



# **ANNUAL FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED AS AT 30 JUNE 2020**

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## CONTENTS AND FORM

This Annual Financial Report for the year ended 30 June 2020 (hereinafter also referred to as the “Annual Report” or “Report”), relates to the operating performance of Soccer S.a.s. di Brand Management S.r.l. (hereinafter, also the “Company” or “Soccer”), referring to the financial year 2019-2020 (hereinafter, the “Financial Year” or “Period”), closed on 30 June 2020.

The Company, in application of IAS/IFRS Standards, is considered a special purpose Company and, therefore, is consolidated in the AS Roma Group, including A.S. Roma S.p.A. (hereinafter “Parent Company” or “AS Roma”), ASR Media and Sponsorship S.p.A. (hereinafter “MediaCo”), Roma Studio S.r.l. (hereinafter “Roma Studio”), as well as Soccer itself. As a result of these considerations, the Company prepares its annual financial statements on the basis of international accounting standards, in line with what the Parent Company AS Roma has done.

In compliance with the reference regulations, the Company adopts the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (hereinafter “IASB”), approved by the European Commission in accordance with the procedure set out in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002, in force as at 30 June 2020. More specifically, the valuation criteria and accounting standards used comply with those adopted for the Annual Financial Report for the year ended 30 June 2019, to which reference should be made, with the exception of the changes introduced by the application, as from 1 July 2019, of the international accounting standard IFRS 16 relating to the treatment of “Leases”, the impact of which is described in detail in the Explanatory Notes.

The amounts contained in the financial statements included in the Report on Operations and in the Explanatory Notes are expressed in thousands of Euro, while the related comments are in millions of Euro, unless otherwise indicated. Amounts included in the Financial Statements are shown in Euro. The rounding up or down of amounts to the next Euro can give rise, in statements containing accounting data, to items that add up to an amount that is different from the one shown in the line recording the total of same.

Finally, it should be noted that the Report on operations and the Notes to the Financial Statements contain forward-looking statements relating to the economic and financial performance for the year 2020/2021, based on estimates and forecast data which, by their very nature, present varying degrees of uncertainty as to whether they will actually come true, since the forecasted events from which they originate may not occur or may occur to a different extent from that forecasted, while events that cannot be foreseen at the time of their preparation may occur, thus generating even significant deviations between actual and forecasted values.

## GENERAL INFORMATION

### CONSTITUTION OF THE COMPANY

Soccer was incorporated on January 15, 2007 with the transfer by AS Roma of the business unit consisting of the activities related to the commercial exploitation of the AS Roma brand and its derivatives, for merchandising, marketing and sponsorship activities (hereinafter “Business Unit”).

AS Roma, the limited partner, has contributed the Business Unit at an economic value of EUR 125,121,522.95 as determined by a sworn appraisal, net of cash and cash equivalents and cash relating to the Business Unit itself, which have not been contributed, while Brand Management, the general partner, has contributed EUR 10,000.00. In exchange for this contribution, AS Roma obtained a 99.99% stake in the capital of Soccer, which gave it a profit allocation of 97.4%, while Brand Management, with a 0.01% stake, is entitled to a profit allocation of 2.6%. AS Roma’s shareholding was subsequently reduced on 6 February 2015 to 99.98% of the Company’s share capital, following the sale of a nominal EUR 10,000 of its shareholding to ASR Soccer LP Srl, company then controlled by the parent company AS Roma SPV LLC (USA).

On 17 December 2007, on the basis of the contractual agreements, the balance of the transfer of the Business Unit was formalised, on the basis of the updated statement of financial position as at 31 December 2006, and

a difference of EUR 1,699,253.08 emerged, which resulted in a corresponding reduction in the share capital of Soccer SAS.

In the 2014-2015 financial year, the Company's activities were modified by the transactions carried out in the context of the process of refinancing and reorganisation of activities related to the exploitation and management of the AS Roma brands and the management of "media" activities, which were separated from the management of the core business of AS Roma, i.e., the organisation and carrying out of football matches. In particular, to the subsidiary MediaCo was assigned all the activities relating to licensing and sponsorship, as well as the "direct media rights", whose activities are currently linked to the television channel "Roma TV" and the radio channel "Roma Radio", as well as other activities carried out on digital platforms (e.g., website, Facebook, Twitter, Instagram, Pinterest, Weibo, WeChat).

More specifically, on 11 February 2015, AS Roma transferred to ASR Media the "TeamCo Going Concern" Business Unit, relating to the management and commercial exploitation of "direct media rights", consisting of media rights relating to the production and broadcasting, via TV, radio or other media, of content (audiovisual and photographic material) relating to national and international matches, and in general to the activities of the AS Roma football team, other than contracts relating to indirect "media" rights, managed centrally by the Lega Nazionale Professionisti Serie A and UEFA.

On the same date, Soccer transferred to MediaCo the "Soccer Going Concern" Business Unit, relating to the management and commercial exploitation of the AS Roma brands. The scope of the transferred assets and liabilities is defined by all existing legal relationships for sponsorship, advertising and merchandising, with the only exceptions being the merchandising business relating to the retail management of Roma Store (including the management of online sales through the website [www.asromastore.it](http://www.asromastore.it)), and the portion of advertising and sponsorship agreements involving the sale of match tickets, which are not included in the scope of the transfer. More specifically, the business unit transferred by the Company to ASR Media consists of the following assets and agreements:

- ownership of "AS Roma" trademarks, which Soccer Sas was found to own, with regard to rights of commercial exploitation;
- marketing, licensing and sponsorship agreements and related receivables and deferred income;
- agreements for the supply of goods and services, and related payables and prepaid expenses;
- contractual relations with employees in relation to the assets transferred, and related payables;
- all other assets and liabilities pertaining to the Business Unit.

The share capital of MediaCo is equal to 200,000.00, 86.66% held by Soccer and 11.34% by AS Roma.

On 11 February 2015, MediaCo, as the grantor, and Soccer, as the tenant, also signed a company lease agreement concerning the lease of the company consisting of the assets transferred to the same MediaCo.

## CONSTITUTION OF ROMA STUDIO

On 19 January 2018, the new company "Roma Studio Srl" was established by AS Roma with the aim of managing the production, broadcasting and diffusion activities of the Roma Radio and Roma TV channels and all the Group's Media activities, in any manner and technology and on all platforms and applications. In fact, due to the considerable development of the media activities of the AS Roma Group in recent years, which has seen the creation of the radio channel "Roma Radio", the renewal of the television channel "Roma TV" and the growth of social media activities, AS Roma S.p.A. and Soccer have implemented a process aimed at reorganising media activities through the transfer of all media, multimedia and communication activities to Roma Studio.

The main deeds and agreements performed to achieve this reorganisation were as follows:

- the contribution in kind to Roma Studio of the AS Roma business unit concerning the concession for sound broadcasting Protocol No. 902812, the equipment and related agreements for broadcasting (formerly TVR Voxson), as well as the authorisation for satellite broadcasting of the television programme called “ROMA TV” (formerly “ROMA CHANNEL”), issued with resolution No. 35/07/CONS of 17 January 2007 and subsequently renewed by Resolution No. 6/13/CONS of 10 January 2013 and Resolution No. 564/18CONS of 29 November 2018. The effective date of the transfer was set at 1 January 2019;
- the entering into between Soccer, as sub-grantor, and Roma Studio, as sub-tenant, of a sub-lease agreement for the business having as its subject, among other things, the management and commercial exploitation of the “Direct Media Rights”, as well as Roma trademarks and agreements for the supply of goods and services instrumental to the running of the business. It should be noted that these rights and agreements were leased to Soccer by MediaCo on 11 February 2015 as part of a company lease agreement for the lease by ASR Media and Sponsorship SpA of the company consisting of the assets transferred to MediaCo from AS Roma and Soccer on the same date;
- the signing between Soccer, as the client, and Roma Studio, as the supplier, of a framework agreement for the supply of audio, video and multimedia content production services relating to AS Roma’s sports activities.

#### SIGNING OF INTRA-GROUP FINANCING CONTRACTS

On 12 February 2015, as part of the refinancing of the existing debt of AS Roma and the financing of its net working capital, a facility agreement was signed, with variable rate and maturity in February 2020, for an amount of EUR 175 million - between, inter alia, (i) Goldman Sachs International and Unicredit S.p.A., as Mandated Lead Arranger and Bookrunner, (ii) MediaCo, as borrower, (iii) AS Roma, for the assumption of commitments and obligations and to acknowledge the provisions of the agreement, (iv) Soccer, for the assumption of commitments and obligations and to acknowledge the provisions of the agreement, (v) UniCredit Bank AG - Milan Branch as “Agent and Security Agent” (hereinafter, the “Facility Agreement”). MediaCo granted the financial resources from the Facility Agreement to Soccer which, in turn, granted them to AS Roma for the purposes of the aforementioned refinancing. This arrangement was governed by signing specific intercompany financing agreements with the companies concerned, under normal market conditions. The issuance costs and the costs of legal and financial advisors comply with market standards for similar transactions.

On 22 June 2017, an amendment agreement was signed, governed by English law, between, inter alia, (i) Unicredit S.p.A., as additional lending bank; (ii) UniCredit Bank AG - Milan Branch, as Agent and Security Agent; and (iii) MediaCo, as beneficiary (hereinafter, the “Amendment Agreement”), aimed at amending certain provisions of the Facility Agreement signed on 10 February 2015 for an amount equal to EUR 175 million, as amended by the agreement signed on 24 June 2015. In this regard, it should be noted that Unicredit S.p.A. carried out fronting activities and was not the ultimate creditor of the Facility Agreement, as amended by the Amendment Agreement. In accordance with the Amendment Agreement, the maturity date of the Facility Agreement was extended to the fifth anniversary from its effective date, i.e., to June 2022 (“Amendment Date”), and the repayment of the amounts originally provided under the Facility Agreement began from the first anniversary of the Amendment Date, i.e., 30 June 2018. In addition, under the Amendment Agreement, the credit line granted under the Facility Agreement was increased from EUR 175 million to EUR 230 million and the interest rate provided for therein has remained unchanged. MediaCo used part of the financial resources deriving from the increase in the credit line for the balance of payables to AS Roma and granted another part of these incremental financial resources to AS Roma, which used them for its own working capital purposes. This arrangement was governed by amending or signing specific intra-group financing agreements with the companies concerned, under normal market conditions. The issuance costs and the costs of legal and financial advisors comply with market standards for similar transactions.

The loan was fully repaid on 8 August 2020, simultaneously with the refinancing operation on the Group’s debt, in which MediaCo issued a non-convertible Bond for a maximum total value of EUR 275 million, reserved

for qualified investors and admitted to trading on the Vienna MTF and the Euro MTF of the Luxembourg Stock Exchange, with maturity on 1 August 2024. ASR Media granted the financial resources from the Bond to AS Roma for the purposes of the aforementioned refinancing. These arrangements were regulated by amending or signing specific intercompany financing agreements with the companies concerned, regulated at normal market conditions. The Bond was taken out as part of the consolidation and functional reorganisation process of the AS Roma Group in order to enable AS Roma, inter alia, to repay in full its existing financial debts through the resources deriving from the Bond, as well as to finance its financial needs.

## CORPORATE BODIES

At the date of this Report, the Corporate Bodies of Soccer are composed as follows:

Socio Accomandatario	Brand Management S.r.L
Socio Accomandante	A.S. Roma S.p.A. ASR Soccer LP S.r.L
Procuratore speciale	Francesco Calvo

The Meeting of the Shareholders of Brand Management Srl, as a general partner of the Company, at the meeting held on 25 October 2017, appointed, as members of the Board of Directors for the financial years ending on 30 June 2018, 2019 and 2020, Messrs. Umberto Maria Gandini as Chairman, Mauro Baldissoni and Luca Danovaro as Directors. At a subsequent Board of Directors meeting held on 26 October 2017, the office of Chief Executive Officer was awarded to Mauro Baldissoni and the Chairman and Chief Executive Officer were granted the corresponding management powers.

At this regard it is recalled that:

- on June 12, 2018, Mr Luca Danovaro resigned from the office of Board Member; therefore, on August 27, 2018, Mr. Guido Fienga was appointed Board Member by co-optation and this appointment was ratified by the Meeting of the Shareholders of Brand Management Srl on September 26, 2018;
- on September 27, 2018, effective October 1, 2018, Mr. Umberto Maria Gandini resigned from the office of Chairman; therefore, on October 2, 2018, Mr. Francesco Calvo was appointed Board Member by co-optation and this appointment was ratified by the Meeting of the Shareholders of Brand Management Srl on October 25, 2018;
- on 4 October 2018, Mr. Mauro Baldissoni was appointed as Chairman and the office of Chief Executive Officer was awarded to Mr. Guido Fienga and he was granted the corresponding management powers;
- on September 28, 2020, Mr. Mauro Baldissoni resigned from the office of Chairman.

The Board of Statutory Auditors in office at the date of the Report was appointed by the Shareholders' Meeting of 25 October 2019 and will remain in office until the date of the Shareholders' Meeting called to approve the financial statements at 30 June 2022. It is composed of Dr. Claudia Cattani (Chairperson), Dr. Pietro Mastrapasqua (standing auditor), Dr. Massimo Gambini (standing auditor), Dr. Manuela Patrizi (alternate auditor), and Dr. Massimiliano Troiani (alternate auditor).

Finally, the Shareholders' Meeting of 25 October 2018 appointed Deloitte & Touche S.p.A. to perform the statutory audit the Company's accounts for the financial years 2019 to 2021, following the early termination by mutual consent of the statutory audit assignment given to BDO Italia S.p.A. due to the proposed changes concerning the statutory audit of the accounts of A.S. Roma S.p.A. and the AS Roma Group, as illustrated in the Explanatory Report of the Board of Directors of A.S. Roma S.p.A. prepared for the purposes of the Ordinary Shareholders' Meeting of A.S. Roma S.p.A. itself on 26 October 2018 in first call and 27 October 2018 in second call.

In order to provide a more complete overview, the Corporate Bodies of the companies involved in Soccer are listed below.

**SHAREHOLDER - BRAND MANAGEMENT SRL**

At the date of this Report, the Corporate Bodies are composed as follows:

Board of Directors	Chief Executive Officer Director	Guido Fienga Francesco Calvo
Board of Statutory Auditors	Chairman Standing Statutory Auditors Alternate Statutory Auditors	Claudia Cattani Massimo Gambini Pietro Mastrapasqua Massimiliano Troiani Manuela Patrizi
Auditing Firm		Deloitte & Touche S.p.A.

**SHAREHOLDER – AS ROMA**

At the date of this Report, the Corporate Bodies are composed as follows:

Board of Directors	Chairman Vice-Chairman Chief Executive Officer Directors	Thomas Dan Friedkin Ryan Patrick Friedkin Guido Fienga Marcus Arthur Watts Eric Felen Williamson III Analaura Moreira-Dunkel Benedetta Navarra (*) (**) Ines Gandini (*) (**) Mirella Pellegrini (*) (**)
Executive Committee	Chairman Vice-Chairman	Thomas Dan Friedkin Ryan Patrick Friedkin Guido Fienga Marcus Arthur Watts Eric Felen Williamson III
Nominations and Remuneration Committee	Chairman	Benedetta Navarra (*) Ines Gandini (*) Mirella Pellegrini (*)
Internal Audit and Risk Management Committee	Chairman	Benedetta Navarra (*) Ines Gandini (*) Mirella Pellegrini (*)
Board of Statutory Auditors	Chairman Standing Statutory Auditors Alternate Statutory Auditors	Claudia Cattani Massimo Gambini Pietro Mastrapasqua Massimiliano Troiani Manuela Patrizi
Supervisory Body	Chairman	Giovanni Mulè Flavio Mecenate
Officer in Charge of preparing the Company's financial reports		Giorgio Francia
Investor relator		Roberto Fonzo
Auditing Firm		Deloitte & Touche S.p.A.

(\*) Independent member pursuant to art. 148 of the TUF, of art. 3 of the Corporate Governance Code and by art. 16, paragraph 1 letter. d) and paragraph 2, of the Market Regulations adopted with Consob resolution no. 20249 of 28 December 2017.

**SHAREHOLDER - ASR SOCCER LP SRL**

At the date of this Report, the Corporate Bodies are composed as follows:

Sole Director	To be appointed
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# ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED AS AT 30 JUNE 2020

## REPORT ON OPERATIONS



## **SIGNIFICANT EVENTS THAT HAVE OCCURRED IN THE FINANCIAL YEAR**

### **APPROVAL OF THE 2018/2019 FINANCIAL STATEMENTS**

On 25 October 2019, the Shareholders' Meeting of Soccer approved the financial statements for the year ended 30 June 2019 and resolved to carry forward the loss of EUR 4,255,713.

### **CORPORATE GOVERNANCE**

The Meeting of the Shareholders of Brand Management Srl, as a general partner of the Company, on 25 October 2019 appointed the Board of Statutory Auditors in Dr. Claudia Cattani (Chairman), Dr. Pietro Mastrapasqua (standing auditor), Dr. Massimo Gambini (standing auditor), Dr. Manuela Patrizi (alternate auditor), and Dr. Massimiliano Troiani (alternate auditor). They will remain in office until the date of the Shareholders' Meeting called to approve the financial statements at 30 June 2022.

On 28 September 2020, the lawyer Mauro Baldissoni has resigned from his position as Chairman of the Board of Directors and as Chief Executive Officer.

The assignment to the auditing firm Deloitte & Touche S.p.A. was confirmed until the date of approval of the 2020/21 financial statements

### **SPONSORSHIP AGREEMENTS**

In July 2019, the agreement with Betway was terminated in implementation of Law No. 96/2018 ("Dignity Decree"), which provides for certain restrictions on the advertising of betting and gambling. It should be remembered that Betway was the Club's Exclusive Training Kit Partner, and its brand was present in the 2018/19 season on the technical equipment used by the first team during training, and benefited from visibility on the fields of Trigoria, on the LEDs at the Stadio Olimpico, as well as being the leader of exclusive content on the Company's digital channels.

### **SPREAD OF THE COVID-19 VIRUS AND CONSEQUENT MEASURES ISSUED BY PUBLIC AND SPORTING AUTHORITIES**

Since January 2020, the national and international scenario has been characterised by the spread of the COVID -19 virus, declared a "pandemic" by the World Health Organisation, and the consequent restrictive measures for its containment issued by the public authorities of the areas concerned. These extraordinary measures and provisions concerned the restriction on the movement of goods and persons, the suspension of economic activities as well as the suspension of all professional and amateur sports activities, and the competent sports institutions (FIGC and UEFA), as of March 2020, suspended the national and international competitions in which AS Roma participated in the 2019/20 season. Italy, more specifically, was among the Countries worldwide where the highest number of infections and deaths occurred.

However, on 19 May 2020, the FIGC established the resumption of the Serie A championship from 20 June 2020. The remaining matches of the 2019/20 season, therefore, were regularly played behind closed doors, with a significant negative effect on ticket revenues, sponsorships and advertising. The championship ended on 2 August 2020.

On 17 June 2020, the UEFA Executive Committee, taking into account the postponement to 2021 of the European Championships previously scheduled for June and July 2020, decided that the remaining matches of the UEFA Champions League and the UEFA Europa League would be played in August 2020; more specifically, the round of 16 match between AS Roma and Sevilla FC was played on 5 August 2020.

The Company immediately confronted this new scenario by implementing exceptional measures to protect the health of its members, employees and independent contractors. Among these, measures relating to hygiene at all its premises and the organisation of remote work for office staff have been introduced to ensure the continuity of non-sporting activities. All sporting activities have been suspended, in accordance with the provisions of national legislation and the recommendations of the national health authorities.

In order to mitigate the economic and financial impact caused by the worldwide postponement of all sporting activities due to the spread of the Covid-19 virus, Soccer has also activated the social shock absorbers

provided for in the Prime Ministerial Decrees of March 2020 for some employees, and the players of the first team, the coach and his staff have undertaken to compensate the difference in net remuneration that will be received by these employees.

The Company will continue to constantly monitor the evolution of the emergency situation connected with the spread of the COVID-19 virus, considering both the changing regulatory framework and the complex global economic context, in order to evaluate the possible adoption of further measures to protect the health of its players, employees and collaborators, and to protect its sources of income and its assets.

## **SIGNIFICANT EVENTS AFTER 30 JUNE 2020**

### **TERMINATION OF THE TECHNICAL SPONSORSHIP CONTRACT**

On 16 July 2020, the technical sponsorship agreement with Nike European Operations Netherlands B.V. signed on 12 March 2013, with an expiry date of 31 May 2024, for the production and supply of all match and training products, from the First Team to the youth teams, as well as leisure products for players and fans, with a basic remuneration in favour of the Club equal to EUR 4 million plus bonuses on achievement of certain sports results (including UEFA Champions League, UEFA Europa League, Serie A championship or Italian Cup), and royalties in favour of the Club calculated on the basis of sales for each year of the agreement, was terminated by mutual consent.

On the same date, an agreement was signed with Nike valid for the 2020/2021 football season under which Nike will continue to provide all technical, match, training and casual equipment for the First Team, youth teams and women's teams on an exclusive basis.

### **SIGNING OF THE OFFICIAL FIRST TEAM SLEEVE SPONSOR CONTRACT**

In September 2020, a multi-year partnership agreement was signed with IQONIQ Group Sarl, a fan engagement platform, which became the "Main Global Partner" and official sleeve sponsor of the First Team until the end of the sports season 2022/23.

### **REGISTRATION TO THE SERIES A 2020/2021 CHAMPIONSHIP**

In August 2020, the procedure for the issue of the National Licence and registration for the Serie A Championship for the 2020/21 football season was completed. The FIGC Federal Council, having verified the Company's compliance with the economic-financial and legal criteria, as well as the infrastructural, sports and organisational criteria, approved the admission of AS Roma to the Serie A Championship for the 2020/2021 football season.

### **COMPLETION OF THE ACQUISITION OF THE MAJORITY SHAREHOLDING IN A.S. ROMA S.P.A. - RESIGNATION AND APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS**

On 17 August 2020, AS Roma SPV, LLC sold and transferred its controlling interest held directly and indirectly in the Company - and certain related assets and liabilities - to Romulus and Remus Investments LLC ("RRI"), a company incorporated under the laws of Delaware and designated by TFG for the purpose of the acquisition, of 544,468,535 ordinary shares of the Club, representing approximately 86.6% of the share capital. The control is held by a direct shareholding of 3.3% in the share capital of the Club and through an indirect shareholding of 83.3% held through the company NEEP Roma Holding S.p.A. (the "Majority Shareholding"), together with certain additional assets, as indicated in the joint press release issued by the Parties on 7 August 2020 and available at [www.asroma.com](http://www.asroma.com).

As a result of the completion of the acquisition of the Majority Shareholding and in accordance with certain provisions of the agreements made by the parties, on 17 August 2020, the Board of Directors of AS Roma:

- received the resignation of directors James J. Pallotta, Charlotte Beers (independent), Richard D'Amore, Gregory Martin, Paul Edgerly, Cameron Neely (independent) and Barry Sternlicht. These directors did not hold shares in the Company and were not beneficiaries of severance indemnities in connection with these resignations;

- appointed for co-optation the following new directors: Dan Friedkin (Chairman), Ryan Friedkin, Marc Watts, Eric Williamson, and Ana Dunkel, who do not hold shares in the Club (on the understanding that Dan Friedkin controls the RRI);
- appointed the new Executive Committee consisting of Dan Friedkin (Chairman), Ryan Friedkin, Guido Fienga, Marc Watts and Eric Williamson, and
- Guido Fienga has maintained his position as Chief Executive Officer of AS Roma and the related powers, as most recently delegated by the Board of Directors on 26 June 2020.

