, both for the suspension of the same during the 2019/2020 football season during the "lockdown" period (March-May 2020) and for the subsequent recognition pro-rata temporis from the resumption of competitive activities during the month of 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 relating to the 2019/20 season to the 2020/21 fiscal year.

The items "Official Sponsor" and "Technical Sponsor" include income from the sponsorship contracts with Pirelli, which expired on June 30, 2021, and with Nike, including bonuses for qualification for the UEFA Champions League 2020/2021, which took place in 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.

Please see on what explained in the Report on Operations for a description of economic performance for the current fiscal year.

Other revenue and income

This item is shown below:

<i>Euro thousand</i>	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Other Revenue and income	5.203	323	4.880
Total	5.203	323	4.880

The item "Other revenues and income" mainly refers to contingent assets and non-existent liabilities for Euro 5,113 thousand (Euro 292 thousand as at June 30, 2020), mainly due to (i) for Euro 4,266 thousand to revenues deriving from a sponsorship contract, terminated early during the current year, against which the Directors allocated a provision for bad debts of Euro 2,000 thousand, in order to adjust the value of the receivable not collected as at June 30, 2021 to its estimated realizable value, as well as (ii) the release of the provision for risks and charges for Euro 192 thousand.

PRODUCTION COSTS

Costs of raw materials, supplies and consumables

<i>Euro thousand</i>	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Consumables	50	65	(15)
Capital goods < € 516,46	1	1	-
Total	51	66	(15)

Costs for services

This item includes:

<i>Euro thousand</i>	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Insurance and welfare	58	67	(9)
Bank charges	6	6	-
Commission payable	493	128	365
Sundry utilities	17	22	(5)
Statutory auditors emoluments	65	65	-
Auditing firm's emoluments	29	38	(9)
Various consultancy services	1.782	1.635	147
Entertainment, public relations and gifts	4	85	(81)
Billboards	-	1	(1)
External events	-	72	(72)
Advertising expenses	541	880	(339)
Inter Tv	3.601	3.211	390
Costs of television archive marketing - Infront	250	250	-
Shipping and transport costs	10	9	1
Service Agreement	5.000	5.000	-
Sundry costs	1	1	-
Total	11.858	11.470	388

The item Intercompany Service Agreement includes the costs borne by the Company relating to the service contract with the parent company F.C. Internazionale, for Euro 5,000 thousand.

The costs of the item Inter Tv refer to the management and production costs of the thematic channel.

Costs for "Various consultancy services" equal to Euro 1,782 thousand (Euro 1,635 thousand as at June 30, 2020) mainly include costs for various commercial consultancy, media and digital content and costs for administrative, tax, legal and notary consultancy.

The item for "Advertising expenses" decreased compared to the same comparative period of reference and mainly includes the costs for advertising spots for events and new promotional, commercial and brand initiatives.

Costs of rents and leases

Costs of rents and leases are shown below:

Euro thousand	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Rents payables	7	40	(33)
Sundry fees and licenses on use	61	9	53
Sundry rental costs	19	42	(23)
Total	88	91	(3)

Personnel costs

Personnel costs are shown below:

Euro thousand	12 months at June 30, 2021		12 months at June 30, 2020	
	Managers	Other	Managers	Other
Salaries and wages	245	2.012	431	1.858
Social security contributions	79	578	86	543
Employee severance indemnity	18	148	32	129
Other costs	4	53	108	96
	346	2.791	658	2.626
Total	3.137		3.284	

Personnel costs also include, under the item "Salaries and wages", the amount set aside for bonuses paid to Company employees following the 2020/2021 championship victory of the First Team of F.C. Internazionale.

The difference of Euro 10 thousand between the provision for employee severance indemnities reported above in the table and that reported previously in the comment on the changes in the related provision, refers to the allocation for the bonuses just mentioned and paid in the pay slip of August 2021, whose balancing entry in the Balance Sheet is included in the item "Other payables - Payables to employees and collaborators for amounts accrued but not paid".