In addition, an AS Roma Shareholders' Meeting has been called to appoint the entire new Board of Directors in accordance with the applicable provisions of law and the Articles of Association, as illustrated in the information published by the parties in accordance with Article 122 of the Consolidated Finance Act (TUF). The Board of Statutory Auditors of the Club shall remain in office until the natural expiry of its term of office. The Shareholders' Meeting, which met on 29 September 2020, then resolved the appointment of the new Board of Directors, as described in the following section on corporate governance events.

As a result of the completion of the acquisition of the Majority Shareholding, RRI launched, in accordance with Article 106 of Legislative Decree No. 58 of 24 February 1998 (the "TUF"), a mandatory public tender offer on the remaining ordinary shares of the Club, equal to 84,413,785 ordinary shares, representing approximately 13.4% of the Club's share capital (the "Public Tender Offer").

The Public Tender Offer that was carried out from 9 October 2020, will be completed on 29 October 2020 and each shareholder that will take part in it will receive a cash consideration for each share equal to the Price per Share of EUR 0.1165.

#### CORPORATE GOVERNANCE

On September 28, 2020, the existing employment relationship with Mr Mauro Baldissoni was terminated, who at the same time resigned, with immediate effect, from the position of Director and Vice Chairman of the Company, as well as from all the other positions held by him in the companies in which he held an office as well as in the other companies of the NEEP Roma Holding S.p.A. Group. It should be noted that Mauro Baldissoni was not qualified as an independent director under current laws and regulations and does not hold shares in the Company. In addition, he is not entitled to indemnities or other benefits following termination of office and was not a beneficiary of any incentive plan based on financial instruments.

#### START OF THE NATIONAL AND INTERNATIONAL COMPETITIONS OF THE 2020/21 SEASON

On 19 September 2020, the 2020/21 Series A championship began, with the matches initially held behind closed doors, and then with the entrance allowed to a limited number of one thousand spectators.

In the international arena, the draw for the group stage of the UEFA Europa League, in which AS Roma took part by virtue of its fifth place in the final standings of the 2019/20 football season, took place on 2 October and AS Roma was drawn as the top seed in Group A with Young Boys, Cluj and CSKA Sofia, while the first match was played on 22 October. The knockout phases will remain unchanged from the original programme, with the sixteenth finals taking place from 18 to 25 February 2021, the eighth finals from 11 to 18 March 2021 and the quarter finals, semi-finals and final in April and May 2021.

## ECONOMIC AND FINANCIAL PERFORMANCE

### COMMENTS ON THE MAIN ECONOMIC DATA

The corporate financial year in question closed with a Loss for the year of EUR 14.2 million (EUR 4.3 million at 30 June 2019), EUR 9.9 million worse than the previous year, essentially due to the decrease in revenues from advertising, commercial sales and licensing not offset by the reduction in costs.

The following table shows the main economic data of the company:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Revenues	36.551	49.080	(12.529)
Costs*	(53.345)	(58.970)	5.625
<b>EBITDA</b>	<b>(16.793)</b>	<b>(9.890)</b>	<b>(6.904)</b>
Depreciation, amortization and write down	(1.827)	(924)	(903)
Net financial income	4.451	6.643	(2.191)
Losses before taxes	(14.169)	(4.171)	(9.999)
Tax position	-	(85)	85
<b>Loss for the period</b>	<b>(14.169)</b>	<b>(4.256)</b>	<b>(9.914)</b>

\* Do not include costs for depreciation and write-downs which are reclassified under EBITDA

Total revenues at 30 June 2020 amounted to EUR 36.6 million, compared with EUR 49.1 million at 30 June 2019. The decrease of EUR 12.5 million compared with the previous year is mainly due to a reduction in revenues from sponsorship activities, the sale of promotional and advertising space and premium seats, as well as a reduction in sales of commercial and licensing activities due mainly to the spread of virus Covid-19, the resulting interruption of the championship and the closure of non-core commercial activities. In addition, following the changes introduced by the FIGC in the context of combating the effects of the spread of Covid-19, the duration of the 2019/20 football season has been defined as 14 months, from 1 July 2019 to 31 August 2020, while the 2020/21 football season will be 10 months, from 01 September 2020 to 30 June 2021. Therefore, certain costs and revenues related to the matches played in the 2019/20 season will have their economic relevance accruing in the 2020/21 financial year.

They consist of:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Merchandising	5.898	7.855	(1.958)
Sponsorships	6.073	6.185	(112)
Broadcast	7.566	7.508	58
Advertising	16.712	27.126	(10.415)
Other Income	303	406	(103)
<b>Revenues</b>	<b>36.551</b>	<b>49.080</b>	<b>(12.529)</b>

More specifically, the revenues from commercial sales and licensing, amounting to 5.9 million Euro (7.9 million Euro on 30 June 2019), down due to the closure of stores in the months from March to May as a result of the spread of the pandemic, are composed by (i) the sale of merchandising of the AS Roma Stores owned by the Group, for 4.1 million Euro (5.7 million Euro on 30 June 2019); and (ii) the exploitation and enhancement of the AS Roma Brand, through the granting of licences for the production of AS Roma branded products, which generated income of EUR 1.8 million (EUR 2.2 thousand at 30 June 2019).

Sponsorships, amounting to EUR 6.1 thousand (EUR 6.2 thousand at 30 June 2019), are substantially stable compared to the previous year and originate from the existing agreement with NIKE, as technical sponsor of AS Roma. It should be noted that on 16 July 2020, the technical sponsorship agreement with Nike European Operations Netherlands B.V., signed on 12 March 2013, was terminated by mutual consent and, on the same date, the Company and Nike signed an agreement valid for the 2020/2021 football season under which Nike will continue to provide the Company exclusively with all technical, match, training and casual equipment for the First Team, youth teams and women's teams.

Revenues from audio-visual and image rights, amounting to EUR 7.6 million (EUR 7.5 million as at 30 June 2019), are essentially stable and are made up of revenues from the marketing of the *AS Roma Library*, the "RomaTV" and "RomaRadio" channels, and access to the TV signal.

Revenues from advertising, amounting to EUR 16.7 million (EUR 27.1 million at 30 June 2019), essentially derive from the marketing of advertising space at the Stadio Olimpico, both on the pitch and in the hospitality area, and from advertising sales through the Media. The decrease of the year, equal to EUR 10.4 million is essentially due in part to the loss of revenues generated by the contract previously signed with Betway, terminated in July 2019 in implementation of Law 96/2018 (the so-called "Dignity Decree"), which provides for some restrictions on the advertising of bets and games of gambling, and in part from the postponement of some revenues to the 2020/21 financial year, to take into account the actual time of the matches, as illustrated above .

**The total costs of the year** before depreciation, amortisation and write-downs amounted to EUR 53.3 million (EUR 59 million at 30 June 2019), down mainly due to a reduction in the cost of services and the cost of leases and rentals. The latter benefit, among other things, from the application of IFRS 16 on Leases, which, on the other hand, leads to higher depreciation and amortisation and financial interest, not resulting in a significant impact on the result for the period. The details are shown below:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Raw materials	(2.891)	(3.435)	544
Service Costs	(18.594)	(21.892)	3.297
Hire, rental and leasing	(26.830)	(27.732)	902
Personnel costs	(4.869)	(5.545)	676
Other operating costs	(160)	(366)	206
<b>Operating costs</b>	<b>(53.345)</b>	<b>(58.970)</b>	<b>5.625</b>

**Amortisation** of EUR 1.2 million (EUR 0.6 million at 30 June 2019) related to the amortisation of intangible and the depreciation tangible non-current assets for EUR 0.2 million (EUR 0.6 million at 30 June 2019) and the amortisation of rights of use for approximately EUR 1 million determined in application of IFRS 16, not present in the previous financial year. Finally, at 30 June 2020, **trade receivables were written down** by EUR 0.7 million (EUR 0.4 million at 30 June 2019), to adjust them to their estimated realisable value.

**Net financial items** were positive for EUR 4.5 million (EUR 6.6 million at 30 June 2019), relating to (i) EUR 7.5 million (EUR 9.5 million at 30 June 2019) in dividends from the investment in MediaCo; (ii) EUR 8.1 million (EUR 10.7 million at 30 June 2019) of interest income on the loan granted to AS Roma; (iii) EUR 0.1 million of other financial income; (iv) EUR 10.9 million (EUR 13.4 million at 30 June 2019) of financial charges related to the loan received from MediaCo. Finally, it should be noted that, compared with 30 June 2019, the current financial year includes financial charges of EUR 0.4 million resulting from the application of the IFRS 16 accounting standard.

## COMMENTS ON THE CONSOLIDATED EQUITY AND FINANCIAL STRUCTURE

The following table shows the reclassified consolidated statement of financial position in summary form, showing the structure of invested capital and sources of financing:

(€/000)	30/06/2020	30/06/2019	Differences
Net non current capital	124.915	117.640	7.274
Net Current Capital	16.940	16.654	286
<b>Net Invested Capital</b>	<b>141.855</b>	<b>134.295</b>	<b>7.560</b>
<i>Consisting of:</i>			
Shareholders' Equity	74.524	88.616	(14.093)
Net financial indebtedness adjusted	67.331	45.678	21.653
<b>Source of funding</b>	<b>141.855</b>	<b>134.295</b>	<b>7.560</b>

The **Net invested capital** at 30 June 2020, amounting to EUR 141.9 million (EUR 134.3 million at 30 June 2019), increased by EUR 7.6 million, and consisted of Reclassified net non-current capital of EUR 124.9 million (EUR 117.6 million at 30 June 2019) and Reclassified net current capital of approximately EUR 17 million (EUR 16.7

million at 30 June 2019). The net invested capital is financed by Shareholders' Equity of EUR 74.5 million (EUR 88.6 million at 30 June 2019), and by adjusted net financial debt of EUR 67.3 million (EUR 45.7 million at 30 June 2019).

**Reclassified net non-current capital**, which does not include financial components, amount to EUR 124.9 million, up EUR 7.2 million compared with 30 June 2019. In detail:

(€/000)	30/06/2020	30/06/2019	Differences
Other intangible assets	-	2	(2)
Equity investments	127.297	127.297	-
Property, plant& equipment	1.125	1.061	65
Right of use	8.507	-	8.507
Other non current assets	305	936	(631)
<b>TOTAL NON CURRENT ASSETS</b>	<b>137.235</b>	<b>129.296</b>	<b>7.939</b>
Trade Payables	1.912	1.174	738
Tax payables	-	64	(64)
Employee benefit liabilities	1.495	1.416	79
Other liabilities	8.913	9.002	(88)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>12.320</b>	<b>11.655</b>	<b>665</b>
<b>NET NON CURRENT CAPITAL</b>	<b>124.915</b>	<b>117.640</b>	<b>7.274</b>

**Reclassified net current capital**, representing working capital, which does not include financial components (including cash and cash equivalents), amounts to approximately EUR 17 million, up EUR 0.3 million compared with 30 June 2019.

(€/000)	30/06/2020	30/06/2019	Differences
Inventory	1.256	1.293	(37)
Trade receivables	23.669	15.312	8.357
Other current assets	43.849	36.100	7.748
Tax receivables	1.411	1.302	109
<b>TOTAL CURRENT ASSETS</b>	<b>70.184</b>	<b>54.007</b>	<b>16.177</b>
Trade payables	47.795	31.418	16.377
Tax Liabilities	212	178	34
Social security payables	408	361	47
Other current liabilities	4.827	5.396	(568)
<b>TOTAL CURRENT LIABILITIES</b>	<b>53.244</b>	<b>37.353</b>	<b>15.891</b>
<b>NET CURRENT CAPITAL</b>	<b>16.940</b>	<b>16.654</b>	<b>286</b>

**Shareholders' Equity** at 30 June 2020 was positive for EUR 74.5 million, down by EUR 14.1 million compared with 30 June 2019 due to the recognition of the loss for the period, amounting to EUR 14.1 million;

(€/000)	30/06/2020	30/06/2019	Differences
Share capital	123.432	123.432	-
Legal Reserve	-	-	-
Other Reserves	(369)	(446)	77
Profit/Losses carried forward	(34.370)	(30.114)	(4.256)
Loss for the period	(14.169)	(4.256)	(9.914)
<b>Net shareholders' Equity</b>	<b>74.524</b>	<b>88.616</b>	<b>(14.093)</b>

The **adjusted net financial debt** is a measure of the financial structure and is calculated as the sum of the items: *Current and non-current financial assets; Cash and cash equivalents; Short-term and medium/long-term loans; Financial payables for current and non-current rights of use*. It should be noted that the *adjusted* net financial debt used by the Company also takes into account non-current financial assets, unlike net financial debt prepared in accordance with the recommendation of the European Securities and Markets Authority (ESMA) of 20 March 2013, which does not provide for the deduction of non-current financial assets from financial debt.

The **adjusted net financial debt** as at 30 June 2020 showed net debt of EUR 67.3 million, compared to EUR 45.7 million as at 30 June 2019.



In detail, consists of cash and cash equivalents of EUR 0.5 million (EUR 2.5 million at 30 June 2019), non-current financial assets of EUR 182.8 million (EUR 174.7 million at 30 June 2019), and debt for a total of EUR 250.6 million (EUR 222.9 million at 30 June 2019):

(€/000)	30/06/2020	30/06/2019	Differences
<i>Non-current financial assets</i>	(182.824)	(174.693)	(8.131)
<i>Non-current loans from subsidiaries</i>	241.979	222.862	19.117
<i>Non-current financial liabilities for right of use</i>	8.160	-	8.160
<b>Long-term net financial indebtedness adjusted</b>	<b>67.315</b>	<b>48.169</b>	<b>19.146</b>
<i>Cash at bank and on hand</i>	(461)	(2.522)	2.061
<i>Short-term loans</i>	0	31	(31)
<i>Current financial liabilities for right of use</i>	478	-	478
<b>Short-term net financial indebtedness adjusted</b>	<b>17</b>	<b>(2.491)</b>	<b>2.508</b>
<b>Net financial indebtedness audjusted</b>	<b>67.331</b>	<b>45.678</b>	<b>21.653</b>

Medium/long-term adjusted net financial debt amounted to EUR 67.3 million, made up as follows:

- Non-current financial assets, amounting to EUR 182.8 million, mainly related to the intercompany loan disbursed in August 2019 to AS Roma, as part of the Group's overall financing transaction.
- Medium/long-term loans, for a total of EUR 242 million, relating to the intercompany loan disbursed by MediaCo., as part of the Group's overall financing transaction.
- Financial payables for long-term rights of use for EUR 8.2 million, resulting from the first-time adoption of IFRS 16 Leases accounting standard.

Short-term adjusted net financial debt amounted to EUR 0.01 million and consists of the short-term portion of financial payables for rights of use, amounting to EUR 0.5 million, offset by cash and cash equivalents of EUR 0.5 million.

Finally, the table of financial flows of the 2019/20 financial year is shown below:

(€ / 000 )	30/06/2020 12M	30/06/2019 12M
<b>A) Net cash from operating activities</b>	(8.729)	(7.662)
<b>B) Net cash from investing activities</b>	(252)	(0)
<b>C) Net cash from financing activities</b>	6.920	9.231
<b>D)=(A+B+C) TOTAL CASH FLOW</b>	<b>(2.061)</b>	<b>1.568</b>

## RELATIONS WITH RELATED PARTIES

Soccer Sas has both commercial relationships as well as relationships for the provision of services of an administrative and financial nature with related parties, in particular within the AS Roma Group, meaning as such the parties defined by the international accounting standard IAS 24 - adopted according to the procedure set out in Article 6 of EC Regulation No. 1606/2002 - (hereinafter, "Related Party Transactions").

Transactions with related parties, identified in accordance with the provisions of IAS 24 and set out below, refer to transactions of a commercial and financial nature, that were carried out at arm's-length conditions, or similar to those usually applied to unrelated parties for transactions of a similar nature, amount and risk, and in compliance with current legislation.

In particular, the Company's activity is currently mainly characterised by the management of the following agreements:

- business lease with MediaCo;

- intercompany loan agreements signed as borrower with MediaCo as lender;
- intercompany loan agreements signed as lender with AS Roma as borrower;
- agreements entered into to guarantee the Bond.

In particular the Internal Committee for Control and Risk Management of AS Roma, based on the opinion issued by Prof. Tiscini on 24 July 2019, found the convenience of the Transaction represented by the possibility for the Company to: (i) meet the needs connected with its operational management in the medium - long term; (ii) stabilize the financial performance of the Company; (iii) limiting the need to resort to short-term forms of financing; (iv) facilitate the economic and financial planning of the Company and the Group. The Internal Committee for Control and Risk Management of AS Roma, on 24 July 2019, unanimously expressed a reasoned favorable opinion on the completion of the operations functional to the issue of the Bond Loan.

Finally, other related-party transactions relate to the Group VAT: since January 2017, the parent company NEEP, together with its subsidiaries AS Roma, Soccer, MediaCo, Roma Studio, Brand Management, A.S. Roma Real Estate and Stadio TDV, adhere to the NEEP Group VAT settlement procedure, settling payments with the parent company NEEP.

For further details on related-party transactions and the related statement of financial position and income statement balances, please refer to the Explanatory Notes of the following Financial Statements, and more specifically to the Accounting statements and to the explanatory note 5 "*Related-party transactions*".

## **INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND PARENT COMPANIES**

As at the end of this financial year, only shareholdings in subsidiaries are recorded. Namely, the Company holds a shareholding in ASR Media and Sponsorship S.p.A., equal to EUR 127.3 million (EUR 127.3 million as at 30 June 2019), following the transfer of the business unit, made on 11 February 2015 and representing 88.66% of the share capital of the subsidiary.

## **RELATIONSHIPS WITH THE GENERAL PARTNER BRAND MANAGEMENT S.R.L.**

Soccer Sas is subject to the direction and coordination of Brand Management Srl, in its capacity as general partner (*socio accomandatario*). It is believed, in this specific case, that the publication duties provided by Article 2497 bis, paragraphs 1 and 2, of the Italian Civil Code, are fulfilled in the light of the name of Soccer, which includes, as provided by the law, the name of the general partner. Brand Management Srl, following the purchase of 100% of its share capital by NEEP Roma Holding S.p.A., became a company with a sole shareholder, subject to direction and coordination of AS Roma SVP LLC, as per Articles 2497 sexies and 2497 septies of the Italian Civil Code, and is currently exercised by RRI.. It should be noted that the Board of Directors of the Company is designated by, and is an expression of, A.S. Roma S.p.A., and therefore the Company is under the control and direction of A.S. Roma S.p.A.

## **RESEARCH AND DEVELOPMENT COSTS**

As at 30 June 2020, the Company had no research and development activity; among the balance sheet items, therefore, no capitalised costs are recorded in that regard.

## **HUMAN RESOURCES**

As at 30 June 2020, management and employee personnel consisted of 79 resources, with no changes compared to 30 June 2019. The average number of employees in 2019/20 was 81, compared with an average number of 89 in 2018/19. More detailed information about the dynamics and composition of labour costs is provided in the section of this Report entitled "Operating Performance and Financial Position" and in explanatory note No. 8.11 "Personnel Expense".



## MAIN LEGAL PROCEEDINGS AND DISPUTES

Soccer SAS is a party, either as a plaintiff or defendant, in certain judicial proceedings, both ordinary and ex parte proceedings, as well as litigation of various kinds, the outcome of which is, at present, objectively uncertain, and which concern, more specifically, past relationships with clients. Given the uncertain outcome of the disputes, the Company has set up a specific bad debt provision which is adjusted for each year.

The following is a list of the litigation to which the Company is a party:

### TAX LITIGATION

The Revenue Agency - Provincial Directorate I of Rome - Control Office, on 27.09.2018, following a control activity concerning the tax periods from 01.07.2012 to 30.06.2014, notified the Company a Verbal Assessment Process. Soccer, after submitting an application for assessment with adhesion, defined the PVC in question by taking advantage of the facilities provided for by art 1 of the D.L. 119 of 2018. The total amount due, as resulting from the supplementary declarations presented, amounts to € 84,911.00. On 24.05.2019 the Company made the payment of the amount of € 4,245.55, which before the twenty quarterly installments due. It should also be noted that the tax obligations have been duly discharged and there are no tax payables due at the date of this report.

### LABOUR LITIGATION

Soccer is party to some disputes and legal actions connected with the normal performance of its activities. However, on the basis of the information currently available, the Company believes that it is unlikely that these proceedings and actions will result in significant negative effects.

### OTHER LITIGATION

*AS Roma, Soccer / Basic Italia (ordinary litigation)*

AS Roma and Soccer have been sued by Basic to recover damages caused by the alleged breach of the technical sponsorship agreement made on 12 June 2010, pursuant to which Basic was appointed as official technical Sponsor of the team for seven years. That agreement established that AS Roma and Soccer had a discretionary power to procure an early termination of that agreement upon the occurrence of certain events, as expressly indicated in the same agreement, among which, by way of example only and without limitations, the production and trading by Basic of products different from those approved pursuant to the sponsorship agreement. On 23 November 2012, AS Roma and Soccer have terminated the above agreement for breach of duties, alleging serious defects found in the technical materials and the clothing line realised by Basic or the sport season 2012/2013. With a statement of claims notified on 5 December 2012, Basic sued AS Roma and Soccer, maintaining that the breach of duties alleged by ASR and Soccer could not justify their early termination of the agreement, and claimed restoration of damage suffered as a consequence of such termination, for an amount of about EUR 62 million.

With a statement of defence and connected counterclaim, AS Roma and Soccer rejected all claims made by Basic, due to their being inadmissible and/or lacking any reason and therefore asking for a full reject of the counterpart's claims and also asking for the termination of the above agreement on the basis of facts and faults attributable to Basic itself, to be therefore sentenced to restoration of damages for an amount double of the one requested by Basic and namely for overall EUR 100 million to be paid to AS Roma and EUR 35 million to be paid to Soccer, besides interest and monetary revaluation.

The Expert appointed by the Court to make all necessary technical investigations, as requested by the Judge, has completed its investigations and has deposited its conclusions with the Court. At the hearing set to confirm the parties' positions, the Judge ruled that the case was ready to be decided and granted the parties a term to submit their final pleadings, starting from 20 November 2018.

By an agreement signed on 7 January 2019, AS Roma, Soccer and Basic agreed to settle the litigation among them, waiving their mutual claims, reasons and rights enforced, with a joint commitment to have the relevant case dismissed for relinquishment.

*Soccer / Basic (proceedings for the opposition to a payment order)*

Simultaneously, proceedings between Soccer and Basic were pending before the Court of Rome concerning the opposition to a payment order obtained by Basic Italia against Soccer in January 2013, whereby the Court ordered Soccer to pay EUR 534,094.48 to Basic Italia, in addition to interest in accordance with Legislative Decree No. 231 of 2002.

By means of the opposition to the payment order, Soccer rejected all claims brought by Basic Italia, asking for revocation, cancellation and/or statement of ineffectiveness of that order, including due to a serious breach of duties by Basic Italia in relation to the technical sponsorship agreement entered into on 12 June 2010.

The Expert appointed by the Court to make all necessary technical investigations, as requested by the Judge, has completed its investigations and has submitted its conclusions with the Court. At the hearing set to confirm the parties' positions, the Judge has retained the documents of these proceedings and has given the parties a deadline to file their final statements, starting from 20 November 2018.

By an agreement signed on 7 January 2019, AS Roma, Soccer and Basic agreed to settle the litigation among them, waiving their reciprocal claims, reasons and rights enforced, with a joint commitment to have the relevant case dismissed for relinquishment.

## **MAJOR RISKS AND UNCERTAINTIES TO WHICH THE COMPANY IS EXPOSED**

As a supplement and further specification of the information contained in this Report, the following is a concise description of the major risks and uncertainties to which the Company is exposed. For an analysis of the main financial risks (credit risk, interest rate risk, exchange rate risk, liquidity risk, derivative financial instruments, risk connected with contractual covenants) connected with the ordinary course of the Group's operations, reference should be made to the relevant section of the following Explanatory Notes No. 9.

### **RISKS RELATED TO THE FINANCIAL SITUATION OF THE COMPANY AND THE GROUP**

#### *RISKS ASSOCIATED WITH THE SPREAD OF THE COVID-19 VIRUS*

As already described in the paragraph "Significant events that occurred during the year", since January 2020, the national and international scenario has been characterised by the spread of the COVID -19 virus, declared a "pandemic" by the World Health Organization, and the consequent restrictive measures for its containment issued by the public authorities of the areas concerned. National governments have adopted extraordinary measures and provisions to prevent and/or limit the spread, including restrictions on the movement of goods and persons, suspension of economic activities and all professional sporting activities, including the Serie A and UEFA competitions. The Serie A Championship was then resumed in June 2020 and was completed on 2 August 2020, while the remaining matches of the UEFA competitions were played in August 2020. In addition, the 2020/21 season's Serie A championship began on 19 September 2020, while UEFA competitions began in October 2020, with matches initially played behind closed doors, and subsequently with admission allowed to a thousand spectators.

Despite the measures adopted by the Company to mitigate its consequences, this emergency situation, extraordinary in nature and extent, has had and is having significant repercussions on the economic activities of the Company and the Group, resulting in a context of general uncertainty, the evolution and related effects of which are not currently foreseeable. More specifically, negative developments in the COVID-19 pandemic or possible future epidemics could once again lead to the interruption of sporting competitions and/or their cancellation, which could have a negative impact mainly on Soccer's and AS Roma's revenues from Television rights, Sponsorships, and in general from all the Group's commercial activities, thus generating losses and, consequently, greater financial requirements, compromising the prospects of the Group as a going concern.

### *RISKS RELATED TO FINANCIAL REQUIREMENTS*

The Company and the Group finance its financial requirements through the cash flows generated by ordinary operations including, among other things, any net operating cash flows that could be achieved through participation in UEFA competitions and any disposal of available company assets, and more specifically RSS (players' registration rights). The development of the financial situation therefore depends on many factors and, more specifically, on the achievement of the envisaged sports and economic objectives, on the general conditions of the economy and the markets in which the Group operates and, in the case of the transfers of RSS, also on the agreement between the two clubs and the player himself, whose decision is beyond the company's control.

### *RISKS ASSOCIATED WITH EXPOSURE TO RECEIVABLE LOSSES IN THE EVENT OF DEFAULT ON AUDIO-VISUAL RIGHTS AGREEMENT AND MAJOR SPONSORSHIP AGREEMENTS*

Soccer is exposed to the risks associated with the failure to collect unsecured receivables from audio-visual broadcasters and major sponsors from which it derives the most significant part of its revenues, which are concentrated on a limited number of counterparties.

### *LIQUIDITY RISK*

The ability to meet its ordinary cash requirements could be affected by the mechanism for channelling cash and cash equivalents provided for in the agreements signed under the Bond issued in 2019, which provide, more specifically, a potential constraint of use due to the mandatory mechanism for channelling cash receipts and uses of cash and cash equivalents to guarantee the exact fulfilment of the obligations undertaken, and therefore temporarily limit the use of cash and cash equivalents. Such channelling mechanism is defined through the assignment without recourse of receivables or through MediaCo being conferred mandate to collect all receivables assigned without recourse or as guarantee and therefore collect any payment made by, or on behalf of, AS Roma's and Soccer's debtors, concerning in particular the TV rights related to Serie A championship and European competitions, licensing and sponsorships activities, as well as the "direct media rights", whose activities are linked to the TV channel "Roma TV" and the radio channel "Roma Radio", as well as other activities carried out on digital platforms (e.g., website, Facebook, Twitter, WeChat, Instagram, YouTube, Pinterest, Giphy, Weibo).

Under this mechanism contractually provided for, the use of the AS Roma Group's available cash may be temporarily restricted, with negative effects on the temporary cash flow of the cash and cash equivalence necessary to meet the immediate cash flow needs, so as to prevent payment of debts at due dates, which, in the specific case of payables towards football clubs for transferred players, and salaries, including taxes and tax withholdings, accrued vis-à-vis staff registered with the Company, can negatively affect the issuance of the National License, to register for Serie A Championship, and of the UEFA License, to register for European competitions.

### **RISKS ASSOCIATED WITH THE GROUP'S OPERATIONS AND THE SECTOR IN WHICH IT OPERATES**

#### *RISKS ASSOCIATED WITH DEPENDENCE ON THE MARKET FOR RADIO AND TELEVISION RIGHTS FOR SERIE A, COPPA ITALIA AND UEFA*

The Soccer's revenues depend to a significant extent on the income deriving from the centralised sale of radio and television rights related to the Serie A and Coppa Italia Championship and the related sales methods and criteria for their distribution, as well as the income generated from participation in UEFA competitions. The rules governing the ownership of the radio and television rights to the above-mentioned sports competitions, and the distribution of the income earned from their assignment, do not allow the direct management by the Company.

More specifically, a possible contraction in the rights market, as well as a change in the criteria adopted for the distribution of resources deriving from the centralised marketing of radio and television rights, both at

national and European level, could lead in the future to a significant reduction in revenues with negative effects on economic results and on the Group's equity and financial position.

#### *RISKS ASSOCIATED WITH PARTICIPATION IN SPORTS COMPETITIONS*

The participation of the First Team in the various national and European sports competitions, more specifically the UEFA Champions League, as well as its performance in these competitions, have a significant impact on the economic and financial results for the first six months of the financial year. More specifically, non-participation in the national professional championships could undermine the assumption of business continuity. In fact, such a scenario could prevent the Company from continuing its activities. Failure to participate in European competitions involves rather significant negative effects on the Group's development strategies, activities, prospects and, more generally, its economic and financial situation. The lower revenues achieved would in fact be accompanied by a lower visibility of the Company's brand and, consequently, a lower negotiating power of the Company when renewing the various contractual relationships for sponsorships, the sale of premium seats, and other marketing activities, as well as a decrease in the value of players' performance rights, where assigned.

Participation in the Serie A championship is linked, in addition to the sports title attained (placement in the top 17 positions in the Serie A championship of the previous season), to obtaining the National Licence, which envisages compliance with sporting, legal, infrastructural, organisational and economic-financial requirements set annually by the F.I.G.C. Federal Council in the framework of the approval of the regulations regarding the National Licensing System.

Participation in European competitions is linked, in addition to the sports title attained, to obtaining the so-called "UEFA Licence", for the attainment of which the Licence applicant must demonstrate that it meets the requirements of the UEFA Licensing Manual, which are of a sporting, legal, infrastructural, organisational and economic-financial nature. In addition, all clubs qualified for European competitions are automatically subject to compliance with the so-called Financial Fair Play (FFP), the set of rules and monitoring criteria imposed by UEFA, based more specifically on three pillars: business continuity, the so-called "break even rule", and no past due debts to other clubs, players or social security and tax authorities.

#### *RISKS ASSOCIATED WITH DEPENDENCE ON SPONSORSHIP AND OTHER COMMERCIAL AGREEMENTS*

The Group's total revenues also depend to a significant extent on sponsorship agreements and, more generally, on commercial agreements, including agreements related to the management and exploitation of television and image rights that the Company holds under the provisions of the Melandri-Gentiloni Law.

This income is derived from investments made by third-party companies and could be influenced by the economic recession that has affected the economy of many Countries in recent years, including Italy. In the event that the economic crisis should continue and, consequently, should the state of uncertainty that characterises the current global economic scenario be confirmed, there is the possibility of a further reduction in investments in the sports sponsorship sector by companies, with possible negative effects on the Group's economic and financial results.

The Company is also subject to the risk of counterfeiting its trademarks by third parties and for this reason has implemented a strong policy to combat counterfeit products. However, in addition to collaborating assiduously and actively with the competent authorities, in order to suppress possible injuries by third parties and to react to counterfeiting phenomena (so-called "brand protection") the Company has included specific clauses in the licensing agreements, which oblige licensees to actively cooperate with the Company in monitoring any infringement of AS Roma's trademark rights and to prosecute the infringement of its trademarks on an ongoing basis, thanks also to the constant collaboration with the Customs Agency and the Italian Tax Police, including before the judicial authorities, in both civil and criminal cases.

#### *RISKS RELATED TO THE OUTCOME OF ONGOING LEGAL DISPUTES*

The assessments made by the Directors, regarding the proceedings and litigation, and more specifically the determination of the allocations to specific provisions for risks and bad debts, are based on their best knowledge at the date of preparation of the Report and take into account the fact that the Company is also an active party in the main disputes. The Directors therefore believe that the sums allocated are adequate in the light of the circumstances at the date of this Report and in compliance with the relevant accounting standards, according to which a provision is made when the liability is probable and reasonably quantifiable. However, especially in the event of a loss in the disputes to which the Group is a party, these provisions may not be sufficient to fully meet the claims for damages and/or restitution related to pending proceedings.

For information on judicial, civil, tax or labour-related proceedings to which the Group is a party, please refer to the previous paragraph *"Main legal proceedings and disputes"* of the following Report.

#### *RISKS RELATED TO ALTERNATIVE PERFORMANCE MEASURES*

The Group is exposed to the risk that the Alternative Performance Measures ("APMs") it uses may prove to be inaccurate or inefficient. In fact, these APMs, although very common in practice, are not defined or specified by the accounting standards applied for the preparation of the annual financial statements or interim reports on operations.

#### **RISK FACTORS RELATED TO CORPORATE AND GOVERNANCE FACTORS**

##### *RISKS RELATED TO THE VALUE OF THE "AS ROMA" BRAND*

The Company is exposed to the risk of the loss of value of the "AS Roma" brand, of seeing the reputational stability of its brand weakened, and to the violation of its intellectual property rights by third parties. The value and success of the AS Roma brand depends, on the one hand, on the sporting performance of the First Team and, on the other, on relations with third parties. In turn, the relationships with potential and current sponsors rely on the value and success of the brand and are strongly influenced by AS Roma's popularity as a football team and, therefore, also as a brand. Any negative publicity about the sporting performance of the First Team or the behaviour of some of its players (or their families), directors, managers with strategic responsibilities, employees or fans (both on and off the pitch) may have a negative effect on the reputation of AS Roma and, therefore, on the popularity of the brand. This risk is greater in relation to the behaviour of those players who have greater visibility both in Italy and abroad.

##### *RISKS ASSOCIATED WITH THE REDUCTION IN THE POPULARITY OF PROFESSIONAL FOOTBALL AND NATIONAL AND INTERNATIONAL COMPETITIONS*

The revenues generated by professional football and national and international competitions are significantly dependent on the popularity and attractiveness of professional football. Its reduction due to a lack of interest in national and international competitions, competition from other sports, or a scandal linked, for example, to clashes or doping or illegal sports betting, could have significant negative effects on the Group's economic, equity and financial situation and on its activities, strategies and prospects.

##### *RISKS RELATED TO THE USE OF THE STADIO OLIMPICO*

The Company is not the owner of the Stadio Olimpico in Rome, the sports facility that hosts the First Team's official matches. On 11 August 2017, an agreement was signed with the CONI, owner of the Stadio Olimpico sports facility in Rome, under which the use of the Stadio Olimpico was granted for a period of four sports seasons from the start of the 2017/2018 sports season until the end of the 2020/2021 sports season. However, it is not possible to predict with certainty a renewal of the agreement beyond the 2020/2021 season and a negative event in this sense could have negative repercussions, even significant ones, on the Group's business and on its equity, economic and financial situation.

Furthermore, under the concession, in the event of damage to the structure of the Stadio Olimpico, CONI has the right to intervene directly to carry out the related repairs and may exercise the right to request the Company to reimburse the costs incurred for repairs.

Finally, it should be noted that operating activities at the stadium could be influenced by natural disasters, technical problems, or even terrorist attacks, with negative effects on the Company's equity, economic and financial situation.

#### *RISKS ARISING FROM THE TRANSACTIONS WITH RELATED PARTIES*

The Company is exposed to the risk that if transactions concluded with Related Parties had been concluded between, or with, unrelated third parties, the latter would have negotiated and entered into the related agreements, or carried out the transactions themselves, at terms and conditions and with procedures that are more advantageous to the Company. However, in this regard, it should be noted that on 3 December 2010, the Company adopted a procedure for related party transactions in compliance with Consob Regulation No. 17221/2010, subsequently supplemented and updated, and in the Company's opinion, related party transactions are and have been carried out at normal market conditions and in accordance with the procedure for related party transactions adopted by the Company. However, there is no certainty that if such transactions had been concluded with third parties, the same would have negotiated and entered into the relevant agreements, or carried out the same transactions, under the same conditions and in the same manner.

Moreover, the termination for any reason of one or more relationships with related parties could lead to difficulties due to the continuation of such relationships, or to the definition of the same under different and less advantageous conditions.

#### **RISKS RELATED TO THE LEGAL AND REGULATORY FRAMEWORK OF THE SECTOR IN WHICH THE GROUP OPERATES**

##### *RISKS RELATED TO CHANGES IN THE TAX AND REGULATORY REGIME OF THE SECTOR*

The Company operates mainly in Italy, where it is subject to the payment of taxes and duties. The Group fulfils its tax obligations, in some cases, on the basis of the interpretation of current tax legislation and regulations, and may therefore be subject to negative effects deriving from changes in the tax legislation to which it is subject. Changes in tax legislation, or its possible interpretation, also following verifications by the Tax Authorities, could expose the Company to negative consequences on its economic, equity and financial situation.

Furthermore, professional football activity is governed by extensive, stringent and detailed national and international legislation. Any changes in the regulatory framework within which the Company operates, the adoption of new measures by the competent sports bodies (including, by way of example, the adoption of stricter parameters for registration for championships, for the admission to the acquisition of players' registration rights, or the issuance of the UEFA Licence) or sudden changes in the current practice of interpreting current legislation, could significantly affect the Group's activities and the participation of the First Team in competitions, entail an increase in costs related to the management of the First Team and/or a reduction in revenues, with possible negative effects on the Group's economic, equity and financial situation, as well as on its activities and prospects.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The company Soccer Sas of Brand Management S.r.l is consolidated in the A.S. Roma Group in accordance with the IAS/IFRS Standards, which A.S. Roma is required to apply when drawing up its annual financial statements and interim accounting positions, according to which Soccer Sas is considered a special purpose vehicle-company and, therefore, falling under the area of consolidation of AS Roma.

Moreover, also in application of the provisions envisaged by the economic-financial criteria of the National Licensing and UEFA Licensing system, compliance with which is decisive for participation in national and international competitions, Soccer S.a.s. is included in A.S. Roma's scope of consolidation, in consideration of a broader group definition, as understood by the aforementioned Regulations.



As a result of these considerations, the Company prepares its annual financial statements on the basis of international accounting standards, in line with what A.S. Roma has done.

## **BUSINESS OUTLOOK AND GOING CONCERN**

A negative result is also expected for the next year, albeit an improvement compared to the result for the year ended June 30, 2020. However, this forecast does not include any new situations of resurgence of the Covid-19 pandemic in the coming months, with respect to which the Company directors will monitor the evolution of management with respect to forecasts and will evaluate any actions, if necessary, to guarantee business continuity.

However, it should be noted that the going concern of the Company is closely related to the going concern of AS Roma and of AS Roma Group.

The AS Roma's income statement and statement of financial position as at 31 March 2020, approved on 14 May 2020 by the Board of Directors, revealed a statutory economic result of a loss of EUR 126.4 million for the first nine months of the 2019/2020 financial year, and a separate Shareholders' Equity of A.S. Roma S.p.A. that was negative for EUR 26.8 million, with a situation of reduction in the shareholders' equity of A.S. Roma S.p.A. for losses such as to integrate the legal case referred to in Article 2447 of the Italian Civil Code (reduction of the share capital - for operating losses - by more than one third and beyond the legal limit for the company type).

The fourth quarter of the 2019/20 financial year also showed a significant deterioration in the Group's economic, financial and equity position, and the statutory loss at 30 June 2020 is estimated to EUR 188 million, with a further worsened the separate shareholders' equity of A.S. Roma S.p.A., which is estimated negative for EUR 88 million at the end of the financial year, compared with EUR 10.5 million at 30 June 2019, for a decrease of about EUR 99 million.

However, the AS Roma has decided not to adopt measures in this regard, mainly taking into account: (i) of art. 6 of the Liquidity Decree which suspended the application, among others, of art. 2447 of the Civil Code; (ii) the share capital increase approved by the Shareholders' Meeting of 28 October 2019, for an amount up to a maximum of Euro 150 million, the execution of which is scheduled for 31 December 2020, as well as the subsequent proposal approved by the Board of Directors on 25 October 2020 to extend to 31 December 2021 the deadline for the completion of this share capital increase, and the increase of the maximum amount up to Euro 210 million of divisible and paid-for share capital, which will be submitted for approval to the next Shareholders' Meeting called for 9 December 2020 on first call and, if necessary, on 10 December 2020, on second call; (iii) the budget data updated and approved by the Board of Directors on October 25, 2020 which provide for the recovery of the separate equity deficit within 31 December 2020, through the contributions by the indirect controlling shareholder Romulus and Remus Investments LLC, through the parent company NEEP.

At the consolidated level, the loss for 2019/2020 financial year is estimated EUR 204,0 million and consolidated Equity attributable to AS Roma Group at 30 June 2020 is estimated negative by EUR 241 million, down of EUR 113 million compared with 30 June 2019.

The negative results for the 2019/20 financial year and the consequent financial deterioration recorded are due, more specifically, to participation in the UEFA Europa League in the 2019/20 season, which generated revenues significantly lower than the UEFA Champions League revenues achieved in the previous financial year, as well as the spread of the COVID 19 virus, declared a "pandemic" by the World Health Organisation, and which, from January 2020, has characterised the national and international scenario. In fact, among the restrictive measures issued by the public authorities of the areas concerned, to prevent and/or limit the spread, there are restrictions on the movement of goods and persons, suspension of economic activities and all professional sporting activities, including the Serie A and UEFA competitions.

In this context, the AS Roma Group has taken all useful measures to deal with the changed scenario and mitigate the economic and financial impact. More specifically, a financial agreement was reached with the players of the first team and its coach, for the rest of the 2019-20 season, aimed at waiving the salaries for

the months of March, April, May and June 2020, for a total gross amount of approximately EUR 30 million, and at the same time defined with them an individual incentive plan for the following football seasons, as well as for the current season.

The Group has also activated the socio-economic safety nets provided for by the Presidential Decrees of the Council of Ministers on March 2020 for some employees, and the players of the first team, the coach and his staff have undertaken to compensate the difference in net remuneration received by these employees, and an agreement was also reached with the AS Roma's management and technical staff, who waived part of their salary during this period.

Finally, it should be noted that AS Roma and the Group, with reference to tax and social security payments due in March, April, May and June 2020, exercised the option afforded by the provisions of Article 61 of Decree-Law No. 18 of 17 March 2020 (converted into Law No. 27/2020), as subsequently amended by Article 127 of Decree-Law No. 34 of 19 May 2020 (converted, with amendments, by Law No. 77/2020) and suspended the payment of withholding tax and social security charges for a total of EUR 13.4 million, almost entirely relating to AS Roma, whose payment was initiated by AS Roma and the Group on 16 September 2020 in application of the provisions of Article 97 of Decree-Law No. 104 of 14 August 2020.

Nevertheless, despite the measures adopted by the Group to mitigate its consequences, this emergency situation, extraordinary in nature and extent, has had and is having significant repercussions on the economic activities of AS Roma and the Group, resulting in a context of general uncertainty, the evolution and related effects of which are not currently foreseeable, such as to have negative repercussions mainly on AS Roma's income from broadcast rights, sponsorships, and in general all the Group's commercial activities. Moreover, the trend in income was only partially offset by lower costs, whose reduction during the year is mainly related to club members.

In this context, there is also the continuous financial and equity support whenever necessary by the direct controlling shareholder NEEP which, during 2019/20, converted EUR 29.1 million from Shareholders' Loans into payments for share capital increase of AS Roma, recorded under "Shareholder reserve for capital increase" - in addition to providing further EUR 60 million of liquidity, recorded by AS Roma in the aforementioned Shareholders' Equity reserve "Shareholder reserve for capital increase" - in both cases in order to advance the amounts allocated to the subscription by NEEP of the relevant portion of the AS Roma capital increase, approved by the Shareholders' Meeting of the latter on 28 October 2019, for which the Board of Directors has proposed the extension to 31 December 2021 of the deadline for its completion, and the increase of the maximum amount up to Euro 210 million. The above amounts, for a total Euro 89.1 million, were irrevocably allocated to equity referable to NEEP and to be allocated entirely and automatically, for the entire benefit of NEEP, to the execution by NEEP of the non-refundable upcoming share capital increase of AS Roma.

In addition, it should be noted that NEEP has also: (i) disbursed additional shareholder loans of EUR 3 million in April 2020 in favour of AS Roma in accordance with Prime Ministerial Decree No. 23 of 8 April 2020 (the so-called "Liquidity Decree"); and (ii) paid to AS Roma, as consideration due in execution of the "Purchase and Sale Agreement" signed on 27 May 2020 (agreement concerning the purchase and sale of future receivables without recourse between AS Roma, as transferor, and NEEP, as transferee), totalling EUR 19 million, of which EUR 7 million was paid in June 2020 and EUR 12 million paid after the end of the financial year, in July 2020.

The first part of the 2020/21 financial year was characterised by the transfer of the controlling interest in AS Roma, finalised on 17 August 2020, from AS Roma SPV, LLC to Romulus and Remus Investments LLC (hereinafter "RRI" or "Indirect controlling shareholder"), a company specifically appointed by the American group THE FRIEDKIN GROUP, INC.<sup>1</sup>. RRI, after 30 June 2020, itself (i) immediately supported the AS Roma's

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<sup>1</sup> RRI controls 100% of NEEP Roma Holding S.p.A., a joint-stock company under Italian law that owns 83.284% of the majority stake of the capital of A.S. Roma S.p.A., and directly owns 3.293% of the voting shares of A.S. Roma itself. RRI is a Delaware limited liability company, with registered office in Wilmington, Delaware, 1209 Orange Street and operating headquarters in Houston, Texas, 1375 Enclave Parkway, registered in the State of Delaware under No. 7868101. It is directly controlled by Romulus and Remus Holdings LLC, a Delaware limited liability



working capital needs through shareholder loans for a total of EUR 78 million, paid to AS Roma between August and October 2020 through the parent company NEEP; (ii) made the payment of the Consent Fee of EUR 14.6 million due to the Bondholders following the approval of the granting of certain waivers and some changes to be made to the Indenture, including the waiver of the exercise of the Bondholders' right to ask the MediaCo to proceed with the repurchase, in whole or in part, of the Bonds.

Furthermore, as communicated on August 17, 2020 in the Information Document relating to transactions of greater importance with related parties, in the mutual termination of the "Purchase and Sale Agreement", together with the related agreements, the direct controlling shareholder NEEP has converted the purchase price of the transferred receivables already paid to AS Roma, for an amount of EUR 19 million, into a shareholder loan.

Finally, with a letter dated 22 October 2020, with reference to the total loans described above, equal to EUR 114.6 million, NEEP confirmed, at the date of the next shareholders' meeting of AS Roma S.p.A., convened on 9/10 December 2020, called upon to approve, among others, (x) the postponement to 2021 - and the increase in the amount - of the capital increase of A.S. Roma S.p.A. (the "Share Capital Increase") up to EUR 210 million, (y) the financial statements at 30 June 2020 of AS Roma, the automatic, full and irrevocable conversion into "Shareholder reserve for capital increase" for the full benefit of NEEP itself, for NEEP's execution of the expected non-refundable capital increase of AS Roma. Moreover, in the same letter it is confirmed that, upon the execution of the Capital Increase, the mentioned shareholder's loans as converted into "Shareholder reserve for capital increase" will be automatically and entirely allocated to the non-refundable subscription by NEEP of the AS Roma's shares to be issued in the context of this Capital Increase.