The average workforce of the Company is shown below:

Average workforce	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Managers	2	2	-
Clerical employee	5	4	1
Office staff	38	37	1
Total	45	43	2

Amortisation, depreciation and write-downs

Amortisation, depreciation of intangible and tangible assets

Please see the evaluation criteria of fixed assets for amortisation.

Write-down of doubtful account receivables included in current assets

Provisions for the period, totalling Euro 40,383 thousand, prudently reflect an updated assessment of the risk of uncollectibility of specific receivables, details of which are provided in the paragraph "Bad debt provision".

Provision for risks

The amount Euro 3,091 thousand referred to a provision for the details of which can be found in the note to the paragraph "Provision for risks and charges".

Other operating expenses

Other operating expenses are shown below:

<i>Euro thousand</i>	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Sundry taxes	28	31	(4)
Catering and stadium preparation	-	1	(1)
Extraordinary expenses	543	310	233
Various	22	134	(112)
Total	593	476	117

The item "Extraordinary expenses" of Euro 543 thousand mainly refers to costs defined after the end of the previous fiscal year.

Financial income and expenses

<i>Euro thousand</i>	12 months at June 30, 2021	12 months at June 30, 2020	Variation
<i>Financial income from receivables in fixed assets:</i>			
- from parent companies	11.168	7.725	3.443
<i>Other financial income:</i>			
- others	193	16	177
Total financial income	11.361	7.740	3.620
<i>Financial expenses</i>			
- on Bond	(22.263)	(16.006)	(6.257)
- on bank for loans	-	-	-
- accessory changes on loans	(216)	(149)	(68)
- others	(1)	(12)	11
Total financial expenses	(22.481)	(16.167)	(6.314)
Total	(11.120)	(8.426)	(2.694)

Financial income

This item totals Euro 11,361 thousand and mainly refer to the interest accrued on the Intercompany Loan Agreement of Euro 238,627 million to the Parent Company at June 30, 2021, described in the paragraph "Receivables included in the financial assets".

Financial expenses

Interest expense "on Bond" calculated according to the amortised cost criterion amounted to Euro 22,263 thousand, an increase of Euro 6,257 thousand compared to the same comparative period.

For further details please see on "Payables" paragraph.

Gains and losses on foreign currency translation

These are shown below:

<i>Euro thousand</i>	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Income from exchange	4	14	(10)
Losses on exchange	(7)	(4)	(3)
Total	(3)	10	(13)

The effects on receivables and payables in foreign currency, deriving from exchange rate fluctuations after June 30, 2021, are not significant.

Current and deferred income taxes

The item totalled Euro 9,135 thousand (Euro 11,574 thousand as of June 30, 2020).

The provision in income tax for the year was made based on the presumable tax burden according to current regulations.

<i>Euro thousand</i>	12 months at June 30, 2021	12 months at June 30, 2020	Variation
Current taxes:			
- IRES (tax consolidation charges)	(19.339)	(13.544)	(5.794)
- IRES (tax consolidation charges) previous fiscal year	1	(2)	3
- IRES (tax consolidation charges) ROL interest expenses	2.136	1.517	619
- IRAP	(3.633)	(2.591)	(1.042)
- IRAP previous fiscal year	19	4	15
Total Current taxes:	(20.815)	(14.616)	(6.214)
<i>Deferred tax liabilities</i>			
- Release of IRES and IRAP deferred tax liabilities on amortisation from allocation of goodwill	1.923	1.923	-
- on valuation exchange gains	-	-	-
- on reserve profits on unrealized exchange gains	4	(4)	8
Total Deferred tax liabilities	1.927	1.920	7
<i>Deferred tax assets</i>			
- On Bad Debt provision	8.188	15	8.173
- Release of Ires prepaid taxes due to release of bad debt provision	-	(63)	63
- On exchange losses from evaluation	1	-	1
- Release of IRES on exchange losses	-	(9)	9
- On provisions for risk IRES and IRAP	2.734	1.179	1.555
- On release for risk IRES and IRAP	(1.170)	-	(1.170)
Total Deferred tax assets	9.753	1.123	8.631
Total	(9.135)	(11.574)	2.423

On November 21, 2014, the Company's Board of Directors resolved that the Company should participate in the national tax consolidation procedure, in joint operation with F.C. Inter, Inter Brand and Inter Futura, starting from fiscal year 2014 until fiscal year 2016 and renewed also for the following three-year periods (2016 - 2019 and 2019 - 2022).