On October 25, 2020 is convened the Board of Directors of AS Roma in order to examine an update of the consolidated forecast data for the financial year 2020/2021 ("Budget Data"), to take into account the economic, financial and equity impact of the transfer of players defined during the summer session of the transfer campaign, the business strategy of the indirect controlling shareholder RRI, as well as the effects resulting from the spread of the COVID-19 virus and the new containment measures adopted by national and international authorities.

The Budget Data on October 25, 2020 also envisages for the 2020/21 financial year a further significant deterioration in the economic, financial and equity situation of AS Roma and the AS Roma Group, characterised, among other things, by a still negative income trend, a capital deficit, even though, with reference to the separate financial statement of AS Roma S.p.A., the scenario set forth by art. 2447 of the Italian Civil Code is forecast to be overcome within 31 December 2020, and relevant financial requirements. Furthermore, the Board of Directors, as mentioned above, proposed to postpone the deadline for the execution of this share capital increase to 31 December 2021, and to increase the maximum amount of the divisible and paid share capital increase up to EUR 210 million.

The Directors have assessed that the events and circumstances described may give rise to doubts on the AS Roma's ability to continue operating as a going concern. In particular, following the suspension of the championship, the expected revenues from the sale of tickets for the matches that have not been played, and which - even with the resumption of the championship - have and will still be played without the possibility of access to the stadiums by of the spectators. Furthermore, further uncertainties emerge in relation to the transfer operations of players' registration rights which could, in this economic context, be partially affected by a potential reduction in investments in the sector, and eventually, on the timing to carry out such transfer operations. Any negative evolution of the previously outlined uncertainties could lead to the occurrence of further losses and, consequently, of additional financial needs, additional to those provided for in the Budget Data, even though their amount is currently difficult to forecast.

Therefore, the Budget Data require a series of actions necessary to ensure an adequate management of capital and financial resources and cash requirements, which make it possible to meet the requirements deriving from operating activities, investments made and financial payables falling due within the next 12

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company, which holds 100% of the share capital. Romulus and Remus Holdings LLC is in turn 99% owned by Mr Thomas Dan Friedkin and 1% by Quantum Investment Holdings, Inc., a Delaware corporation. Mr Thomas Dan Friedkin owns 100% of the share capital of Quantum Holdings, Inc..

months. More specifically, AS Roma expects to cover its financial and capital needs and to have sufficient capital resources through one or more of the following actions:

- the cash flows generated from ordinary activities including, inter alia, any additional net operating cash flows that could be generated during the participation in the UEFA Europa League competition this season, as well as any participation in European competitions in the 2021/22 sports season;
- any disposal of available company assets, and more specifically of multi-year players' registration rights (RSS), which would give rise to values that are currently unrecorded, in line with what has happened in recent years, also taking into account that the overall market value of the RSS is reasonably higher than the book value and therefore represents a solid basis for both financial and economic security for the future. In any case, it should be noted that the transfer of RSS is in any case conditioned on the agreement between the two clubs and the acceptance of the transfer by the player himself, whose decision is outside of corporate control;
- the subscription of the Capital Increase approved by the Shareholders' Meeting on 28 October 2019, considering also the new amount proposed by the Board of Directors to the Shareholders and the amounts already converted to the "Shareholder reserve for capital increase", through the contribution already paid to AS Roma by way of shareholder loans for a total of EUR 92.6 million after 30 June 2020, assuming the irrevocable commitment to convert them in full, at the date of the next shareholders' meeting of AS Roma S.p.A. called for 9/10 December 2020, in the "Shareholder reserve for capital increase" and the additional contributions by NEEP already recorded in this reserve;
- the contribution of additional financial and / or equity resources by the Indirect controlling shareholder that has irrevocably committed to financially support AS Roma so that it can overcome the case referred to in art. 2447 C.C. and to provide the necessary resources so that it can operate as a going concern with reference to a time horizon of at least twelve months from the date of issuance of the draft financial statements by the Board of Directors.

However, any adverse developments in the COVID-19 pandemic or possible future outbreaks could affect the activities of AS Roma and other Serie A clubs, and the ability to successfully complete the aforementioned actions, as well as the smooth running of Serie A and of the other European competitions in the current season or in the next seasons that are not foreseeable at the date of approval of the Annual Financial Report as at 30 June 2020. In the event of a negative evolution of these hypothetical circumstances, which represent uncertainties, it could determine the occurrence of further losses and, consequently, of further financial needs, in addition to those reflected in the aforementioned Budget Data even though their amount is currently difficult to determine. It should be noted that the Budget Data is based on the AS Roma's assessment of events and situations that are currently expected to occur and of the related actions that AS Roma intends to take. Therefore, these data reflect the assumptions and elements used by AS Roma at the basis of their formulation and represent the best estimate of the equity and financial situation and the economic result for the period expected by AS Roma. In this regard, it should be noted that the preparation of the Forecast Data is based, by its very nature, on the assumption of detailed and complex hypotheses about future events, in many cases outside the company's control, generally characterised by inherent elements of subjectivity and uncertainties, and that in the estimation of the Budget Data there remain the typical uncertainties of a football club.

Consequently, even if prepared by AS Roma with accuracy and on the basis of the best available estimates, some of the base forecast events may not occur or may occur to an extent different from that forecast, while unforeseeable events may occur at the time of their preparation, considering, among other things, the current context resulting from the spread of the COVID-19 virus, thus generating significant deviations between actual and forecast values.

In particular, in the hypothetical circumstance in which the Football Association would be forced to interrupt the sporting season again or to cancel it or to extend the current containment measures for the entire duration of the championship and / or to adopt further measures, a negative reflex could emerge mainly on residual proceeds deriving from television rights and sponsorships, as well as on proceeds from ticketing. Further uncertainties could emerge with reference to the determination of the market value of players' registration

rights, as well as the value connected to the transfer operations of part of these long-term rights provided for in the Budget Data, which could be affected, by the reference context, by a potential reduction in investments in the sector. In the presence of such hypothetical circumstances, the timing for overcoming the recorded capital deficit will be specifically assessed in the context of the unpredictable reference context in accordance with the applicable regulatory scenario. Therefore, AS Roma will continue to monitor the evolution of the factors taken into consideration, so as to be able to take, where necessary, the most appropriate corrective decisions and actions, if necessary, including the contribution of the financial and capital resources through the indirect controlling shareholder RRI as mentioned above.

It should also be noted that the participation of the First Team in the various national and European competitions requires compliance with certain economic and financial requirements, as set by the Federal Council of the FIGC, as well as compliance with the set of rules and monitoring criteria laid down by the UEFA regulations, based in particular on three pillars: the going concern, the so-called Break-even rule, and the absence of overdue debts to other clubs, players or social security and tax authorities. In this regard, it should be noted that the Budget Data require a series of actions that will allow the First Team to take part in the various national and European sports competitions, and that, at the date of publication of this Report, the wages and salaries for September 2020 have been paid to Club members, current and accrued taxes and withholding taxes have been regularly paid and there are therefore no tax payables due, and all payables due to other clubs at 30 September 2020 have also been paid.

After having carried out the necessary checks and assessed the uncertainties described above, on the basis of the considerations illustrated above, and in particular the assessment of the players' registration rights, available for transfer to third parties, of the amount of the systematically realized capital gains in recent years, the contribution of additional financial and equity resources expected by the main controlling shareholder, through RRI, who already stated formally his commitment for at least twelve months from the date of issuance of the consolidated financial statements, as well as the cash flows expected from the continuation of sports competitions, AS Roma believes that there is a reasonable expectation to finalize the aforementioned actions to the extent necessary to ensure adequate management of capital and financial resources and its ordinary cash requirements.

Therefore, the Financial statements have been prepared on a going-concern basis.

In any case, the Company will continue to constantly monitor the evolution of the emergency situation related to the spread of the COVID-19 virus, in view of both the changing regulatory framework and the complex global economic environment, in order to assess the possible adoption of further measures to protect the health and well-being of its Club members, employees and collaborators, and to protect its sources of income and its assets.

## **FINAL CONSIDERATIONS**

Dear Shareholders,

We invite you to approve the Financial Statements for the year ended 30 June 2020, as presented to you, with the proposal to carry forward the loss made in the year ended 30 June 2020, amounting to EUR 14.169.361.

Rome, 23 October 2020

On behalf of the Board of Directors  
of the General Partner  
Brand Management S.r.l.

The Chief Executive Officer  
Guido Fienga



## **ANNUAL FINANCIAL REPORT**

FOR THE FINANCIAL YEAR ENDED AS AT 30 JUNE 2020

# **FINANCIAL STATEMENTS AND NOTES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

## ACCOUNTING STATEMENTS

### STATEMENT OF FINANCIAL POSITION

<b>ASSETS</b>	<i>notes</i>	30/06/2020	30/06/2019
<b>NOT CURRENT ASSETS</b>	€		
Other Intangible assets		-	1,900
Intangible assets	<i>7.1</i>	-	1,900
Plants and machinery		96,851	132,391
Industrial and commercial equipment		38,134	46,023
Other tangible assets		950,452	882,341
Assets under construction		40,057	-
Tangible assets	<i>7.2</i>	1,125,494	1,060,755
Equity investments	<i>7.3</i>	127,296,719	127,296,719
Right of use	<i>7.4</i>	8,507,310	-
Non-current financial assets	<i>7.5</i>	182,823,769	174,693,221
Other non-current assets	<i>7.8</i>	305,246	936,235
Other non-current assets		183,129,015	175,629,456
<b>Total non-current assets</b>		<b>320,058,538</b>	<b>303,988,830</b>
<b>CURRENT ASSETS</b>			
Inventories	<i>7.6</i>	1,255,694	1,292,886
Trade receivables	<i>7.7</i>	23,668,937	15,312,209
Other current assets	<i>7.8</i>	43,848,581	36,100,186
Tax receivables	<i>7.9</i>	1,410,501	1,301,801
Cash at bank and on hand	<i>7.10</i>	461,001	2,521,949
<b>Total Current Assets</b>		<b>70,644,713</b>	<b>56,529,031</b>
<b>TOTAL ASSETS</b>		<b>390,703,252</b>	<b>360,517,861</b>

*The explanatory notes are an integral part of the financial statements*

**STATEMENT OF FINANCIAL POSITION**

<b>LIABILITIES</b>	<i>notes</i>	30/06/2020	30/06/2019
<b>EQUITY</b>	€		
Share capital		123.432.270	123.432.270
Actuarial loss reserve		(369.205)	(445.989)
Accumulated loss		(34.370.050)	(30.114.337)
Loss for the period		(14.169.361)	(4.255.714)
<b>Total Shareholders' Equity</b>	<i>7.11</i>	<b>74.523.654</b>	<b>88.616.231</b>
<b>NON CURRENT LIABILITIES</b>			
Non-current loans from subsidiaries	<i>7.12</i>	241.978.794	222.862.121
Non-current financial liabilities for right of use	<i>7.13</i>	8.159.569	-
Employee benefit liabilities	<i>7.14</i>	1.494.751	1.416.070
Trade payables	<i>7.15</i>	1.911.765	1.173.611
Tax payables	<i>7.16</i>	-	63.683
Other liabilities	<i>7.18</i>	8.913.420	9.001.838
<b>Total Non Current Liabilities</b>		<b>262.458.299</b>	<b>234.517.324</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>7.15</i>	47.795.370	31.417.971
Short term debt and current portion of long term debt	<i>7.12</i>	123	31.455
Current financial liabilities for right of use	<i>7.13</i>	477.624	-
Tax payables	<i>7.16</i>	212.390	178.055
Social security payables	<i>7.17</i>	408.405	361.131
Other liabilities	<i>7.18</i>	4.827.387	5.395.694
<b>Total Current Liabilities</b>		<b>53.721.299</b>	<b>37.384.306</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>390.703.252</b>	<b>360.517.861</b>

*The explanatory notes are an integral part of the financial statements*

**COMPREHENSIVE INCOME STATEMENT**

€	notes	12 months ended,	
		30/06/2020	30/06/2019
Merchandising	8.2	5.897.862	7.855.474
Sponsorship	8.3	6.072.890	6.184.806
Media and image rights	8.4	7.565.772	7.507.759
Advertising	8.5	16.711.805	27.126.469
Other revenues	8.6	302.797	405.506
<b>Total revenues</b>	8.1	<b>36.551.125</b>	<b>49.080.016</b>
Costs of goods	8.7	(2.891.378)	(3.434.918)
Cost of services	8.8	(18.594.206)	(21.891.641)
Cost of use of third- party assets	8.9	(26.829.772)	(27.731.665)
Personnel costs	8.10	(4.868.948)	(5.545.342)
Other expenses	8.11	(160.199)	(366.115)
Depreciation, amortization and write down	8.12	(1.827.407)	(924.051)
<b>Total operating costs</b>		<b>(55.171.910)</b>	<b>(59.893.732)</b>
Financial income		15.803.995	20.144.419
Financial expenses		(11.352.570)	(13.501.506)
<b>Net financial income</b>	8.13	<b>4.451.424</b>	<b>6.642.913</b>
Loss before taxes		(14.169.361)	(4.170.803)
current taxes		-	(84.911)
<b>Total taxes</b>	8.14	<b>-</b>	<b>(84.911)</b>
<b>Loss for the period</b>		<b>(14.169.361)</b>	<b>(4.255.714)</b>
Other components of the comprehensive operating loss for the financial year:	8.15		
Actuarial losses recorded in the employee benefit reserve		76.784	(197.138)
<b>Total loss</b>		<b>(14.092.577)</b>	<b>(4.452.852)</b>

*The explanatory notes are an integral part of the financial statements*

**CASH FLOW STATEMENT**

(€ / 000 )	Notes	<b>30/06/2020</b> <b>12M</b>	<b>30/06/2019</b> <b>12M</b>
Net loss		(14.169.361)	(4.256.035)
depreciation and amortization	8.12	1.157.030	573.373
provisions and other write-downs		670.377	350.677
net financial income	8.13	(4.451.424)	(6.642.586)
changes in inventories	7.6	37.192	(162.886)
change in current receivables	7.7	(9.027.105)	8.483.689
change in current payables	7.15	16.377.400	(92.029)
changes in provisions for risk and charges		-	-
change in tax receivables	7.9	(108.700)	164.199
change in tax payables	7.16	(29.348)	(149.107)
change in other current assets	7.8	(7.748.395)	(7.853.186)
change in other current liabilities	7.18	(521.033)	1.312.425
change in other non-current assets	7.8	8.163.426	699.365
change in other non-current liabilities	7.18	920.881	(90.692)
tax payments	7.16	-	-
<b>A) Net cash from operating activities</b>		<b>(8.729.237)</b>	<b>(7.662.488)</b>
change in other tangible and intangible assets	7.2-7.1	(251.648)	(28)
<b>B) Net cash from investing activities</b>		<b>(251.648)</b>	<b>(28)</b>
Change in intercompany loans	7.12	8.188.957	9.317.743
Financial expense		(315.000)	(87.000)
Payments related to Rights of use		(954.019)	-
<b>C) Net cash from financing activities</b>		<b>6.919.938</b>	<b>9.230.743</b>
<b>D)=(A+B+C) TOTAL CASH FLOW</b>		<b>(2.060.947)</b>	<b>1.568.227</b>

**RECONCILIATION OF CASH AT BANK ON HAND**

	<b>30/06/2020</b> <b>12M</b>	<b>30/06/2019</b> <b>12M</b>
<b>Cash variation net of passive bank balance:</b>		
Cash at bank and on hand at the beginning of the period	2.521.949	953.722
Cash at bank and on hand at the end of the period	461.001	2.521.949
<b>Cash variation net of passive bank balance</b>	<b>(2.060.947)</b>	<b>1.568.227</b>



**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

<i>Euro</i>	Share capital	Reserve for actuarial loss	Transaction reserve	Profit/loss for the period	Shareholders' Equity
<b>Values as at 30 June 2018</b>	<b>123.432.270</b>	<b>(248.850)</b>	<b>(21.946.842)</b>	<b>(6.966.495)</b>	<b>94.270.083</b>
Effects of IFRS 9 application	-	-	(110.000)	-	(110.000)
Effects of IFRS 15 application	-	-	(1.091.000)	-	(1.091.000)
<b>Values as of 1 July 2018</b>	<b>123.432.270</b>	<b>(248.850)</b>	<b>(23.147.842)</b>	<b>(6.966.495)</b>	<b>93.069.083</b>
Loss covers	-	-	(6.966.495)	6.966.495	-
Adjustment of the reserve for actuarial profits (losses)	-	(197.138)	-	-	(197.138)
Profit/loss at 30 June 2019	-	-	-	(4.255.713)	(4.255.713)
<b>Values as at 30 June 2019</b>	<b>123.432.270</b>	<b>(445.988)</b>	<b>(30.114.337)</b>	<b>(4.255.713)</b>	<b>88.616.232</b>
Loss covers	-	-	(4.255.713)	4.255.713	-
Adjustment of the reserve for actuarial profits (losses)	-	76.784	-	-	76.784
Profit/loss at 30 June 2020	-	-	-	(14.169.361)	(14.169.361)
<b>Values as at 30 June 2020</b>	<b>123.432.270</b>	<b>(369.204)</b>	<b>(34.370.050)</b>	<b>(14.169.361)</b>	<b>74.523.654</b>

*The explanatory notes are an integral part of the financial statements*

## EXPLANATORY NOTES

### 1. GENERAL INFORMATION

This Annual Financial Report (hereinafter also referred to as the “Annual Report” or “Report”), represents the operating performance of the 2019-2020 financial year (hereinafter the “Financial Year” or “Period”), which ended on 30 June 2020 of Soccer S.a.s. di Brand Management S.r.l. (hereinafter also the “Company” or “Soccer”), a limited partnership (*Società in Accomandita Semplice*), incorporated and domiciled in Italy, with registered office at Via Emilia, 47, Rome. The Company operates in the areas of merchandising, publishing, marketing, sport sponsorships and Media (Radio and TV).

The Company, in application of the International Standards IAS/IFRS, is considered a special purpose Company and, therefore, is consolidated in the AS Roma Group, including A.S. Roma S.p.A. (“Parent Company” or “AS Roma”), ASR Media and Sponsorship S.p.A. (hereinafter “MediaCo”), Roma Studio and Soccer.

At this regard, on 17 August 2020 AS Roma SPV, LLC sold and transferred its controlling interest held directly and indirectly in the Company - and certain related assets and liabilities - to Romulus and Remus Investments LLC (a company specifically appointed by THE FRIEDKIN GROUP, INC., hereinafter “RRI”). More specifically, RRI controls 100% of NEEP, a joint-stock company under Italian law that owns 83.284% of the majority stake of the capital of AS Roma, and directly owns 3.293% of the voting shares of AS Roma.

RRI is a Delaware limited liability company, with registered office in Wilmington, Delaware, 1209 Orange Street and operating headquarters in Houston, Texas, 1375 Enclave Parkway, registered in the State of Delaware under No. 7868101. It is directly controlled by Romulus and Remus Holdings LLC, a Delaware limited liability company, which holds 100% of the share capital.

Romulus and Remus Holdings LLC is in turn 99% owned by Mr Thomas Dan Friedkin and 1% by Quantum Investment Holdings, Inc., a Delaware corporation. Mr Thomas Dan Friedkin owns 100% of the share capital of Quantum Holdings, Inc..

Management and coordination, in accordance with Articles 2497 et seq. of the Italian Civil Code, was exercised until 17 August 2020 by AS Roma SPV LLC, and is currently exercised by RRI.

### 2. CONTENTS AND FORM OF THE FINANCIAL STATEMENTS

The Financial Statements comprise the Accounting Statements (Statement of Financial Position, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity and Cash Flow Statement), accompanied by the Explanatory Notes in accordance with IAS 1 “Presentation of Financial Statements”.

More specifically, with reference to the Accounting Statements, for the Statement of Financial Position, the distinction between current/non-current has been adopted as the method of representing assets and liabilities, while for the Comprehensive Income Statement, the classification of revenues and costs is by nature; the Cash Flow Statement is prepared according to the indirect method, adjusting the Profit for the period from other non-monetary components.

The layouts of the Statement of Financial Position, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity and Cash Flow Statement are the same as those used for the Financial Statements at 30 June 2019.

Amounts included in the Financial Statements and Notes are shown in thousands of Euro, unless otherwise indicated. The rounding up or down of amounts to the next Euro can give rise, in statements containing accounting data, to items that add up to an amount that is different from the one shown in the line recording the total of same.

These Financial Statements, approved by the Board of Directors at the meeting on October 23, 2020, are audited by the independent auditor Deloitte & Touche S.p.A., whose report is annexed to these Explanatory Notes.

### 3. STANDARDS AND CRITERIA APPLIED

#### 3.1. ACCOUNTING STANDARDS AND ASSESSMENT CRITERIA

These Financial Statements (hereinafter also referred to as the “Financial Statements” or “Report”) representing the operating performance for the financial year 2019-2020 (hereinafter, the “Financial Year” or “Period”), closed on 30 June 2020, have been prepared in accordance with Articles 2 and 3 of Legislative Decree No. 58/98 and the provisions of Article 154-ter of the TUF and subsequent amendments and supplements, and in compliance with the international accounting standards issued by the International Accounting Standards Board and approved by the European Commission at 31 December 2008, in force at the end of the period, which include the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as well as the previous International Accounting Standards (IAS) and the interpretations of the Standard Interpretations Committee (SIC), still in force at the same date. For ease of reference, all the standards and interpretations will be referred to below as the “IFRS”.

The Financial Statements have been prepared on a going concern.

The same accounting standards and assessment criteria have been adopted in the preparation of the Financial Statements for the year ended 30 June 2019, to which reference should be made, with the exception of the changes introduced by the application of the new standard IFRS 16 - Leases, published by the IASB on 13 January 2016, and applied for the first time from 1 July 2019. The application of this principle had no impact on the Financial Statements of the Company.

Finally, it should be noted that from 1 July 2019, IFRIC 23 - “Uncertainty over Income Tax Treatments” came into force, which, however, had no impact on the financial statements at 30 June 2020.

It should also be noted that, in accordance with IAS 36, tangible and intangible assets are tested for impairment when preparing the financial statements only when there are internal or external indicators that these assets may have suffered a loss in value, taking into account the indicators and results emerging from the impairment tests carried out when preparing the financial statements for the previous year.

#### BUSINESS OUTLOOK AND GOING CONCERN

A negative result is also expected for the next year, albeit an improvement compared to the result for the year ended June 30, 2020. However, this forecast does not include any new situations of resurgence of the Covid-19 pandemic in the coming months, with respect to which the Company directors will monitor the evolution of management with respect to forecasts and will evaluate any actions, if necessary, to guarantee business continuity.

However, it should be noted that the going concern of the Company is closely related to the going concern of AS Roma and of AS Roma Group.

The AS Roma’s income statement and statement of financial position as at 31 March 2020, approved on 14 May 2020 by the Board of Directors, revealed a statutory economic result of a loss of EUR 126.4 million for the first nine months of the 2019/2020 financial year, and a separate Shareholders’ Equity of A.S. Roma S.p.A. that was negative for EUR 26.8 million, with a situation of reduction in the shareholders’ equity of A.S. Roma S.p.A. for losses such as to integrate the legal case referred to in Article 2447 of the Italian Civil Code (reduction of the share capital - for operating losses - by more than one third and beyond the legal limit for the company type).

The fourth quarter of the 2019/20 financial year also showed a significant deterioration in the Group’s economic, financial and equity position, and the statutory loss at 30 June 2020 is estimated to EUR 188 million, with a further worsened the separate shareholders’ equity of A.S. Roma S.p.A., which is estimated negative for EUR 88 million at the end of the financial year, compared with EUR 10.5 million at 30 June 2019, for a decrease of about EUR 99 million.

However, the AS Roma has decided not to adopt measures in this regard, mainly taking into account: (i) of art. 6 of the Liquidity Decree which suspended the application, among others, of art. 2447 of the Civil Code; (ii)

the share capital Increase approved by the Shareholders' Meeting of 28 October 2019, for an amount up to a maximum of Euro 150 million, the execution of which is scheduled for 31 December 2020, as well as the subsequent proposal approved by the Board of Directors on 25 October 2020 to extend to 31 December 2021 the deadline for the completion of this share capital increase, and the increase of the maximum amount up to Euro 210 million of divisible and paid-for share capital, which will be submitted for approval to the next Shareholders' Meeting called for 9 December 2020 on first call and, if necessary, on 10 December 2020, on second call; (iii) the budget data updated and approved by the Board of Directors on October 25, 2020 which provide for the recovery of the separate equity deficit within 31 December 2020, through the contributions by the indirect controlling shareholder Romulus and Remus Investments LLC, through the parent company NEEP.

At the consolidated level, the loss for 2019/2020 financial year is estimated EUR 204,0 million and consolidated Equity attributable to AS Roma Group at 30 June 2020 is estimated negative by EUR 241 million, down of EUR 113 million compared with 30 June 2019.

The negative results for the 2019/20 financial year and the consequent financial deterioration recorded are due, more specifically, to participation in the UEFA Europa League in the 2019/20 season, which generated revenues significantly lower than the UEFA Champions League revenues achieved in the previous financial year, as well as the spread of the COVID 19 virus, declared a "pandemic" by the World Health Organisation, and which, from January 2020, has characterised the national and international scenario. In fact, among the restrictive measures issued by the public authorities of the areas concerned, to prevent and/or limit the spread, there are restrictions on the movement of goods and persons, suspension of economic activities and all professional sporting activities, including the Serie A and UEFA competitions.

In this context, the AS Roma Group has taken all useful measures to deal with the changed scenario and mitigate the economic and financial impact. More specifically, a financial agreement was reached with the players of the first team and its coach, for the rest of the 2019-20 season, aimed at waiving the salaries for the months of March, April, May and June 2020, for a total gross amount of approximately EUR 30 million, and at the same time defined with them an individual incentive plan for the following football seasons, as well as for the current season.

The Group has also activated the socio-economic safety nets provided for by the Presidential Decrees of the Council of Ministers on March 2020 for some employees, and the players of the first team, the coach and his staff have undertaken to compensate the difference in net remuneration received by these employees, and an agreement was also reached with the AS Roma's management and technical staff, who waived part of their salary during this period.

Finally, it should be noted that AS Roma and the Group, with reference to tax and social security payments due in March, April, May and June 2020, exercised the option afforded by the provisions of Article 61 of Decree-Law No. 18 of 17 March 2020 (converted into Law No. 27/2020), as subsequently amended by Article 127 of Decree-Law No. 34 of 19 May 2020 (converted, with amendments, by Law No. 77/2020) and suspended the payment of withholding tax and social security charges for a total of EUR 13.4 million, almost entirely relating to AS Roma, whose payment was initiated by AS Roma and the Group on 16 September 2020 in application of the provisions of Article 97 of Decree-Law No. 104 of 14 August 2020.

Nevertheless, despite the measures adopted by the Group to mitigate its consequences, this emergency situation, extraordinary in nature and extent, has had and is having significant repercussions on the economic activities of AS Roma and the Group, resulting in a context of general uncertainty, the evolution and related effects of which are not currently foreseeable, such as to have negative repercussions mainly on AS Roma's income from broadcast rights, sponsorships, and in general all the Group's commercial activities. Moreover, the trend in income was only partially offset by lower costs, whose reduction during the year is mainly related to club members.

In this context, there is also the continuous financial and equity support whenever necessary by the direct controlling shareholder NEEP which, during 2019/20, converted EUR 29.1 million from Shareholders' Loans into payments for share capital increase of AS Roma, recorded under "Shareholder reserve for capital increase" - in addition to providing further EUR 60 million of liquidity, recorded by AS Roma in the

aforementioned Shareholders' Equity reserve "Shareholder reserve for capital increase" - in both cases in order to advance the amounts allocated to the subscription by NEEP of the relevant portion of the AS Roma capital increase, approved by the Shareholders' Meeting of the latter on 28 October 2019, for which the Board of Directors has proposed the extension to 31 December 2021 of the deadline for its completion, and the increase of the maximum amount up to Euro 210 million. The above amounts, for a total Euro 89.1 million, were irrevocably allocated to equity referable to NEEP and to be allocated entirely and automatically, for the entire benefit of NEEP, to the execution by NEEP of the non-refundable upcoming share capital increase of AS Roma.

In addition, it should be noted that NEEP has also: (i) disbursed additional shareholder loans of EUR 3 million in April 2020 in favour of AS Roma in accordance with Prime Ministerial Decree No. 23 of 8 April 2020 (the so-called "Liquidity Decree"); and (ii) paid to AS Roma, as consideration due in execution of the "Purchase and Sale Agreement" signed on 27 May 2020 (agreement concerning the purchase and sale of future receivables without recourse between AS Roma, as transferor, and NEEP, as transferee), totalling EUR 19 million, of which EUR 7 million was paid in June 2020 and EUR 12 million paid after the end of the financial year, in July 2020.

The first part of the 2020/21 financial year was characterised by the transfer of the controlling interest in AS Roma, finalised on 17 August 2020, from AS Roma SPV, LLC to Romulus and Remus Investments LLC (hereinafter "RRI" or "Indirect controlling shareholder"), a company specifically appointed by the American group THE FRIEDKIN GROUP, INC.<sup>2</sup>. RRI, after 30 June 2020, itself (i) immediately supported the AS Roma's working capital needs through shareholder loans for a total of EUR 78 million, paid to AS Roma between August and October 2020 through the parent company NEEP; (ii) made the payment of the Consent Fee of EUR 14.6 million due to the Bondholders following the approval of the granting of certain waivers and some changes to be made to the Indenture, including the waiver of the exercise of the Bondholders' right to ask the MediaCo to proceed with the repurchase, in whole or in part, of the Bonds.

Furthermore, as communicated on August 17, 2020 in the Information Document relating to transactions of greater importance with related parties, in the mutual termination of the "Purchase and Sale Agreement", together with the related agreements, the direct controlling shareholder NEEP has converted the purchase price of the transferred receivables already paid to AS Roma, for an amount of EUR 19 million, into a shareholder loan.

Finally, with a letter dated 22 October 2020, with reference to the total loans described above, equal to EUR 114.6 million, NEEP confirmed, at the date of the next shareholders' meeting of AS Roma S.p.A., convened on 9/10 December 2020, called upon to approve, among others, (x) the postponement to 2021 - and the increase in the amount - of the capital increase of A.S. Roma S.p.A. (the "Share Capital Increase") up to EUR 210 million, (y) the financial statements at 30 June 2020 of AS Roma, the automatic, full and irrevocable conversion into "Shareholder reserve for capital increase" for the full benefit of NEEP itself, for NEEP's execution of the expected non-refundable capital increase of AS Roma. Moreover, in the same letter it is confirmed that, upon the execution of the Capital Increase, the mentioned shareholder's loans as converted into "Shareholder reserve for capital increase" will be automatically and entirely allocated to the non-refundable subscription by NEEP of the AS Roma's shares to be issued in the context of this Capital Increase.

On October 25, 2020 is convened the Board of Directors of AS Roma in order to examine an update of the consolidated forecast data for the financial year 2020/2021 ("Budget Data"), to take into account the economic, financial and equity impact of the transfer of players defined during the summer session of the transfer campaign, the business strategy of the indirect controlling shareholder RRI, as well as the effects

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<sup>2</sup> RRI controls 100% of NEEP Roma Holding S.p.A., a joint-stock company under Italian law that owns 83.284% of the majority stake of the capital of A.S. Roma S.p.A., and directly owns 3.293% of the voting shares of A.S. Roma itself. RRI is a Delaware limited liability company, with registered office in Wilmington, Delaware, 1209 Orange Street and operating headquarters in Houston, Texas, 1375 Enclave Parkway, registered in the State of Delaware under No. 7868101. It is directly controlled by Romulus and Remus Holdings LLC, a Delaware limited liability company, which holds 100% of the share capital. Romulus and Remus Holdings LLC is in turn 99% owned by Mr Thomas Dan Friedkin and 1% by Quantum Investment Holdings, Inc., a Delaware corporation. Mr Thomas Dan Friedkin owns 100% of the share capital of Quantum Holdings, Inc..

resulting from the spread of the COVID-19 virus and the new containment measures adopted by national and international authorities.

The Budget Data on October 25, 2020 also envisages for the 2020/21 financial year a further significant deterioration in the economic, financial and equity situation of AS Roma and the AS Roma Group, characterised, among other things, by a still negative income trend, a capital deficit, even though, with reference to the separate financial statement of AS Roma S.p.A., the scenario set forth by art. 2447 of the Italian Civil Code is forecast to be overcome within 31 December 2020, and relevant financial requirements. Furthermore, the Board of Directors, as mentioned above, proposed to postpone the deadline for the execution of this share capital increase to 31 December 2021, and to increase the maximum amount of the divisible and paid share capital increase up to EUR 210 million.

The Directors have assessed that the events and circumstances described may give rise to doubts on the AS Roma's ability to continue operating as a going concern. In particular, following the suspension of the championship, the expected revenues from the sale of tickets for the matches that have not been played, and which - even with the resumption of the championship - have and will still be played without the possibility of access to the stadiums by of the spectators. Furthermore, further uncertainties emerge in relation to the transfer operations of players' registration rights which could, in this economic context, be partially affected by a potential reduction in investments in the sector, and eventually, on the timing to carry out such transfer operations. Any negative evolution of the previously outlined uncertainties could lead to the occurrence of further losses and, consequently, of additional financial needs, additional to those provided for in the Budget Data, even though their amount is currently difficult to forecast.

Therefore, the Budget Data require a series of actions necessary to ensure an adequate management of capital and financial resources and cash requirements, which make it possible to meet the requirements deriving from operating activities, investments made and financial payables falling due within the next 12 months. More specifically, AS Roma expects to cover its financial and capital needs and to have sufficient capital resources through one or more of the following actions:

- the cash flows generated from ordinary activities including, inter alia, any additional net operating cash flows that could be generated during the participation in the UEFA Europa League competition this season, as well as any participation in European competitions in the 2021/22 sports season;
- any disposal of available company assets, and more specifically of multi-year players' registration rights (RSS), which would give rise to values that are currently unrecorded, in line with what has happened in recent years, also taking into account that the overall market value of the RSS is reasonably higher than the book value and therefore represents a solid basis for both financial and economic security for the future. In any case, it should be noted that the transfer of RSS is in any case conditioned on the agreement between the two clubs and the acceptance of the transfer by the player himself, whose decision is outside of corporate control;
- the subscription of the Capital Increase approved by the Shareholders' Meeting on 28 October 2019, considering also the new amount proposed by the Board of Directors to the Shareholders and the amounts already converted to the "Shareholder reserve for capital increase", through the contribution already paid to AS Roma by way of shareholder loans for a total of EUR 92.6 million after 30 June 2020, assuming the irrevocable commitment to convert them in full, at the date of the next shareholders' meeting of AS Roma S.p.A. called for 9/10 December 2020, in the "Shareholder reserve for capital increase" and the additional contributions by NEEP already recorded in this reserve;
- the contribution of additional financial and / or equity resources by the Indirect controlling shareholder that has irrevocably committed to financially support AS Roma so that it can overcome the case referred to in art. 2447 C.C. and to provide the necessary resources so that it can operate as a going concern with reference to a time horizon of at least twelve months from the date of issuance of the draft financial statements by the Board of Directors.

However, any adverse developments in the COVID-19 pandemic or possible future outbreaks could affect the activities of AS Roma and other Serie A clubs, and the ability to successfully complete the aforementioned actions, as well as the smooth running of Serie A and of the other European competitions in the current season



or in the next seasons that are not foreseeable at the date of approval of the Annual Financial Report as at 30 June 2020. In the event of a negative evolution of these hypothetical circumstances, which represent uncertainties, it could determine the occurrence of further losses and, consequently, of further financial needs, in addition to those reflected in the aforementioned Budget Data even though their amount is currently difficult to determine. It should be noted that the Budget Data is based on the AS Roma's assessment of events and situations that are currently expected to occur and of the related actions that AS Roma intends to take. Therefore, these data reflect the assumptions and elements used by AS Roma at the basis of their formulation and represent the best estimate of the equity and financial situation and the economic result for the period expected by AS Roma. In this regard, it should be noted that the preparation of the Forecast Data is based, by its very nature, on the assumption of detailed and complex hypotheses about future events, in many cases outside the company's control, generally characterised by inherent elements of subjectivity and uncertainties, and that in the estimation of the Budget Data there remain the typical uncertainties of a football club.

Consequently, even if prepared by AS Roma with accuracy and on the basis of the best available estimates, some of the base forecast events may not occur or may occur to an extent different from that forecast, while unforeseeable events may occur at the time of their preparation, considering, among other things, the current context resulting from the spread of the COVID-19 virus, thus generating significant deviations between actual and forecast values.

In particular, in the hypothetical circumstance in which the Football Association would be forced to interrupt the sporting season again or to cancel it or to extend the current containment measures for the entire duration of the championship and / or to adopt further measures, a negative reflex could emerge mainly on residual proceeds deriving from television rights and sponsorships, as well as on proceeds from ticketing. Further uncertainties could emerge with reference to the determination of the market value of players' registration rights, as well as the value connected to the transfer operations of part of these long-term rights provided for in the Budget Data, which could be affected, by the reference context, by a potential reduction in investments in the sector. In the presence of such hypothetical circumstances, the timing for overcoming the recorded capital deficit will be specifically assessed in the context of the unpredictable reference context in accordance with the applicable regulatory scenario. Therefore, AS Roma will continue to monitor the evolution of the factors taken into consideration, so as to be able to take, where necessary, the most appropriate corrective decisions and actions, if necessary, including the contribution of the financial and capital resources through the indirect controlling shareholder RRI as mentioned above.

It should also be noted that the participation of the First Team in the various national and European competitions requires compliance with certain economic and financial requirements, as set by the Federal Council of the FIGC, as well as compliance with the set of rules and monitoring criteria laid down by the UEFA regulations, based in particular on three pillars: the going concern, the so-called Break-even rule, and the absence of overdue debts to other clubs, players or social security and tax authorities. In this regard, it should be noted that the Budget Data require a series of actions that will allow the First Team to take part in the various national and European sports competitions, and that, at the date of publication of this Report, the wages and salaries for September 2020 have been paid to Club members, current and accrued taxes and withholding taxes have been regularly paid and there are therefore no tax payables due, and all payables due to other clubs at 30 September 2020 have also been paid.

After having carried out the necessary checks and assessed the uncertainties described above, on the basis of the considerations illustrated above, and in particular the assessment of the players' registration rights, available for transfer to third parties, of the amount of the systematically realized capital gains in recent years, the contribution of additional financial and equity resources expected by the main controlling shareholder, through RRI, who already stated formally his commitment for at least twelve months from the date of issuance of the consolidated financial statements, as well as the cash flows expected from the continuation of sports competitions, AS Roma believes that there is a reasonable expectation to finalize the aforementioned actions to the extent necessary to ensure adequate management of capital and financial resources and its ordinary cash requirements.

Therefore, the Financial statements have been prepared on a going-concern basis.

In any case, the Company will continue to constantly monitor the evolution of the emergency situation related to the spread of the COVID-19 virus, in view of both the changing regulatory framework and the complex global economic environment, in order to assess the possible adoption of further measures to protect the health and well-being of its Club members, employees and collaborators, and to protect its sources of income and its assets.

#### *Intangible assets*

IAS 38 (Intangible Assets) defines intangible assets as identifiable non-monetary assets without physical substance. These assets are defined as resources and, therefore, can be recorded in financial statements in the event that, apart from fulfilling the requirement of identifiability, they are controlled by a company as a result of past events, and they are likely to generate future economic benefits for the latter.

The condition of identifiability is satisfied if the intangible asset:

- is separable, that is to say it is capable of being separated, unbundled from the entity in question and sold, transferred, licensed, leased or exchanged, either individually or jointly with the related contract, asset or liability; or
- arises from a contractual or other legal right, regardless of whether these rights are transferable or separable from the company, or from other rights and obligations.

The company controls an asset if it has the ability to take advantage of the future economic benefits arising from said resource and can also limit third parties' access to these benefits. This ability usually arises from the existence of exclusive legal rights, but is not limited to the existence thereof, since the company might be able to control future economic benefits in some other way.

A further condition is the asset's capacity to generate future economic benefits, which can either be revenues, cost reductions, or benefits accruing from the direct use thereof in the company's business activities. The asset is recorded, therefore, when there is a likelihood of future economic benefits accruing thereto, which are measured by using reasonable and sustainable assumptions representing management's best estimate of the economic conditions that will exist during its useful life. This assessment is carried out on the date on which said asset is acquired.

The Intangible Assets recorded in the Financial Statements mainly consist of:

#### Library AS Roma.

The asset refers to the archive of audiovisual products (sequences of images relating to AS Roma) and the related rights acquired by RAI in 2007. The Library is to be considered an intangible asset with a finite useful life and is valued at cost and amortized systematically on a straight-line basis with reference to its useful life estimated at a residual 88 years.

Regardless of the presence of any indicators of impairment, the Company carries out an impairment test on the value of the Library at least annually, determining the recoverable value in the sense of "value in use" and therefore estimating the recoverable value of the Library on the basis of its ability to generate future cash flows.

#### Other intangible assets

Other intangible assets are recorded according to the cost criterion, which includes any ancillary charges that are directly attributable to the company and are systematically depreciated on a straight-line basis with reference to their useful life, understood as being an estimate of the period in which the assets will be used by the company.

#### *Property, Plant and Equipment*

The IAS 16 Accounting Standard (*Property, Plant and Equipment*) states that Property, Plant and Equipment consist of goods that are held for use in the production or supply of goods or services, or for administrative



purposes and are, therefore, neither held for sale nor for real estate investment purposes. Therefore, this item includes:

- costs paid in advance or suspended over multiple financial years the allotment of which is set to contribute to the business income and statement of financial position over several consecutive financial years;
- tangible assets and advance payments made to suppliers against purchasing said tangible assets with a multi-year economic utility.

Property, Plant and Equipment are recorded as assets when:

- it is probable that future economic benefits associated with the asset will accrue to the undertaking; and
- the cost of the asset can be measured reliably.

The requirement as to the certainty of enjoying the future economic benefits accruing to an asset is usually linked to all of the risks and benefits associated with the asset that is being transferred.

Property, Plant and Equipment are initially measured at cost, which includes, in addition to the purchase price or production cost, ancillary charges that are directly attributable thereto or that are necessary to make the assets ready for the use for which they were purchased.

After the initial recognition, the evaluation can be carried out according to the cost model or the revaluation model chosen by the company, applying the chosen policy to an entire class of Property, Plant and Equipment. Under the cost model, the item is carried at its cost, less any accumulated depreciation and any impairment losses.

Under the revaluation model, an item, the fair value of which can be measured reliably is carried at a revalued amount, which is its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

The company adopts the cost method and, therefore, the value of an asset recorded at cost in the financial statements is adjusted in light of the systematic depreciation thereof from the date it is available and ready for use, based on its useful life. Systematic depreciation is defined in the amortization plan on the basis of following items: (i) value to be depreciated; (ii) duration of the depreciation; (iii) criteria for distributing the value to be depreciated.

The following rates apply to the estimated useful life of the following categories of assets:

Buildings (leasehold improvements)	Depreciation on the basis of the contractual duration
Generic plants	10%
Technical equipment	15,5%
Electronic equipment	20%
Office furniture and equipment	12%
Heavy duty vehicles	20%
Motor vehicles	25%

The residual value and useful life of tangible assets are reviewed annually and updated, where necessary, at the end of each financial year. The book value of an asset is kept in the financial statements to the extent that there is evidence that this value can be recovered through the use thereof. In determining the possibility that accounting values higher than the value that can be recovered exist, each significant element of the fixed asset is evaluated separately, based on its useful life. Several items, the estimated useful life of which is similar, can, however, be grouped together.

Costs connected with extending, modernizing or improving structural elements can be capitalized solely to the extent that they meet the requirements for being classified separately as an asset, or part of another asset.

Costs incurred in conducting ordinary maintenance and repairs, and in maintaining the assets efficient so as to guarantee the useful life thereof and the originally envisaged production capacity are recorded as costs in the financial year in which they are incurred.

#### *Leased assets*

Financial and operating leasing contracts are accounted for in accordance with the new accounting standard IFRS 16 which provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to distinguish lease contracts from contracts for the supply of services, identifying as discriminating: the identification of the asset, the right to replace it, the right to obtain substantially all the economic benefits deriving from the use of the asset and, finally, the right to direct the use of the asset underlying the contract. The standard establishes a single model of recognition and evaluation of lease contracts for the lessee (leasee) which provides for the registration of the leased asset, including operational assets, with a financial debt as a counterpart.

In particular, the Group accounts, in relation to lease agreements:

- financial liability, equal to the present value of the residual future payments at the transition date, discounted using the applicable incremental borrowing rate for each contract;
- a right of use equal to the value of the financial liability at the transition date, net of any accruals and deferrals relating to the lease and recognized in the balance sheet at the closing date of this report, recognizing the amortization over the duration of the contract.

For more information on the impacts deriving from the first application of the new standard, please refer to the following note 3.2.

#### *Financial assets*

Financial assets recognized under Current and non-current assets on the basis of their maturity and the forecast regarding the time in which they will be converted into monetary assets.

The provisions of IFRS 9 relating to the classification and valuation of financial assets provide for the following categories: (i) financial assets measured at amortized cost; (ii) financial assets measured at fair value with imputation of the effects in other comprehensive income (hereinafter also OCI); (iii) financial assets measured at fair value with the effects recognized in the Comprehensive Income Statement.

The classification of a financial asset representative of a debt instrument depends on the characteristics of the cash flows deriving from the financial activity and the business model adopted. In particular, financial assets that generate contractual cash flows exclusively representing payments of principal and interest are valued at amortized cost if held for the purpose of collecting the contractual cash flows (so-called business model held to collect); differently, they are measured at fair value with recognition of the effects in OCI (hereinafter also FVTOCI) if the business model provides for the possibility of making sales before the expiry of the financial instrument (so-called Business model held to collect and sell).

#### *Trade receivables and other receivables*

Trade receivables and other receivables, included among current or non-current assets at the time of initial recognition, at fair value and, subsequently, at amortized cost based on the effective interest rate method based on the effective interest rate. If there is objective evidence of impairment indicators, the asset is reduced to such an extent as to be equal to the present value of the cash flows expected from it.

In particular, provisions for impairment of trade receivables or other receivables are made when there is objective evidence that the Company will not be able to collect the entire amount of the credit claimed. The amount of the provision is equal to the difference between the book value of the credit and the present value

of the expected cash flows, calculated at the effective interest rate. If in subsequent periods the reasons for the previous write-downs cease to exist, the value of the assets is restored up to the value that would have resulted from the application of the amortized cost if the write-down had not been made.

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

Cash at bank and on hand, which consist of actually existing funds and which are recorded as Current assets in the balance sheet, consist of: (i) cash; (ii) instruments that can be assimilated thereto; (iii) existing bank cheques and bankers' draft held by the main cashier; (iv) deposits with banks and credit institutions in general, available for current transactions; (v) postal accounts;

#### *Provisions for risks and charges*

Provisions for risks and charges are recorded when losses occur and charges of a specific nature that certainly or probably exist are incurred, whose amount and/or date of occurrence cannot, however, be determined at the end of the financial year. Provisions are posted for accounting purposes in accordance with IAS 37, when:

- the company is bound by a current (legal or implied) obligation as a result of a past event;
- it is probable that economic resources will have to be used to satisfy this obligation;
- it is possible to reliably estimate the amount necessary to fulfil the said obligation.