For the sake of completeness, it should be pointed out that the "Current taxes" balance, as shown in the table, includes the higher/lower IRES and IRAP provisions, which represent the difference between the tax burden estimated in the financial statements and that defined when the relevant tax returns are submitted.

IRES (tax consolidated charges)

The IRES taxable base transferred to the Group, is shown below.

IRES (tax consolidated charges)	Euro thousand	
Pre-tax result	25.188	
Theoretical tax burden (24%)		6.045
Increases	56.104	
Decreases	(713)	
Losses from previous years	-	
Taxable base transferred to the Group	80.579	
IRES for the period		19.339

IRAP

The IRAP taxable base is shown below:

IRAP	Euro thousand	
Difference between value and costs of production (according to balance sheet)	36.311	
Irap adjustments	46.748	
Difference between value and cost of production	83.060	
Costs not deductible for IRAP	13.048	
Obligatory accident insurance contributions (Inail)	(7)	
Deduction for long-term employment (tax wedge)	(1.975)	
Welfare and social security contributions (tax wedge)	(978)	
Total	93.148	
Theoretical tax burden (3.90%)		3.633
Irap taxable base	93.148	
IRAP for the period		3.633

The Company used deferred tax liabilities for Euro 1,927 thousand during the fiscal year, as described in detail in the paragraph "Provisions for risks and charges, including deferred tax liabilities" and also provisions and utilizations for net deferred tax assets for Euro 9,753 thousand, as a result of:

- net allocations to the taxed provisions for doubtful debts and risks and charges of Euro 9,752 thousand;
- provisions on losses on foreign currency's valuation for Euro 1 thousand.

Related party transactions

Economic and financial relationship with related party occurred during the fiscal year are showed below:

Company	Nature of relationship	Receivables/Accruals as of June 30, 2021	Payables/Accrued Income as of June 30, 2021	Revenue as of June 30, 2021	Costs as of June 30, 2021
F.C. Internazionale Milano S.p.A. (parent company)	Commercial/Services	7.009	951	5	5.000
F.C. Internazionale Milano S.p.A. (parent company)	Credit assignment	-	35.899	-	-
F.C. Internazionale Milano S.p.A. (parent company)	Financial	242.515	-	11.168	-
F.C. Internazionale Milano S.p.A. (parent company)	tax consolidation charges	-	6.086	2.136	19.338
F.C. Internazionale Milano S.p.A. (parent company)	Dividends	-	3.558	-	-
Jiangsu Suning Sports Industry Co., Ltd.	Commercial	-	3.128	5.637	-
Great Mercury Limited	Commercial	463	-	1.000	-
Inter Brand S.r.l.	Dividends	-	15.273	-	-
M-I Stadio S.r.l.	Commercial	-	11	-	-
Total		249.987	64.907	19.946	24.338

No further significant transactions with related parties were made.

Each transaction with related parties were carried out under normal market conditions.

Fees for the Directors, Statutory Auditors and Independent Auditing Firm

The emoluments paid as of June 30, 2021 to the auditors and to the Audit Firm for the activities performed for certification of the financial statements and other auditing activities, totalled Euro 65 thousand and Euro 29 thousand respectively.

For the sake of completeness, it should be noted that in addition to the fees paid to the Independent Auditors for normal auditing activities, as explained above, Euro 230 thousand were paid to the Independent Auditors as costs related to the issue and placement of the second tranche of the Bond Loan on July 31, 2020.

No remuneration was paid to directors.

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

The Company does not have any investments in the abovementioned.

Number and characteristics of other financial instruments issued by the Company

The Company does not have any other financial instruments further than the one described in the financial statements.