The Provisions are made on the basis on the Directors' best estimates of the amounts needed to settle outstanding obligations at the reference date.

#### *Severance indemnity provision*

A.S. Roma Group uses only pension schemes that fall into the category of defined contribution plans. The only form of benefit that is provided to employees after the employment relationship has come to an end is the Employees' Severance Indemnity (TFR, as per Italian acronym) to which they are entitled under the law, namely Article 2120 of the Italian Civil Code.

In compliance with the IAS 19 Accounting Standard, this benefit is envisaged by the defined contribution plans, whereby the company undertakes to provide the agreed benefits to current and former employees, taking upon itself the actuarial risks connected with such plan (i.e. that the benefits are lower than those predicted), as well as the investment risks connected therewith (i.e. that the assets that have been invested are not enough to provide the benefits predicted). Therefore, the cost of this plan is not defined on the basis of the contributions due for the year, but is determined on the basis of demographic assumptions, statistics and salary trend forecasts.

In accordance with the provisions of IAS 19, the amount of the liability for future benefits recorded in the Balance Sheet is the current value of the obligation at the Consolidated Financial Statements' closing date, which is increased by any net actuarial profits that have accrued thereto after the following have been deducted: (i) any social security costs that have been incurred in connection with past services that have not yet been recorded; (ii) the fair value, as of the Consolidated Financial Statements' reference date, of the assets (if any) that will be used for the purpose of directly discharging the obligations envisaged under the plan.

Employees' Severance Indemnities are determined by applying the actuarial method. The rights accrued by the said employees during the financial year in question are recorded in the Profit and Loss Account in the Labor Costs item, whereas the figurative financial charge that the company would incur if it borrowed an amount equal to the Employees' Severance Indemnity is recorded as a Financial Charge. Actuarial gains and losses, which reflect the effects of changes in the actuarial assumptions on which the Company has based its calculations, are recorded in the Overall Profit and Loss Account, taking into account the residual average working life of employees.

For some categories of professional sportsmen and corporate executives, only the liabilities for the accrued Employees' Severance Indemnities still held by the company are recorded, for the purposes of IAS 19, since the Severance Indemnities accruing after the enactment of the Italian Budget Law No. 296 of 27 December

2006 have been conferred, in whole or in part, to a separate entity (Managers' Social Security Fund - Previndai). As a result of these payments, with reference to the said amounts that have been conferred, the company will no longer have obligations in connection with the work performed in the future by the employees in question (*Defined contribution plan*).

#### *Financial liabilities*

Financial liabilities are initially recognized at fair value, net of any directly attributable transaction charges. After initial recognition, financial liabilities are measured with the amortized cost method, using the effective interest rate method.

Commercial liabilities, whose maturity falls within the normal commercial terms or for which there are no significant financial components, are not discounted.

If there is a modification of one or more elements of an existing financial liability (also through replacement with another instrument), a qualitative and quantitative analysis is carried out in order to verify whether this modification is substantial compared to the contractual terms already in place. . In the absence of substantial changes, the difference between the current value of the flows as modified (determined using the instrument's original effective interest rate) and the book value of the instrument is recognized in the Comprehensive Income Statement, with consequent adjustment of the value of the financial liability and re-determination of the effective interest rate of the instrument; if substantial changes occur, the existing instrument is canceled and the fair value of the new instrument is recognized at the same time, with the relative difference being recognized in the comprehensive income statement.

#### *Cancellation of financial instruments*

Financial instruments are no longer shown in the financial statements when, as a result of their sale or settlement, the Group is no longer involved in their management, nor holds the risks and benefits relating to these transferred or extinguished instruments and therefore loses the right to receive / payment of cash flows associated with the financial instrument.

#### *Current and deferred taxes*

Current taxes are calculated based on the estimated taxable income for the financial year in question, and the current tax rates are accordingly applied.

Deferred taxes are calculated on all the assets and liabilities' temporary balances (i.e. the difference between the value thereof calculated for tax purposes and book value thereof recorded in the Consolidated Financial Statements). Deferred taxes are calculated using the rates that are reasonably expected to be applied when the deferred tax assets are converted into cash or the liabilities are paid. More specifically, deferred tax assets are posted in the accounts to the extent that it is forecasted that there will in all likelihood be future taxable income sufficient to offset the temporary balances when they are being written off.

#### *Revenues and costs*

Revenues and costs are recognized to the extent that it is probable that economic benefits will flow or flow to the Group and their amount can be reliably determined. Revenues are recognized, in accordance with IFRS 15, at the fair value of the amount received net of returns, discounts, allowances and recognized according to the accruals criterion. Costs are recognized in compliance with the principle of inherence in economic competence.

#### *Payments and balances in foreign currency*

Payments in foreign currencies are converted at the exchange rate applied on the date of payment. Exchange rate gains and losses arising from such payments and from the conversion of monetary assets and liabilities in foreign currency at the exchange rates applied at the end of the period are posted in the Profit and Loss Account.

The balances arising from the conversion of non-monetary assets or liabilities are posted in the Capital and Reserves or the Profit and Loss Account depending on whether the profits or losses connected with the evaluation of these items are posted directly in the Capital and Reserves or the Profit and Loss Account.

### 3.2. IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JULY 2019

The following accounting standards, amendments and IFRS interpretations were, starting from 1 July 2019, applied for the first time by the Group:

#### IFRS 16 - Leases

On 13 January 2016, the IASB issued the **IFRS 16 – Leases** standard, that replaces the IAS 17 – *Leases* standard, as well as the IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* interpretations. The Standard provides a new definition of lease and introduces a criterion based on the notion of control (right of use) of an asset to distinguish the lease agreements from the agreements for the provision of services, identifying as factors characterising leases: the identification of the asset, the right to replace it, the right to obtain substantially all the economic benefits deriving from the use of the asset and, finally, the right to manage the use of the asset underlying the agreement.

The Standard establishes a single model of recognition and evaluation of the lease agreements for the lessee, which provides for the recording of the asset subject to lease, even in the case of operating lease, in the assets with a financial debt as counter-entry. Conversely, the Standard does not introduce significant changes for lessors.

The Group has used the practical expedient provided for the transition to IFRS 16 in order not to restate when an agreement is or contains a lease. Therefore, the conclusion regarding the qualification of an agreement as a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to agreements entered into or modified before 1 January 2019.

The change in the definition of a lease mainly refers to the right of use criterion. According to IFRS 16, an agreement contains a lease if the customer has the right to control the use of an identified asset for a period of time in return for payment. This concept is substantially different from the concept of “risks and benefits” to which significant attention is paid in IAS 17 and IFRIC 4.

The Group applies the definition of lease and the related provisions of IFRS 16 for all leases entered into or amended on or after 1 July 2019 (regardless of whether one is a lessee or lessor in each lease agreement). In view of the first-time application of IFRS 16, the Group carried out a project to assess the potential impacts and implementation of IFRS 16.

The Group chose to apply the standard retrospectively, recording the cumulative effect of the application of the Standard in shareholders' equity as at 1 July 2019 (without changing the comparative figures for 2019), in accordance with the provisions of sections IFRS 16:C7-C13. More specifically, the Group accounted for lease agreements previously classified as operating, as:

- a) a financial liability, equal to the present value of future payments remaining at the transition date, discounted using for each agreement the incremental borrowing rate applicable at the transition date;
- b) a right of use equal to the value of the financial liability at the transition date, net of any accrued income and prepaid expenses and deferred charges relating to the lease and recognised in the statement of financial position at the closing date of this report.

The following table shows the impact of the adoption of IFRS 16 at the transition date:

Assets	Impacts at the transition date (1 July 2019)
<b>Non-current assets</b>	
<i>AS Roma Stores</i>	9.386
<b>Total activity</b>	9.386
<b>SHAREHOLDERS' EQUITY AND</b>	
<i>Financial liabilities for non-current leases</i>	8.471
<b>Current liabilities</b>	
<i>Financial liabilities for current leases</i>	915
<b>Total passivity</b>	9.386
<b>Net assets</b>	-
<b>profits carried forward</b>	-

The Company chose to refer to an incremental borrowing rate or "IBR" in line with a hypothetical loan that would have been obtained in the current economic context, defined for groups of agreements with similar residual duration. More specifically, the individual IBR takes into account the Risk free rate identified on the basis of factors such as economic environment, currency, contractual maturity, and Credit Spreads reflecting the Company's organisation and financial structure.

It should be noted that the weighted average incremental borrowing rate applied to financial liabilities recognised at 1 July 2019 was 5.24%.

The Company has availed itself of the exemption granted by IFRS 16:5(a) in relation to short-term leases even in cases where it has the right to use the asset in a fractional manner for a limited period of the year, even though it is a multi-year agreement.

The Company has availed itself of the exemption granted by IFRS 16:5(b) concerning lease agreements for which the underlying asset is a low-value asset (i.e., the individual asset underlying the lease contract does not exceed EUR 5,000, when new) and the exemption granted by IFRS 16:3(a) concerning agreements whose object of exchange is an intangible asset. The agreements for which the exemption has been applied fall mainly into the following categories:

- Computers, phones and tablets;
- Printers;
- Other electronic devices;
- Furniture and furnishings.

For these agreements, the introduction of IFRS 16 did not require the recognition of the financial liability for the lease and the related right of use, but the lease payments are recognised in the income statement on a straight-line basis for the duration of the respective agreements under "Lease and rental expenses" in the separate income statement.

In addition, with reference to the transition rules, the Company has made use of the following practical expedients available when choosing the modified retrospective transition method:

- Use of a single discount rate for lease portfolios with reasonably similar characteristics;
- Use of the assessment carried out at 30 June 2019 in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets in relation to the accounting of onerous contracts as an alternative to the application of the impairment test in accordance with IAS 36 on the value of the right of use at 1 July 2019;
- Classification of agreements expiring within 12 months of the transition date as short term leases. For these agreements, lease payments are recorded in the income statement on a straight-line basis;
- Exclusion of initial direct costs from the measurement of the right of use on 1 July 2019;
- Use of the information present at the transition date to determine the lease term, with particular reference to the exercise of extension and early termination options.

- Not using the service component of the lease component, accounting for it as a single component.

In order to provide an aid to understanding the effects deriving from the first-time application of the standard, the following table provides a reconciliation between future commitments relating to lease agreements, which were disclosed in the section “Accounting standards, amendments and IFRS interpretations applicable from 1 July 2019” of the financial statements for the year at 30 June 2019, and the impact of adopting IFRS 16 on 1 July 2019.

<b>Reconciliation of commitments for leases</b>	Impacts at the transition date (1 July 2019)
<i>Commitments for operating leases at 30 June 2019</i>	10.240
<i>Short term leasing option</i>	-
<i>Low value lease option</i>	-
<b>Undiscounted financial liability for leases at 30 June 2019</b>	<b>10.240</b>
<i>Effect of discounting leasing liabilities at 1 July 2019</i>	<i>(854)</i>
<b>Financial leasing liability as a result of the application of IFRS 16 as at 1 July 2019</b>	<b>9.386</b>

#### Annual Improvements to IFRSs 2015-2017 Cycle

On 12 December 2017, the IASB published the document “**Annual Improvements to IFRSs 2015-2017 Cycle**”, that contains proposed amendments to some standards as result of the IASB’s annual improvements project. The main amendments concern:

- IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements*: the amendment clarifies that, when an entity obtains control of a business that represents a joint operation, it must remeasure the interest previously held in that business. Instead, this process is not envisaged in the case of obtaining joint control.
- IAS 12 *Income Taxes*: the amendment clarifies that all tax effects related to dividends (including payments on financial instruments classified within shareholders’ equity) should be accounted for in a manner consistent with the transaction that generated those profits (income statement, OCI or equity).
- IAS 23 *Borrowing costs*: the amendment clarifies that, in the case of loans that remain outstanding even after the qualifying asset is ready for use or sale, they become part of the set of loans used to calculate the financing costs.

The adoption of this amendment had no effect on the financial statements of the Company.

#### Plant Amendment, Curtailment or Settlement (Amendments to IAS 19)

On 7 February 2018, the IASB published the document “**Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)**”. The document clarifies how an entity should recognise a change (i.e., a curtailment or settlement) to a defined benefit plan. The amendments require the entity to update its assumptions and remeasure the net liability or net asset arising from the plan. The amendments clarify that after the occurrence of such an event, an entity uses updated assumptions to measure the current service cost and interest for the remainder of the reporting period following the event.

The adoption of this amendment had no effect on the financial statements of the Company.

#### Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

On 12 October 2017, the IASB published the document “**Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)**”. This document clarifies the need to apply IFRS 9, including impairment requirements, to other long-term interests in associates and joint ventures for which the equity method is not applied.

The adoption of this amendment had no effect on the financial statements of the Company.

#### Uncertainty over Income Tax Treatments (IFRIC Interpretation 23)



On 7 June 2017, the IASB issued the “**Uncertainty over Income Tax Treatments (IFRIC Interpretation 23)**” interpretation. The interpretation addresses the issue of uncertainties about the tax treatment to be adopted in the area of income taxes. More specifically, the Interpretation requires an entity to analyse uncertain tax treatments (individually or as a whole, depending on the characteristics) assuming that the tax authority examines the tax position in question, having full knowledge of all relevant information. If the entity considers it unlikely that the tax authority will accept the tax treatment followed, the entity shall reflect the effect of the uncertainty in measuring its current and deferred income taxes. In addition, the document does not contain any new disclosure requirements but stresses that the entity must determine whether it will be necessary to provide information about management’s considerations regarding the uncertainty inherent in accounting for taxes in accordance with the provisions of IAS 1. The new interpretation has been applied since 1 July 2019. The adoption of this amendment led to the reclassification of the provisions for risks recognised for uncertain tax positions under Tax payables.

IFRS 9 “Prepayment Features with Negative Compensation

On 12 October 2017, the IASB published an amendment to **IFRS 9 “Prepayment Features with Negative Compensation”**. This document specifies that instruments providing for early repayment could comply with the *Solely Payments of Principal and Interest (“SPPI”)* test even if the “reasonable additional compensation” to be paid in the event of early repayment is a “negative compensation” for the lender.

**3.3. IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE COMPANY AS AT 30 JUNE 2020.**

Definition of Material (Amendments to IAS 1 and IAS 8)

On 31 October 2018, the IASB published the document “Definition of Material (Amendments to IAS 1 and IAS 8)”. The document introduced an amendment to the definition of “material” contained in IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The purpose of this amendment is to make the definition of “material” more specific and to introduce the concept of “obscured information” alongside the concepts of omitted or misstated information already present in the two standards being amended. The amendment clarifies that information is “obscured” if it has been described in such a way as to produce for the primary readers of a financial statement an effect similar to that which would have occurred if the information had been omitted or misstated.

The amendments introduced were approved on 29 November 2019 and apply to all transactions after 1 July 2020.

Directors do not expect that the adoption of such amendment will have a significant effect on the financial statements of the Company.

References to the Conceptual Framework in IFRS Standards

On 29 March 2018, the IASB published an amendment to the “References to the Conceptual Framework in IFRS Standards”. The amendment is effective for periods beginning on or after 1 July 2020, but early application is permitted.

The Conceptual Framework defines the fundamental concepts for financial reporting and guides the Board in the development of IFRS standards. The document helps to ensure that the Standards are conceptually consistent and that similar transactions are treated in the same way so as to provide useful information to investors, lenders and other creditors.

The Conceptual Framework supports companies in developing accounting standards when no IFRS standard is applicable to a particular transaction and, more generally, helps stakeholders to understand and interpret the Standards.

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

On 26 September 2019, the IASB published an amendment called “Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform”. The same amends IFRS 9 - Financial Instruments and IAS 39 - Financial

Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures. More specifically, the amendment changes some of the requirements for the application of hedge accounting, providing for temporary derogations to the same, in order to mitigate the impact of the uncertainty of the IBOR reform (still in progress) on future cash flows in the period prior to its completion. The amendment also requires companies to provide additional information in their financial statements on their hedging relationship which are directly affected by the uncertainties generated by the reform and to which the above derogations apply. The amendments will enter into force on 1 July 2020, but companies may opt for earlier application.

Directors do not expect that the adoption of such amendment will have effects on the financial statements of the Company.

### **3.4. IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION**

As at the reference date of this document, the competent EU authorities have not yet completed the approval process required to adopt the amendments and standards described below.

#### **Definition of a Business (Amendments to IFRS 3)**

On 22 October 2018, the IASB published the document "Definition of a Business (Amendments to IFRS 3)". The document provides some clarifications on the definition of a business for the correct application of IFRS 3. More specifically, the amendment clarifies that while a business usually produces an output, the presence of an output is not strictly necessary to identify a business when there is an integrated set of activities/processes and assets. However, to meet the business definition, an integrated set of activities/processes and assets must include, as a minimum, a substantial input and process that together contribute significantly to the ability to create an output. To this end, the IASB has replaced the term "ability to create outputs" with "ability to contribute to the creation of outputs" to make it clear that a business can exist even without the presence of all the necessary inputs and processes to create an output.

The amendment also introduced an optional test ("concentration test"), which makes it possible to exclude the presence of a business if the price paid is substantially attributable to a single asset or group of assets. The amendments apply to all business combinations and acquisitions of assets after 1 July 2020, but early application is permitted.

The directors do not expect that the adoption of such amendment will have effects on the financial statements of the Company.

### **4. MAIN UNCERTAINTY ELEMENTS IN PERFORMING FINANCIAL STATEMENTS' ESTIMATES**

Preparing the Annual financial Report requires that the Management performs estimates and assumptions that have an impact on the assets and liabilities' value and on the disclosure concerning potential assets and liabilities as at the reference date. The adopted estimates and assumptions are based on experience and on other factors deemed relevant. The actual results can differ from these estimates. Estimates and assumptions are periodically assessed, and effects of any change are immediately reported in the Comprehensive Income Statement.

The most significant financial statement items requiring a greater degree of subjectivity are the equity investment in ASR Media and Sponsorship S.p.A., the provisions for risks and charges, revenues from sponsors and the first-time application of IFRS 16 "Lease".

#### **Equity investment in ASR Media and Sponsorship S.p.A.**

The equity investment in ASR Media and Sponsorship S.p.A. is recorded following the transfer of the business unit, including corporate brands, marketing, licensing and sponsorship activities to MediaCo.

The value of the equity investments was subjected to an impairment test, supported by an independent expert's report estimating their recoverable value, from which it emerged that their recoverable value was higher than their book value and, therefore, no write-down was made. The estimate of the recoverable value was based on the discounting of expected income flows, which reliably approximate the cash flows. The

estimate of expected flows considered the forecast of the profit/losses for the current season and a full operation projection based on an average of recent historical profit/losses and the profit/losses for the current season, rectified where necessary to ensure that it maintained the current income capacity of the subsidiary. The pre-tax WACC discount rate considers current capital market conditions, the specific risk of the business and the average financial structure of AS Roma on the estimate's relevant date. The WACC amounted to 6%. A sensitivity analysis was conducted on the basis of which a 10% negative variance of WACC and standard revenues would not result in value reductions of the equity investments.

#### Provisions for risks and charges

Provisions for risks and charges are recorded in connection with specific losses and charges, established as existing or likely to exist, of which, however, on the financial year's closing, the amount and/or the date of occurrence cannot be determined. Provisions are recognised in accordance with IAS 37 when (i) the company is subject to a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount required to settle the obligation can be reliably estimated.

Provisions could involve the Management's use of accounting estimates based on Directors' historical knowledge concerning similar liabilities incurred in previous periods and current knowledge as to the obligation's status, with support from the Company's legal counsel.

#### Revenues from sponsors

Revenues from Sponsors may involve Management using accounting estimates based on discretionary components inherent in the valuation of particular contractual clauses. These valuations may affect the book value of revenues.

#### Lease term

The first application of the international accounting standard IFRS 16 "Leases" led to the Company Management's use of accounting estimates for the definition of the so-called lease term. The Company analysed all of the leases, defining the lease term for each of them, which is given by the "non-cancellable" period together with the effects of any extension or early termination clauses, the exercise of which it holds to be reasonably certain. Specifically, for agreements that provide for a renewal option at the end of the non-cancellable period, the Company has chosen, based on its business development plans, to consider the first renewal period in addition to the non-cancellable period as reasonably certain, not considering that there were facts or circumstances that would lead it to consider additional renewals as reasonably certain. This valuation was mainly used for the Property category.

## **5. RELATIONS WITH RELATED PARTIES**

Soccer Sas has both commercial relationships as well as relationships for the provision of services of an administrative and financial nature with related parties, in particular within the AS Roma Group, meaning as such the parties defined by the international accounting standard IAS 24 - adopted according to the procedure set out in Article 6 of EC Regulation No. 1606/2002 - (hereinafter, "Related Party Transactions").

Transactions with related parties, identified in accordance with the provisions of IAS 24 and set out below, refer to transactions of a commercial and financial nature, and were carried out at arm's-length conditions, or similar to those usually applied to unrelated parties for transactions of a similar nature, amount and risk, and in compliance with current legislation.

In particular, the Company's activity is currently mainly characterised by the management of the following agreements:

- business lease with MediaCo;
- intercompany loan agreements signed as borrower with MediaCo as lender;
- intercompany loan agreements signed as lender with AS Roma as borrower;

- agreements entered into to guarantee the Bond.

In particular the Internal Committee for Control and Risk Management of AS Roma, based on the opinion issued by Prof. Tiscini on 24 July 2019, found the convenience of the Transaction represented by the possibility for the Company to: (i) meet the needs connected with its operational management in the medium - long term; (ii) stabilize the financial performance of the Company; (iii) limiting the need to resort to short-term forms of financing; (iv) facilitate the economic and financial planning of the Company and the Group. The Internal Committee for Control and Risk Management of AS Roma, on 24 July 2019, unanimously expressed a reasoned favorable opinion on the completion of the operations functional to the issue of the Bond Loan.

Finally, other related-party transactions relate to the Group VAT: since January 2017, the parent company NEEP, together with its subsidiaries AS Roma, Soccer, MediaCo, Roma Studio, Brand Management, A.S. Roma Real Estate and Stadio TDV, adhere to the NEEP Group VAT settlement procedure, settling payments with the parent company NEEP.

Related party transactions relate more specifically to the following:

Asset transactions with related parties:

(€/000)	Non current Assets		Current Assets		TOTAL ASSETS
	Financial Assets	Financial receivables	Trade receivables	Other activities	
Assets					
Neep Roma Holding S.p.A.	-	-	-	174	174
ASR Media and Sponsorship S.p.A.	127.297	-	173	42.991	170.461
Stadio TDV S.p.A.	-	-	221	-	221
AS Roma S.p.A.	-	182.824	11.433	-	194.256
Roma Studio S.r.l.	-	-	1	-	1
<b>Total assets</b>	<b>127.297</b>	<b>182.824</b>	<b>11.828</b>	<b>43.165</b>	<b>365.114</b>
<i>Total in financial statements</i>	<i>127.297</i>	<i>182.824</i>	<i>23.669</i>	<i>43.849</i>	
<i>% incidence</i>	<i>100%</i>	<i>100%</i>	<i>50%</i>	<i>98%</i>	

(€/000)	Non current Liabilities	Current Liabilities	TOTAL LIABILITIES
	Financial Liabilities	Trade payables	
Liabilities			
ASR Media and Sponsorship S.p.A.	(241.979)	-	(241.979)
AS Roma S.p.A.	-	(40.561)	(40.561)
Roma Studio S.r.l.	-	(3.486)	(3.486)
<b>Total liabilities</b>	<b>(241.979)</b>	<b>(44.047)</b>	<b>(286.026)</b>
<i>Total in financial statements</i>	<i>(241.979)</i>	<i>(47.795)</i>	
<i>% incidence</i>	<i>100%</i>	<i>92%</i>	

More specifically:

- NEEP Roma Holding S.p.A.: among other assets EUR 174 thousand are recorded for the VAT positions in accordance with the consolidated tax and Group VAT agreement.
- ASR Media and Sponsorship S.p.A.: Non-current assets include EUR 127,297 thousand relating to the controlling interest in the company, following the transfer of the business unit, which took place on 11 February 2015, and represents 88.66% of the share capital of the subsidiary; current assets include current trade receivables of EUR 173 thousand relating to costs advanced by the company and charged back under existing agreements, and other assets of EUR 42,991 thousand relating to dividends from the investment in MediaCo; non-current liabilities include financial payables of EUR 241,979 thousand relating to the "Intercompany Loan Agreement", including interest accrued to 30 June 2020;
- Stadio TDV S.p.A.: Other current assets include receivables amounting to EUR 221 thousand, recorded for advances on costs incurred by Soccer in connection with studies for the design of the new stadium part of which were due to AS Roma SPV LLC and, by virtue of intra-group agreements subsequent to 31 December

2019, are currently fully recharged to Stadio TDV S.p.A.. The recharging of the cost takes place without the application of any margin.

- A.S. Roma S.p.A.: non-current assets include financial receivables of EUR 182,824 thousand relating to the "Intercompany Loan Agreement", including interest accrued to 30 June 2020; current assets include trade receivables of EUR 11,433 thousand relating to commercial transactions with the Parent Company; current liabilities include payables of EUR 40,561 thousand relating to commercial transactions with the Parent Company;
- Roma Studio S.r.l.: current assets and liabilities include receivables for EUR 1 thousand and payables for EUR 3,486 thousand relating to commercial transactions.

Economic transactions with related parties:

(€/000)	Merchandising	Broadcast and image rights	Advertising	Financial income	Service costs	Cost of use of third party assets	Financial expenses	TOTAL
ASR Media and Sponsorship S.p.A.	-	-	-	7.532	-	(22.700)	(10.928)	(26.095)
AS Roma S.p.A.	155	680	5.543	8.131	(4.376)	(3.485)	-	6.647
Roma Studio S.r.l.	-	-	-	-	(8.960)	-	-	(8.960)
<b>Total</b>	<b>155</b>	<b>680</b>	<b>5.543</b>	<b>15.663</b>	<b>(13.336)</b>	<b>(26.185)</b>	<b>(10.928)</b>	<b>(28.408)</b>
<i>Total in financial statements</i>	<i>5.898</i>	<i>7.566</i>	<i>16.712</i>	<i>15.804</i>	<i>(18.594)</i>	<i>(26.830)</i>	<i>(11.353)</i>	
<i>% incidence</i>	<i>3%</i>	<i>9%</i>	<i>33%</i>	<i>99%</i>	<i>72%</i>	<i>98%</i>	<i>96%</i>	

More specifically:

- ASR Media and Sponsorship S.p.A.: revenues include EUR 7,532 thousand relating to Dividends; lease expenses include EUR 22,700 thousand relating to the lease of the business unit; financial costs recorded include EUR 10,928 thousand in interest expense for the "Intercompany Loan Agreement" loan;
- A.S. Roma S.p.A.: revenues include EUR 155 thousand in income from sales of sportswear, goods, merchandising and consumables, made at normal market conditions; EUR 680 thousand in audiovisual income for the charge-back of the cost of access to the TV signal; EUR 5,543 thousand in income from sponsorship and premium area activities provided in the Hospitality Area of the Stadio Olimpico; EUR 8,131 thousand in financial income from Interest income for the "Intercompany Loan Agreement" loan. The costs include EUR 4,376 thousand for the purchase of tickets and season tickets for A.S. Roma's home matches, intended for the development of Sponsorship and Premium area activities; EUR 3,485 thousand relating to the use of the hospitality area, the Stadio Olimpico, the Trigoria Training Centre and the new EUR offices;
- Roma Studio S.r.l.: costs accounted for include EUR 8,960 thousand relating to the costs for services incurred by the company under existing agreements.

## 6. OTHER INFORMATION

For the analysis of the economic performance of company activities, of the financial and equity aspects, and of the significant events that occurred after the end of the financial year, please refer to paragraph No. 10.

## 7. INFORMATION ON ITEMS IN THE STATEMENT OF FINANCIAL POSITION

### 7.1. INTANGIBLE ASSETS

Intangible assets amounted to EUR 2 thousand at 30 June 2019 and relating to software and licenses, were fully amortized during the year:

€/000	30/06/2020	30/06/2019	30/06/2018
Starting value	2	937	2.092
Increases	-	-	-
Decreases and reclassifications	-	(664)	-
Depreciation	(2)	(271)	(1.155)
<b>FINAL VALUE</b>	<b>0</b>	<b>2</b>	<b>937</b>

It is noted that during the previous year a reclassification was made to the corresponding item of tangible fixed assets for the expenses incurred to make operational the sales outlets in Piazza Colonna, Roma Est and Via del Corso, or to improve their functionality.

## 7.2. TANGIBLE ASSETS

Tangible assets amount to EUR 1,125 thousand for the year ended 30 June 2020 (EUR 1,060 thousand for the year ended 30 June 2019), with an increase equal to EUR 65 thousand due to the investments made in improvements on assets leased from third parties relating to *AS Roma Stores* partially offset by depreciation for the period:

€/000	30/06/2020	30/06/2019	30/06/2018
Starting value	1.060	708	1.941
Increases	252	-	-
Decreases and reclassifications	-	654	-
Depreciation	(187)	(302)	(1.233)
<b>FINAL VALUE</b>	<b>1.125</b>	<b>1.060</b>	<b>708</b>

These consist mainly of plant and machinery, commercial equipment, computers and furnishings at the commercial premises, as well as assets in progress and advances relating to improvements not yet completed at the *AS Roma Stores* under commercial lease, in Piazza Colonna, Roma Est and Via del Corso:

€/000	30/06/2020	30/06/2019	Differences
Plant and machinery	97	132	(36)
Industrial and commercial equipment	38	46	(8)
Other tangible assets	950	882	68
Assets under construction and Prepaid expenses	40	-	40
<b>TOTAL</b>	<b>1.125</b>	<b>1.061</b>	<b>65</b>

Tangible assets are not encumbered by mortgages.

## 7.3. EQUITY INVESTMENTS

The equity investments, amounting to EUR 127,297 thousand (EUR 127,297 thousand at 30 June 2019), did not change from the previous year and are related to the investment in the subsidiary *MediaCo*, incorporated on 2 December 2014 together with *AS Roma SpA*, by means of a business unit contribution that included the trademarks, marketing, licensing and sponsorship activities.

The stake, amounting to a par value of EUR 177,320, equal to 88.66% of the Share Capital, was recorded at an initial value of EUR 126,072 thousand, equal to the estimate of the carrying amount of the contributed Business Unit that resulted from the qualified external expert's specific report. Subsequently, on 11 February 2015, on the basis of contractual agreements, the effective value of the contribution was recalculated, resulting in the adjustment to the initial estimated value of EUR 1,225 thousand and a corresponding increase in the value of the stake, currently recorded at EUR 127,297 thousand.

An impairment test was carried out on the value of the investment in *MediaCo* at 30 June 2020 with the support of a report on the estimate of the recoverable value prepared by an independent expert. Since the recoverable value was higher than the carrying amount, no write-downs were made in the period.

The estimate of the recoverable value was based on the actualisation of the expected income flows, which reliably approximate the financial flows. The estimate of expected flows took into account the forecast of the profit/losses for the current season and a full operation projection based on an average of recent historical profit/losses and the profit/losses for the current season, rectified where necessary to ensure that it maintained the current income capacity of the subsidiary. The WACC actualisation rate considers current capital market conditions, the specific risk of the business and the financial structure of *AS Roma* on the estimate's relevant date. The WACC amounted to 6%. A sensitivity analysis was carried out, on the basis of which an unfavourable deviation of the WACC and of revenues at full capacity of 10% would not entail any reduction in value.



A summary of the most significant accounting data of the subsidiary is shown in the table below.

€ /000	% Shareholding	Share capital	Equity	Production value	Net profit (loss)	Non-current assets and fixed assets	Total Assets	Total Liabilities
ASR Media and Sponsorship S.p.A. (1)	88,66	200	131.107	22.702	4.399	459.536	482.357	351.250

(1) = Data referring to the financial statements as at 30 June 2020 - the last approved financial statements

#### 7.4. RIGHTS OF USE

The value of the Rights of use, equal to EUR 8,507 thousand at 30 June 2020, was determined by the application of the international accounting standard IFRS 16 relating to "Leases", which involved the recognition of tangible assets, with a counter-entry under financial liabilities, in relation to lease and operating lease agreements held by the Company as lessee for which the requirements for accounting in application of this standard are met, as described in note 3 "Standards and criteria" above, to which reference should be made.

Changes during the period are shown below:

	30/06/2019	July 1, 2019 I ° application of IFRS 16	Increases	Decreases and reclassifications	Depreciation	30/06/2020
AS Roma Stores	-	9.386	-	(407)	(472)	8.507
<b>TOTAL</b>	-	<b>9.386</b>	-	<b>(407)</b>	<b>(472)</b>	<b>8.507</b>

More specifically, the types of agreement relevant to the application of IFRS 16 include the lease agreements for the commercial premises used by AS Roma Store and the decrease of EUR 407 thousand refers to the restructuring of a lease agreement.

#### 7.5. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets, amounting to EUR 182,824 thousand (EUR 174,693 thousand as at 30 June 2019), mainly relate to the intercompany loan disbursed to AS Roma SpA, as part of AS Roma Group's overall financing transaction. The loan, recorded a net increase of EUR 8,131 thousand in the period under consideration and consists of: EUR 150,334 thousand (EUR 150,334 thousand on 30 June 2019) from the share capital and, EUR 32,490 thousand (EUR 24,359 thousand on 30 June 2019) from interest receivable accrued on 30 June 2020.

#### 7.6. INVENTORIES

Amounting to EUR 1,256 thousand at 30 June 2020 (EUR 1,293 thousand at 30 June 2019), these recorded a net decrease of EUR 37 thousand in the period. These are related to product inventories destined for sales made by the AS Roma Store.

#### 7.7. TRADE RECEIVABLES

These amounted to EUR 23,669 thousand at 30 June 2020 (EUR 15,312 thousand at 30 June 2019), are expressed net of the bad debt provision, and increased by EUR 8,357 thousand in the period. The table below provides details:



€/000	30/06/2020	30/06/2019	Differences
Receivables from third parties	15.389	11.935	3.454
Receivables from parent companies	173	193	(20)
Receivables from subsidiaries	-	221	(221)
Receivables from other related companies	11.655	5.995	5.660
<b>Total trade receivables</b>	<b>27.217</b>	<b>18.344</b>	<b>8.873</b>
Bad debt provision	(3.548)	(3.032)	(516)
<b>TOTAL</b>	<b>23.669</b>	<b>15.312</b>	<b>8.357</b>

Receivables from third parties, amounting to EUR 15,389 thousand (EUR 11,935 thousand at 30 June 2019), net of the bad debt provision of EUR 3,548 thousand (EUR 3,032 thousand at 30 June 2019), increased by EUR 2,938 thousand during the year, mainly due to extensions granted to customers as part of the management of the Covid-19 emergency. The balance includes receivables relating to advertising income relating to the activities carried out during the matches of the AS Roma first team at the Olympic stadium, as well as income from audiovisual rights, and licensing and merchandising activities.

Receivables from parent companies, amounting to EUR 0 thousand (EUR 221 thousand at 30 June 2019), were related to receivables from AS Roma SPV LLC for the recharging of costs incurred for the design and construction of the new Stadium, by virtue of intra-group agreements subsequent to 31 December 2019, are currently fully recharged to Stadio TDV S.p.A..

Receivables from subsidiaries, amounting to EUR 173 thousand (EUR 193 thousand on 30 June 2019), are related to receivables from MediaCo as a result of proceeds for commercial arrangements channelled through MediaCo, to guarantee the performances undertaken in the above-mentioned financing transaction.

Trade receivables from related parties of EUR 11,655 thousand at 30 June 2020 (EUR 5,995 thousand at 30 June 2019) are essentially due for EUR 11,434 thousand from AS Roma by virtue of the framework agreements of reference. More specifically, the increase in receivables from AS Roma compared to the previous year is due to receivables from AS Roma for vouchers issued as compensation for the lack of use of premium season subscriptions, due to the interruption of the football championship due to the spread of Covid-19, and revenues accrued and not collected during the year. While, the residual EUR 221 thousand are receivables from Stadio TDV S.p.A. for the recharging of costs incurred for the design and construction of the new Stadium.

The bad debt provision, which refers entirely to Receivables due from third parties, amounted as at 30 June 2020 to EUR 3,548 thousand (EUR 3,032 thousand at 30 June 2019), up by EUR 516 thousand, as a result of write-downs, equal to EUR 814 thousand, and uses, amounting to EUR 298 thousand made during the year:

€/ 000	
Bad debt provision as at 30.06.2019	(3.032)
Provisions	(814)
Uses	298
<b>Bad debt provision as at 30.06.2020</b>	<b>(3.548)</b>

The Bad debt provision was determined by applying the *expected credit loss* model provided for by IFRS 9. The Company applies the simplified approach of IFRS 9 to measure the expected credit loss on all trade receivables. In order to determine the expected credit loss, trade receivables were initially grouped by counterparties, mainly football clubs and other customers, and subsequently by overdue days. The rates on the expected credit loss are based on the collection times and the corresponding historical credit losses during this period. Historical loss rates are adjusted to reflect current and future macroeconomic conditions affecting clients' ability to repay loans. The Company has identified the average default rate of Italian companies as a relevant factor in reference to trade receivables. These factors were used to adjust the historical loss rates recorded.

The following table, furthermore, shows the schedule of trade receivables divided by maturity classes, in accordance with IFRS 7:

€ / 000	30/06/2020	30/06/2019	Differences
Trade receivables not overdue	12.522	7.760	4.762
Trade receivables up to 30 days overdue	3.615	3.363	252
Trade receivables overdue from 31 to 60 days	2.070	1.326	744
Trade receivables overdue from 61 to 90 days	815	87	728
Trade receivables overdue beyond 90 days	8.194	5.808	2.386
<b>Total trade receivables</b>	<b>27.217</b>	<b>18.344</b>	<b>8.873</b>
Bad debt provision	(3.548)	(3.032)	(516)
<b>TOTAL</b>	<b>23.669</b>	<b>15.312</b>	<b>8.357</b>

## 7.8. OTHER NON-CURRENT AND CURRENT ASSETS

Other non-current and current assets amounted to EUR 44,154 thousand (EUR 36,405 thousand at 30 June 2019), and recorded an increase of EUR 7,748 thousand, mainly due to the higher proportion of receivables from MediaCo for dividends, partly offset by the decrease in tax receivables. These figures concern:

€ / 000	30/06/2020			30/06/2019			Differences		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Security deposits for rental shops	-	305	305	-	305	305	-	-	-
Receivables for dividends from subsidiaries	42.991	-	42.991	35.458	-	35.458	7.533	-	7.533
Other receivables from related companies	174	-	174	350	-	350	(176)	-	(176)
Other different credits	691	-	691	708	-	708	(17)	-	(17)
Prepayments	655	-	655	247	-	247	408	-	408
<b>Total different credits</b>	<b>44.511</b>	<b>305</b>	<b>44.817</b>	<b>36.763</b>	<b>305</b>	<b>37.068</b>	<b>7.748</b>	-	<b>7.748</b>
Bad debt provision	(663)	-	(663)	(663)	-	(663)	0	-	0
<b>TOTAL</b>	<b>43.849</b>	<b>305</b>	<b>44.154</b>	<b>36.100</b>	<b>305</b>	<b>36.405</b>	<b>7.749</b>	-	<b>7.749</b>

More specifically, it should be noted that:

- security deposits mainly relate to the AS Roma Store's commercial leases;
- receivables for dividends from subsidiaries, amounting to EUR 42,991 thousand (EUR 35,458 thousand at 30 June 2019) from MediaCo, increased by EUR 7,533 thousand, due to the recording of dividends for the 2018-2019 financial year, resolved by the Shareholders' Meeting of 25 October 2019. The balance also includes the receivables outstanding on 30 June 2019, relating to dividends for the 2014-2015 financial year amounting to EUR 3,735 thousand, for the 2015-2016 financial year amounting to EUR 11,107 thousand, for the 2016-2017 financial year amounting to EUR 11,142 thousand, and for the 2017-2018 financial year amounting to EUR 9,475 thousand;
- Receivables from related companies essentially refer to receivables from the parent company NEEP Roma Holding S.p.A., referring to tax losses and tax credits of the Parent Company assigned to the parent company in accordance with the consolidated tax and Group VAT agreement (which are offset by the related tax payables to the parent company NEEP Roma Holding S.p.A.). For further details, please refer to note 5 of these Explanatory Notes relating to relations with related parties;
- other sundry receivables, amounting to EUR 691 thousand (EUR 708 thousand at 30 June 2019) mainly relate to advance payments to suppliers to develop promotional activities, suitably adjusted in the previous year through full allocation to the bad debt provision;
- prepaid expenses, amounting to EUR 655 thousand (EUR 247 thousand at 30 June 2019), increased by EUR 408 thousand in the financial year and refer to:
  - EUR 553 thousand (EUR 0 thousand at 30 June 2019), the rental fee for the Olympic Stadium, deferred due to the extension of the 2019/20 football season until 31 August 2020;
  - EUR 13 thousand (EUR 18 thousand at 30 June 2019) for insurance premiums;
  - EUR 10 thousand (EUR 50 thousand at 30 June 2019) for commercial rent for the stores;
  - EUR 79 thousand (EUR 179 thousand at 30 June 2019) related to other services.

Lastly, it should be noted that the bad debt provision did, equal to EUR 663 thousand at 30 June 2020, not change during the year.

**7.9. TAX RECEIVABLES**

Tax credits, amounting to EUR 1,411 thousand at 30 June 2020 (EUR 1,933 thousand at 30 June 2019) consisted of the following items:

€ / 000	30/06/2020			30/06/2019			Differences		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
VAT	1.345	-	1.345	1.235	632	1.867	109	(632)	(522)
IRAP	66	-	66	66	-	66	(0)	-	(0)
<b>TOTAL</b>	<b>1.411</b>	<b>-</b>	<b>1.411</b>	<b>1.301</b>	<b>632</b>	<b>1.933</b>	<b>109</b>	<b>(632)</b>	<b>(522)</b>

These relate, for EUR 1,345 thousand (EUR 1,235 thousand at 30 June 2019), to the VAT credit arising from past statements and, for EUR 66 thousand (unchanged at 30 June 2019), to the IRAP credit accrued in the 2014-2015 financial year.

The VAT credit due after 12 months as at 30 June 2019 mainly related to the non-current portion of a VAT credit referring to the 2016 tax year which was reclassified in the corresponding short-term item.

**7.10. CASH AT BANK AND ON HAND**

Amounting to EUR 461 thousand (EUR 2,522 thousand on 30 June 2019), this item decreased by EUR 2,061 thousand in the financial year as a result of the dynamics of the cash flows generated by current management, and is made up of bank deposits, amounting to EUR 448 thousand (EUR 2,481 thousand on 30 June 2019) and the cash balance, amounting to EUR 13 thousand (EUR 41 thousand on 30 June 2019).

There is a potential restriction on the use of these funds in respect of all bank accounts held in the name of Soccer SAS, in relation to the commitments assumed under the Bond issued by MediaCo on 8 August 2019. It should be made clear that said restriction is triggered only upon certain default events occurring and can be exercised only up to the limit of the existing funds and the outstanding amount owed. As at 30 June 2020, the default events described above had not occurred.

**7.11. TOTAL SHAREHOLDERS' EQUITY**

The Company's Shareholders' Equity is positive for EUR 74,524 thousand (EUR 88,616 thousand at 30 June 2019), and decreased by EUR 14,092 thousand in the period due to: (i) the economic result for the year which was negative for EUR 14,169 thousand; (ii) the carry-forward of the residual loss of the separate Soccer as at 30 June 2019 equal to EUR 4,265 thousand and; (iii) the adjustment of the discounting Reserve for future benefits to employees, equal to 77 thousand.

€ / 000	30/06/2020	30/06/2019	Differences
Share capital	123.432	123.432	-
Legal reserve	-	-	-
Reserve for actuarial gains (losses)	(369)	(446)	77
Profit (loss) carried forward	(34.370)	(30.114)	(4.256)
Profit (loss) for the year	(14.169)	(4.256)	(9.914)
<b>TOTAL</b>	<b>74.524</b>	<b>88.616</b>	<b>(14.092)</b>

More specifically:

- the Share Capital, amounting to EUR 123,432 thousand, unchanged during the period, is attributable, for EUR 123,412 thousand to AS Roma S.p.A, for EUR 10 thousand to Brand Management S.r.l. and, finally, for EUR 10 thousand to ASR Soccer LP S.r.l.
- the actuarial loss Reserve, negative for EUR 369 thousand at 30 June 2020, shows a negative adjustment of EUR 77 thousand, determined by external professionals and qualified in accordance with the reference accounting standard (IAS 19 revised);
- Losses carried forward, amounting to EUR 34,370 thousand (EUR 30,114 thousand at 30 June 2019), showed a negative change of EUR 4,256 thousand, due to the carrying forward of the amount of losses incurred in the previous financial year, which had not yet been covered;

The information required by Article 2427, No. 7-bis, of the Italian Civil Code on the availability of reserves are summarised in the schedule below:

	30.06.2020	Possibility of use	Quote available	Uses in the three previous years
Share equity	123.432	B		-
Actuarial loss reserve	(369)			-
Profit / Losses carried forward	(34.370)			-
Current Period Profit / Losses	(14.169)			-
<b>Total Shareholders' Equity</b>	<b>74.524</b>			

A: capital increase; B: to cover losses; C: for shareholder distribution

#### 7.12. NON-CURRENT LOANS FROM SUBSIDIARIES SHORT TERM DEBT

Short and medium long-term financing, amounting to EUR 241,979 thousand (EUR 222,893 thousand at 30 June 2019) consists of a current portion, amounting to EUR 0 thousand, and non-current, amounting to EUR 241,979 thousand:

€ / 000	30/06/2020			30/06/2019			Differences		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Intercompany loans vs Mediaco	-	208.351	208.351	-	197.013	197.013	-	11.338	11.338
Interest accrued on the loan from Mediaco	-	33.628	33.628	-	25.849	25.849	-	7.779	7.779
Credit Cards	0	-	0	31	-	31	(31)	-	(31)
<b>TOTAL</b>	<b>0</b>	<b>241.979</b>	<b>241.979</b>	<b>31</b>	<b>222.862</b>	<b>222.893</b>	<b>(31)</b>	<b>19.117</b>	<b>19.086</b>

#### Intercompany loan from MediaCo

This item, amounting to EUR 241,979 thousand (EUR 222,862 thousand on 30 June 2019), increased by EUR 19,117 thousand in the period, concerns loans amounting to EUR 208,351 thousand (EUR 197,103 thousand on 30 June 2019) disbursed by MediaCo with maturity after the financial year, increased by EUR 11,338 thousand.

The balance includes interest accrued on the loan up to the closing date of the financial year, amounting to EUR 33,628 thousand (EUR 25,849 thousand as at 30 June 2019), increased by EUR 7,779 thousand during the year due to interest accrued and paid in the financial year.

#### Credit cards

These amount to EUR 0 thousand (EUR 31 thousand as at 30 June 2019) and refer to payment for services provided carried out at the end of the year with company credit cards, issued by primary operators in the industry and paid off after 30 June 2020, on the basis of the contractually provided payment terms.