Commitments, guarantees and contingent liabilities not resulting from the Balance Sheet

Below are details of commitments, guarantees and contingent liabilities not shown in the financial statements for the year ended June 30, 2021.

	Balance as of June 30, 2021	Balance as of June 30, 2020	Variation
Euro thousand			
Pledge on the shares	362.153	272.458	89.696

The Company has pledged the proprietary trademarks to guarantee the underwriting of the Bond Loan, as better described in the section "Other information - Debt refinancing".

The increase during the fiscal year mainly refers to the revaluation in application of the provisions of art. 110 of Law Decree no. 104/2020 converted into Law no. 126/2020, as better described above.

Value and type of assets and legal relationship included in each asset destined for a specific transaction

None of the cases in question regard the Company.

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 Company.

Finance leasing transactions

None of the cases in question regard the Company.

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

During the course of the fiscal year the Company did not stipulate any agreements for which the effects 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)

On July 21, 2021, the Company signed an agreement with Socios.com an agreement, for the 2021/2022 football season, for a consideration of Euro 16 million as Global Main Jersey Partner and from the 2022/2023 to the 2024/2025 football season, for an annual consideration of Euro 1 million, as Global Sponsor Advertising Rights.

In September 2021, the Company entered into a new partnership with Zytara Labs LLC, as a new Official Global Cryptocurrency and Sleeve Partner, effective from the 2021/2022 football season through the 2024/2025 football 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 the previous financial years, the fixed contractual consideration, following the Company's failure to provide certain contractually envisaged services, caused by the continuing effects of the Covid-19 pandemic also in the 2020/2021 football season, was subject to a further revision, corresponding to an overall reduction of Euro 5.4 million for the 2020/21 season and a reduction of Euro 4.5 million for the 2021/2022 season. Consequently, in light of the change occurred, with reference to this contract the Company recorded revenues for the year for a total of Euro 5.6 million.

In addition, as previously commented, it should be noted that, in September 2021, the Chinese company iMedia, in a letter addressed to the Company, communicated that, due to the negative impacts resulting from the continuation of the Covid-19 pandemic, it has such expectations as to allow it to only partially honor its debt to the Company, amounting to Euro 55,892 thousand as of June 30, 2021. At the same time, the Company's Directors have allocated a provision for doubtful receivables of Euro 31,537 thousand as of June 30, 2021, in order to adjust the aforementioned credit position to its estimated realizable value, also taking into account the effect of discounting the same for the portion accrued and 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 Company in previous years net of collections received (of which Euro 16.3 million in October 2020), in September 2021 the aforesaid Chinese company sent a letter to the Company informing it that, due to the negative impact of the continuation of the Covid-19 pandemic, it has expectations that do not allow it to honor its debt to the Company. At the same time, the Company's Directors set aside an allowance 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.

Administration and coordination

The Company is subject to management and coordination by the Parent Company FC Internazionale Milano S.p.A..

Below we provide the condensed values of the approved stand-alone Statutory Financial Statements throughout the fiscal years of the Parent Company providing administration and coordination:

BALANCE SHEET

Balance as of
June 30, 2020ASSETS:

A) Receivables from Shareholders for unpaid capital contribution	-
B) Fixed assets	563.848.884
C) Current assets	270.339.458
D) Prepayment and accrued income	27.683.640
Total assets	861.871.982

LIABILITIES:

A) Shareholders' equity:	
Share capital	19.195.313
Reserves	104.241.371
Loss for the current period	(73.297.241)
B) Provisions for risks and charges	25.235.569
C) Reserve for employee severance indemnity	472.382
D) Payables	755.229.115
E) Accruals and deferred income	30.795.473
Total liabilities	861.871.982

INCOME STATEMENT

Balance as of
June 30, 2020

A) Value of production	290.961.668
B) Production costs	(422.974.072)
C) Financial income and expenses	50.057.788
D) Value adjustments to financial assets	529.404
Current and deferred income taxes for the current period	8.127.971
Loss for the current period	(73.297.241)

Profit allocation proposal

The Board of Directors proposed that the profit for the year of Euro 16,052,961 thousand, submitted to the examination and resolution of the Shareholders' Meeting, called by the Directors for the day of October 28, 2021, should be used as follows:

Profit as of June 30, 2021	16.052.961
Dividend distribution to FC Inter	8.927.052
Dividend distribution to Inter Brand	7.125.909

These financial statements, comprising the Balance Sheet, Income Statement, the Cash Flow Statement and Explanatory Notes, give a true and fair view of the financial position of Inter Media and Communication S.p.A. as at June 30, 2021, and of its financial performance and correspond to the accounting records.

For the Board of Directors
The President
(Zhang Kangyang)



INTER MEDIA AND COMMUNICATION S.p.A.

Sede sociale in Milano – Viale della Liberazione 16/18

Capitale Sociale Euro 500.000,00 = i.v.

Codice Fiscale n. 08651600960

Società soggetta all'attività di direzione e coordinamento di F.C. Internazionale Milano S.p.A

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

All'Assemblea dei Soci della società INTER MEDIA AND COMMUNICATION S.p.A.

Signori Azionisti,

il bilancio dell'esercizio chiuso al 30 giugno 2021 della società INTER MEDIA AND COMMUNICATION S.p.A. (di seguito anche "Società"), redatto dagli amministratori, è stato approvato dal Consiglio di Amministrazione in data 30 settembre 2021 e trasmesso al Collegio Sindacale unitamente ai prospetti, agli allegati di dettaglio ed alla relazione sulla gestione in applicazione delle norme di legge.

Vi ricordiamo che l'Assemblea dei Soci 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, abbiamo vigilato sull'impostazione generale data allo stesso, nonché sulla sua generale conformità alla legge per quel che riguarda la sua formazione e struttura.

1. Vigilanza in ordine al bilancio di esercizio 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 un utile di periodo di Euro 16.052.961 e si riassume nei seguenti valori:

Immobilizzazioni	euro	621.794.332
Attivo circolante	euro	91.061.225

Ratei e risconti attivi	euro	98.227
Totale attivo	euro	712.953.784
Patrimonio Netto	euro	208.444.008
TFR - Fondi rischi ed oneri	euro	62.885.244
Debiti	euro	416.691.772
Ratei e risconti passivi	euro	24.932.760
Totale passivo	euro	712.953.784

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

Valore della produzione	euro	113.722.197
Costi della produzione	euro	77.411.114
Differenza	euro	36.311.083
Proventi e oneri finanziari	euro	(11.123.052)
Proventi e oneri straordinari	euro	
Risultato prima delle imposte	euro	25.188.031
Imposte sul reddito	euro	(9.135.070)
Utile (Perdita) dell'esercizio	euro	16.052.961

La Deloitte & Touche S.p.A. ha ultimato la propria revisione del bilancio (d'ora in avanti anche "**Relazione Deloitte**") e ha rilasciato la propria relazione con la quale attesta che "[...] *il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società 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.*", "[...].

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. 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 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.

In particolare è stato verificato:

- che gli schemi di stato patrimoniale e conto economico siano conformi alle disposizioni del Codice Civile e che gli stessi presentino ai fini comparativi i valori dell'esercizio precedente;
- che la valutazione delle voci di bilancio sia stata fatta ispirandosi ai criteri generali di prudenza e competenza nella prospettiva della continuazione dell'attività;
- che nella nota integrativa siano stati indicati i criteri di valutazione seguiti, che siano conformi a quanto disposto dall'art. 2426 del Codice Civile ed ai principi contabili adottati e che siano i medesimi del bilancio relativo all'esercizio precedente;
- 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 la Società è esposta;
- la rispondenza del bilancio 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 della citata rivalutazione, si rinvia al richiamo di informativa di cui alla Relazione di revisione Deloitte.

Nella Nota integrativa – redatta rispettando il contenuto obbligatorio richiesto dall'art. 2427 del Codice Civile – il Consiglio di Amministrazione ha illustrato il contenuto delle singole voci del bilancio, chiarendo i criteri di valutazione applicati e fornendo i dettagli necessari all'illustrazione della situazione patrimoniale e finanziaria della Società e del risultato economico dell'esercizio. La Relazione sulla gestione illustra la situazione della Società e l'andamento della gestione nel suo complesso ed è stata redatta secondo le disposizioni di cui all'art. 2428 del Codice Civile. Nell'ambito della Nota integrativa e della Relazione sulla gestione gli Amministratori hanno adempiuto gli obblighi informativi in materia di direzione e coordinamento di cui all'art. 2497-bis, 4° e 5° comma, del Codice Civile. In particolare il Collegio Sindacale prende atto che l'attività di direzione e coordinamento effettuata dalla società di F.C. Internazionale Milano S.p.A. Per quanto a conoscenza del Collegio Sindacale, gli Amministratori, nella redazione del bilancio, 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.

In particolare ex art. 2426, n. 6 c.c., abbiamo espresso il nostro consenso all'iscrizione nell'attivo dello stato patrimoniale di un avviamento iscritto al 30/06/2021 in relazione al quale, rinviando alla nota integrativa, si evidenzia come gli amministratori, hanno supportato la valorizzazione in commento commissionando all'esperto indipendente un test di *impairment*.

A giudizio del Collegio Sindacale, la valutazione del patrimonio sociale 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 dei Soci del 28 giugno 2016, e fino alla chiusura dell'esercizio al 30 giugno 2021, 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.

Il Collegio Sindacale ha acquisito conoscenza e vigilato sull'adeguatezza della struttura organizzativa della Società attraverso osservazioni dirette, raccolta di informazioni e incontri con i responsabili delle diverse funzioni.

La struttura organizzativa – per gli aspetti di competenza del Collegio Sindacale – è stata ritenuta adeguata in rapporto ai livelli di operatività attuali della Società.

In relazione alla struttura amministrativa e sul rispetto dei principi di corretta amministrazione – per gli aspetti di competenza del Collegio Sindacale – non vi sono particolari osservazioni da effettuare.

In merito all'adeguatezza del sistema informativo/contabile e sulla sua affidabilità a rappresentare i fatti di gestione, il Collegio Sindacale non ha riscontrato alcun fatto censurabile.

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.

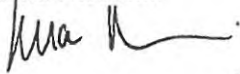
3. Conclusioni

Considerato quanto riassunto nei paragrafi precedenti e considerando anche le risultanze dell'attività svolta dal soggetto incaricato della revisione legale dei conti, proponiamo all'Assemblea di approvare il bilancio d'esercizio chiuso al 30/06/2021 così come redatto dagli Amministratori ed esprimiamo parere favorevole alla proposta in merito all'utile dell'esercizio.

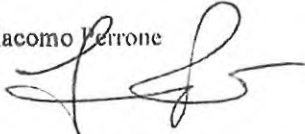
Milano, 13 ottobre 2021.

IL COLLEGIO SINDACALE

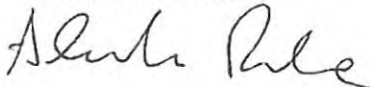
Luca Nicodemi



Giacomo Perrone



Alessandro Padula



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

To the Shareholders of
Inter Media and Communication S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Inter Media and Communication S.p.A. (the Company), 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 financial statements give a true and fair view of the financial position of the Company 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 Financial Statements* section of our report. We are independent of the Company 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 - Revaluation Law 126/2020

We draw attention to the paragraph "Revaluation Law 126/2020" of the Explanatory Notes to the financial statements, in which the Directors indicate that, in the preparation of the 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 this aspect.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Inter Media and Communication S.p.A. are responsible for the preparation of the report on operations of Inter Media and Communication S.p.A. as at June 30, 2021, including its consistency with the related 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 financial statements of Inter Media and Communication S.p.A. 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 financial statements of Inter Media and Communication S.p.A. 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 entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Davide Bertoia
Partner

Milan, Italy
October 13, 2021

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