#### 7.13. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES FOR RIGHTS OF USE

The balance of EUR 8,637 thousand, of which EUR 478 thousand is due within 12 months, relates to the application of the international accounting standard IFRS 16 "Leases", which involved the recognition of tangible assets, with a counter-entry under financial liabilities, in relation to lease and operating lease agreements held by the Company as lessee for which the requirements for accounting in application of this standard are met, as described in note 3 "Standards and criteria applied" above in the Explanatory Notes, to which reference should be made.

#### 7.14. EMPLOYEE BENEFIT LIABILITIES

The Employee Severance Indemnity Fund is a liability consisting of benefits to which employees are entitled and is paid out at the same time as or after the termination of the employment relationship. This liability falls within the scope of the so-called defined contribution plans and, therefore, is determined by applying the actuarial logic method. The balance at 30 June 2020 amounting to EUR 1,495 thousand (EUR 1,416 thousand

at 30 June 2019) recorded a net increase of EUR 79 thousand in the financial year as a result of the following movements:

€ / 000	30/06/2020	30/06/2019
Starting value	1.416	1.346
Use for report	(67)	(132)
TFR transfer to	-	(204)
TFR advances	-	(23)
Other uses	(92)	(61)
(Profit) actuarial	(77)	197
Interest for	13	20
Provision for the	302	273
<b>Values at the end</b>	<b>1.495</b>	<b>1.416</b>

It should be noted that as a result of Law No. 296 of 27 December 2006 and subsequent decrees and Regulations issued in the first months of 2007, as from 1 January 2007 the Employee Severance Indemnity (TFR) is transformed from a "defined benefit plan" into a "defined contribution plan" with the consequence that the accounting treatment varies if the TFR accrued before or after 31 December 2006.

Employee Severance Indemnities accruing after 1 January 2007 represent a "defined contribution plan." The company periodically pays accrued TFR benefits to a separate entity (e.g., INPS and/or Fund) and with the payment discharges the obligation towards its employees. The accounting treatment is assimilated to contributions of another nature, therefore the accrued TFR is recorded as a cost for the half-year and the payable is recorded under short-term payables.

Employee severance indemnities accrued up to 31 December 2006 continue to represent a "defined benefit plan" that is fixed in terms of its existence and amount but uncertain in terms of its manifestation.

Having carried out a recurrent assessment as at 30 June 2020, the technical bases for the implicit assessment are the same as those adopted in the precise assessment as at 30 June 2019, of which a summary is given below:

*Financial Assumptions:*

- The future annual rates of inflation have been established at the average rate of inflation occurring in Italy in recent years, on the basis of data provided by ISTAT (the National Institute of Statistics).
- The future annual rates of revaluation of the existing reserve and subsequent fixed payments, as established by applicable law, in the amount of 75% of the inflation rate + (plus) 1.5%, net of tax;
- The annual discount rates have been established at 1.97%.

*Demographic assumptions:*

- This table (created by the Italian General Accounting Office, with reference to the generation born in 1948, selected, forecasted and separated by gender, and integrated by additional causes of severance (resignation, advances, which constitute an economic cause of severance which may be assessed according to probability of termination and the like) has been used to assess the service in the company.

**7.15. CURRENT AND NON-CURRENT TRADE PAYABLES**

Trade payables, amounting to EUR 49,707 thousand (EUR 32,592 thousand at 30 June 2019), relate to payables to suppliers and payables to subsidiaries and related parties. The increase in trade payables, amounting to EUR 17,115 thousand derives mainly from the increase in payables to parent companies and more specifically to AS Roma. Below is the balance of the instalments due within and beyond twelve months:

€ / 000	30/06/2020			30/06/2019			Differences		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Payables to third party suppliers	3.749	1.912	5.660	6.247	1.174	7.421	(2.498)	738	(1.761)
Payables to parent companies	40.561	-	40.561	22.279	-	22.279	18.282	-	18.282
Payables to related parties	3.486	-	3.486	2.892	-	2.892	594	-	594
<b>TOTAL</b>	<b>47.795</b>	<b>1.912</b>	<b>49.707</b>	<b>31.418</b>	<b>1.174</b>	<b>32.592</b>	<b>16.377</b>	<b>738</b>	<b>17.115</b>

Payables to third-party suppliers

Amounting to EUR 5,660 thousand (EUR 7,421 thousand on 30 June 2019), the trade payables recorded a decrease of EUR 1,761 thousand in the period and include payables for invoices to be received, amounting to EUR 1,912 thousand (EUR 957 thousand on 30 June 2019).

Payables to parent companies

These amount to EUR 40,561 thousand (EUR 22,279 thousand on 30 June 2019), an increase of EUR 18,282 thousand in the financial year, are payable to AS Roma and are substantially related to charges for the commercial use of the Stadio Olimpico and the Trigoria Sports Centre areas; to purchase access permits to the Stadio Olimpico and other services, under a framework agreement.

Payables to related companies

The amount due to Roma Studio, amounting to EUR 3,486 thousand (EUR 2,892 thousand at 30 June 2019), is due to the residual debt for services of a commercial nature relating to the supply of editorial content (radio and television) carried out during the year.

**7.16. TAX PAYABLES NON-CURRENT AND CURRENT**

This item amounts to EUR 212 thousand at 30 June 2020 (EUR 242 thousand at 30 June 2019), and is composed of:

€ / 000	30/06/2020			30/06/2019			Differences		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
IRPEF	193	-	193	161	-	161	32	-	32
Other taxes	19	-	19	17	64	81	2	(64)	(62)
<b>TOTAL</b>	<b>212</b>	<b>-</b>	<b>212</b>	<b>178</b>	<b>64</b>	<b>242</b>	<b>34</b>	<b>(64)</b>	<b>(30)</b>

The IRPEF, amounting to EUR 193 thousand (EUR 161 thousand at 30 June 2019), relating to withholdings on remunerations carried out as tax substitutes at the end of the period and paid after the financial year had closed. The increase of EUR 32 thousand is mainly referred to tax payments due in March, April, May and June 2020, with respect to which the Group has availed itself of the provisions of Article 61 of Law Decree no. 18 of 17 March 2020 (converted into law no. 27/2020), as subsequently amended by Article 127 of Law Decree no. 34 of 19 May 2020 (converted, with amendments, by law no. 77/2020) and suspended the payment of withholding tax for a total of EUR 82 million, almost entirely relating to AS Roma, the payment of which was initiated on 16 September 2020 in application of the provisions of Article 97 of Law Decree no. 104 of 14 August 2020.

Other taxes mainly relate to provisions made in the financial year, concerning, for IRAP purposes, the tax period ended 30 June 2015 and, for VAT and Withholding tax purposes, the 2014 and 2015 tax years, partly because they are the subject of definition with the Tax Authorities and partly in application of international accounting standards, which requires an analysis of uncertain tax treatments where one always assumes that the tax authorities examine the tax position in question, having full knowledge of all relevant information.

It should be noted that, at the date of publication of this Report, current and accrued taxes and withholding taxes have been duly paid and there are therefore no overdue tax payables.

**7.17. SOCIAL SECURITY PAYABLES**

Equal to EUR 408 thousand (EUR 361 thousand at 30 June 2019), up by EUR 47 thousand, essentially these relate to social security contributions and withholding taxes paid to employees and collaborators, together with the Company's share, duly paid in accordance with the law. The increase recorded refers to payments for social security charges falling due in March, April, May and June 2020, with respect to which the Group has availed itself of the provisions of Article 61 of Law Decree no. 18 of 17 March 2020 (converted into law no. 27/2020), as subsequently amended by Article 127 of Law Decree no. 34 of 19 May 2020 (converted, with amendments, by law no. 77/2020) and suspended the payment of a total of EUR 122 thousand, almost entirely



relating to AS Roma, whose payment was initiated on 16 September 2020 in application of the provisions of Article 97 of Law Decree no. 104 of 14 August 2020.

€ / 000	30/06/2020	30/06/2019	Differences
Inps	340	298	42
Others	68	63	5
<b>TOTAL</b>	<b>408</b>	<b>361</b>	<b>47</b>

#### 7.18. OTHER NON-CURRENT AND CURRENT LIABILITIES

Other liabilities amounting to EUR 13,853 thousand (EUR 14,398 thousand at 30 June 2019), were down by EUR 545 thousand in the financial year, mainly due to the lower impact of deferred income:

€/000	30/06/2020			30/06/2019			Differences		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Payables to employees	323	-	323	479	-	479	(156)	-	(156)
Payables to subsidiaries and related companies	-	-	-	113	-	113	(113)	-	(113)
Payables to Customers for vouchers	1,146	-	1,146	-	-	-	1,146	-	1,146
Other payables	161	-	161	-	-	-	161	-	161
Accrued and deferred income	3,197	8,913	12,111	4,804	9,002	13,806	(1,607)	(89)	(1,695)
<b>TOTAL</b>	<b>4,827</b>	<b>8,913</b>	<b>13,741</b>	<b>5,396</b>	<b>9,002</b>	<b>14,398</b>	<b>(569)</b>	<b>(89)</b>	<b>(657)</b>

Payables to employees, amounting to EUR 323 thousand, (EUR 479 thousand at 30 June 2019), related to unused holidays entitlement and other portions of deferred remuneration.

Payables to customers, amounting to EUR 1,146 thousand (not incurred in the year ended June 30, 2019) relate to advances from customers and the issue of vouchers for failure to provide services due to the spread of the Covid-19 pandemic.

Deferred income, amounting to EUR 12,111 thousand (EUR 13,806 thousand at 30 June 2019), recorded a decrease of EUR 1,695 thousand, is composed as follows:

€/000	30/06/2020			30/06/2019			Differences		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Technical sponsor (Nike)	-	-	-	4,042	-	4,042	(4,042)	-	(4,042)
Royalties	88	-	88	536	-	536	(448)	-	(448)
Library AS Roma	88	8,913	9,002	88	9,002	9,090	0	(89)	(88)
Income from temporary transfers	-	-	-	-	-	-	-	-	-
Other deferred income	3,021	-	3,021	138	-	138	2,883	-	2,883
<b>TOTAL</b>	<b>3,197</b>	<b>8,913</b>	<b>12,111</b>	<b>4,804</b>	<b>9,002</b>	<b>13,806</b>	<b>(1,607)</b>	<b>(89)</b>	<b>(1,695)</b>

- Royalties, for EUR 88 thousand (EUR 536 thousand as at 30 June 2019) pre-invoiced to licensees under existing contractual agreements, pertaining to the 2020-2021 financial year;
- AS Roma Library, equal to EUR 9,002 thousand (EUR 9,090 thousand as at 30 June 2019), relating to the income recognised by RAI, for the non-exclusive use for a time horizon of 99 years, of the so-called AS Roma Library, in light of the agreement signed by AS Roma with the broadcaster on August 31, 2007. The proceeds from this activity, initially attributable to AS Roma, went into the business branch conferred to ASR Media and Sponsorship Srl, and from this leased to Soccer Sas. The current portion, amounting to 88 thousand euros, and payables due beyond 12 months, amounting to 8,913 thousand euros
- other deferred income, mainly related to sponsorships, licensing and merchandising, for income invoiced in advance on the basis of the underlying agreements.
- Furthermore, at 30 June 2019 there were deferred income deriving from the technical sponsorship contract with Nike for 4,042 thousand euros as proceeds recognized for the 2020-2021 sports season, not present at 30 June 2020 following the early consensual termination.



## 8. INFORMATION ON ITEMS IN THE CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

### 8.1. REVENUES

The Company's main sources of income are as follows:

- revenues from commercial sales and licensing, deriving from sales made by AS Roma stores managed directly by the company and other commercial revenues and royalties recognised for sales of AS Roma branded products;
- revenues from sponsorship and advertising, consisting of the economic exploitation of the name, image and trademarks of AS Roma, mainly deriving from the fees paid by the Technical Sponsor and other commercial partners of the Company;
- radio and television rights, deriving from revenues for the marketing of the AS Roma Library, the Roma TV theme channel, the company's official Radio, and other Media products made in the Media Centre.

The following table shows details of revenues for the financial year closed at 30 June 2020, with evidence of the percentage incidence of the individual items compared to the total, as well as a comparison with the financial year closed at 30 June 2019:

€/000	12 months ended,			
	30/06/2020	%	30/06/2019	%
Merchandising	5.898	16%	7.855	16%
Sponsorships	6.073	17%	6.185	13%
Broadcast	7.566	21%	7.508	15%
Advertising	16.712	46%	27.126	55%
Other revenues	303	1%	406	1%
<b>Total revenues</b>	<b>36.551</b>	<b>100%</b>	<b>49.080</b>	<b>100%</b>

### 8.2. MERCHANDISING

Equal to EUR 5,898 thousand (EUR 7,855 thousand at 30 June 2019), down by EUR 1,958 thousand, are mainly related to sales made by the AS Roma Stores and other points of sale managed directly by the Group, and other income generated by royalties and licensing activities for the sales of A.S. Roma branded products.

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
As Roma Stores and other point of sale	4.061	5.692	(1.632)
Other revenues from Royalties and Licensing	1.837	2.163	(326)
<b>Total</b>	<b>5.898</b>	<b>7.855</b>	<b>(1.958)</b>

The decrease in revenues is mainly due to the closure of the AS Roma Stores and other stores managed directly by the Group in the months from March to May as a result of the spread of the pandemic Covid-19 and the consequent restrictive measures issued by the public authorities to contain it.

### 8.3. SPONSORSHIP

EUR 6,073 thousand (EUR 6,185 thousand on 30 June 2019) are related to the proceeds from NIKE, under the ten-year agreement entered into in August 2013 commencing from 1 June 2014. There were no significant changes compared to the previous year. Note that on 16 July 2020, the technical sponsorship agreement with Nike European Operations Netherlands B.V., signed on 12 March 2013 with an expiry date of 31 May 2024. The consensual termination between the parties is retroactive to June 1, 2020. On the same date, the Company and Nike signed an agreement valid for the 2020/2021 football season under which Nike will continue to exclusively provide the Company with all technical, match, training and casual material for the First Team, youth teams and women's teams.

### 8.4. MEDIA IMAGES RIGHTS

This item amounted to EUR 7,566 thousand (EUR 7,508 thousand, as at 30 June 2019), registering an increase of EUR 58 thousand compared to the previous financial year, and is composed as follows:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Library AS Roma	3.806	3.615	191
TV signal	938	1.206	(268)
AS Roma Media Center	2.822	2.687	135
<b>Total</b>	<b>7.566</b>	<b>7.508</b>	<b>58</b>

Revenues from the marketing of AS Roma Library amounted to EUR 3,806 thousand (EUR 3,615 thousand at 30 June 2019), of which EUR 3,718 thousand was from SKY Italia and EUR 88 thousand from RAI, in relation to the agreements reached with the television broadcaster when the rights to the Library were acquired.

Revenues from the marketing of the TV signal, amounting to EUR 938 thousand (EUR 1,206 thousand at 30 June 2019), derived from the marketing of the TV signal and recorded a decrease in the period of EUR 268 thousand, due to the longer duration of the 2019/20 season, which postponed the accrual of part of the revenues that will be earned in the 2020/21 financial year. These proceeds were obtained by AS Roma, for EUR 572 thousand (EUR 955 thousand as at 30 June 2019), following the reversal of the relative production costs incurred by the Company. The remaining amount, equal to EUR 366 thousand (EUR 251 thousand at 30 June 2019), was obtained for supplements provided to television broadcasters during AS Roma home matches.

Revenues from AS Roma Media Centre, amounting to EUR 2,822 thousand (EUR 2,687 thousand at 30 June 2019), derive mainly from the marketing of the thematic channel "Roma TV" and radio rights of Roma Radio.

#### 8.5. ADVERTISING

This item amounts to EUR 16,712 thousand (EUR 27,126 thousand at 30 June 2019) and refers to commercial and marketing activities, more specifically for promotional and advertising activities at the Stadio Olimpico, during the first team's home matches. The decrease of EUR 10,415 thousand is mainly due to the interruption of the championship and its resumption behind closed doors, which made it impossible to provide hospitality services (the so-called Premium Seats) and some promotional and advertising activities. Add to this the longer duration of the 2019/20 season, which postponed the accrual of part of the revenues that will be earned in the 2020/21 financial year.

They consist of, more specifically, to: (i) EUR 5,286 thousand (EUR 9,520 thousand at 30 June 2019), for the sale of services at the Stadium, including the access to the hospitality area of the Stadio Olimpico, of which EUR 180 thousand (EUR 295 thousand at 30 June 2019) were for services provided to AS Roma; (ii) for EUR 10,564 thousand (EUR 16,557 thousand at 30 June 2019), for the sale of promotional-advertising spaces inside the Stadium, of which EUR 5,436 thousand for services provided to AS Roma; and (iii) for EUR 682 thousand (EUR 754 thousand at 30 June 2019), for other promotional-advertising proceeds generated outside the sports facility.

In particular, it must be noted that the item includes only the quota of the services related to the sale of the "Premium Seats" package.

#### 8.6. OTHER REVENUES

These amounted to EUR 303 thousand (EUR 406 thousand at 30 June 2019), a decrease of EUR 106 thousand, essentially due to the presence in the previous financial year of non-recurring income components which did not occur in the period. They mainly relate to residual and ancillary revenues, often of a singularly insignificant amount.

#### 8.7. COSTS OF GOOD

The costs for the purchases of raw materials and consumables, net of the changes in inventories, amount to EUR 2,891 thousand (EUR 3,435 thousand at 30 June 2019), down by EUR 544 thousand compared with the previous year, are composed as follows:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Consumables	(216)	(167)	(49)
Goods for resales	(2.638)	(3.431)	793
Change in inventories	(37)	163	(201)
<b>Net cost of products to be marketed</b>	<b>(2.891)</b>	<b>(3.435)</b>	<b>544</b>

These mainly relate to products for sale in the AS Roma Store and stationery, consumable hardware components and other consumables.

#### 8.8. COSTS OF SERVICES

This item amounted to EUR 18,594 thousand (EUR 21,892 thousand at 30 June 2019), a decrease of EUR 3,297 thousand, and is composed as follows:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Insurance costs	(63)	(59)	(3)
General and administrative cost	(11.680)	(12.856)	1.176
Advertising and promotion costs	(6.851)	(8.976)	2.124
<b>Total</b>	<b>(18.594)</b>	<b>(21.892)</b>	<b>3.297</b>

*Insurance expenses* amounting to EUR 63 thousand (EUR 59 thousand at 30 June 2019), increased by EUR 3 thousand, mainly relate to insurance coverage for the points of sale.

*Management and general costs* amounting to EUR 11,680 thousand (EUR 12,856 thousand at 30 June 2019), decreased by EUR 1,177 thousand, composed as follows:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Performance and professional services	(1.261)	(1.699)	438
Production and development of Media Center	(9.070)	(9.047)	(23)
Royalties and commissions	(768)	(1.266)	498
Headquarters and sales points management	(99)	(163)	64
Canteen services and staff meal vouchers	(112)	(126)	15
Maintenance and repairs	(32)	(183)	151
Travel and transfers	(80)	(210)	130
Audit	(33)	(15)	(18)
Other expenses	(227)	(148)	(79)
<b>Total</b>	<b>(11.680)</b>	<b>(12.857)</b>	<b>1.177</b>

- expenses for services and professional services, amounting to EUR 1,261 thousand (EUR 1,699 thousand at 30 June 2019), down by EUR 438 thousand due to the slowdown in business activities as a result of the spread of the pandemic and the consequent restrictive measures issued by public authorities to contain it; These expenses include, among other things, fees to external professionals, lawyers and notaries, commercial, insurance, IT, photographic, tax and labour consultancy;
- costs for the production and development of Media Centre activities, amounting to EUR 9,070 thousand (EUR 9,047 thousand at 30 June 2019), up by EUR 23 thousand; Services provided by Roma Studio, amounting to EUR 8,976 thousand (EUR 8,745 thousand at 30 June 2019) and services provided by other broadcasters for EUR 94 thousand (EUR 291 thousand at 30 June 2019);
- royalties and commissions of EUR 768 thousand (EUR 1,266 thousand at 30 June 2019), down by EUR 498 thousand during the financial year, as a result of the spread of the Covid-19 pandemic and the consequent interruption of economic activities by public authorities. These relate to the assessment for invoices to be received for royalties contractually due to the NIKE group due to the commitments undertaken, following the acquisition of AS Roma Merchandising Srl, (a company of the NIKE group), which took place in October 2018;

- expenses for a share of the management of the Company's headquarters, training centre and sales outlets for EUR 99 thousand (EUR 163 thousand at 30 June 2019), essentially related to water, gas, electricity and telephone consumption, cleaning of premises, and security services;
- expenses for canteen services and meal vouchers for employees for EUR 112 thousand (EUR 126 thousand at 30 June 2019);
- maintenance and repair costs, amounting to EUR 32 thousand (EUR 183 thousand at 30 June 2019), relating more specifically to hardware and software maintenance;
- transport and travel expenses of EUR 80 thousand (EUR 210 thousand at 30 June 2019), decreased by EUR 131 thousand as a result of the spread of the pandemic Covid-19 and the consequent restrictive measures issued by the public authorities to contain it which limited these activities;
- audit expenses of EUR 33 thousand (EUR 15 thousand at 30 June 2019), relating to costs of financial statements certifications;
- other expenses, amounting to EUR 227 thousand (EUR 148 thousand at 30 June 2019), relating to costs for the collaborations of self-employed workers, general services and other sundry administrative charges.

Finally, advertising and promotion expenses of EUR 6,851 thousand (EUR 8,976 thousand at 30 June 2019) are related to entertainment and advertising expenses, as well as expenses for the management of the hospitality area set up inside the stadium on the occasion of AS Roma home matches, down by EUR 2,124 thousand due to the interruption of the championship and its resumption behind closed doors, as well as the longer duration of the 2019/20 season, which postponed the accrual of part of the revenues to the 2020/21 financial year.

They consist of:

- Ticket fees and Stadio Olimpico subscriptions, amounting to EUR 4,376 thousand (EUR 5,833 thousand on 30 June 2019), are related to the purchase of access permits from AS Roma to use the Stadio Olimpico's hospitality area during the first team's home games. Decreased by EUR 1,457 thousand in the financial year;
- Services expenses for the Stadio Olimpico's hospitality area, amounting to EUR 1,813 thousand (EUR 2,383 thousand as at 30 June 2019), are mainly related to costs incurred for the reception and the preparation of the Hospitality Areas of the Stadio Olimpico and of the advertising devices, during the first team's home games. They recorded a decrease of EUR 570 thousand in the period;
- Advertising, promotion and entertainment costs, amounting to EUR 662 thousand (EUR 759 thousand on 30 June 2019), decreased by EUR 97 thousand compared to the previous financial year, are mainly related to costs for publicity stands, for the management of commercial events, for merchandise promotion and advertising of the AS Roma Store, and for other promotion-advertising activities.

#### 8.9. COST OF USE OF THIRD-PARTY ASSETS

Equal to EUR 26,830 thousand (EUR 27,732 thousand at 30 June 2019), this item decreased by EUR 902 thousand in the financial year and consisted of:

- the lease of the business unit, consisting of the commercial activities of ASR Media and Sponsorship S.p.A., granted to the subsidiary by AS Roma and Soccer when incorporating the same and leased to Soccer since February 2015. The charge, amounting to EUR 22,700 thousand, has remained unchanged compared to 30 June 2019. The lease of the business unit does not fall within the scope of IFRS 16 because it falls within the licensing agreements pursuant to IAS 38 Intangible assets;
- charges for the lease of the commercial areas of the Stadio Olimpico, for EUR 2,027 thousand paid to AS Roma on the basis of the framework agreement in place between the parties; compared to 30 June 2019, there was a decrease of EUR 513 thousand following the decrease in rent for the year following the interruption of the championship in March 2020;

- charges for the lease of the operating areas of the Trigoria Training Centre and the new EUR headquarters, for EUR 992 thousand, up by EUR 632 thousand and paid to AS Roma on the basis of the framework agreement in place between the parties;
- lease of commercial premises for merchandising activities, for EUR 1,126 thousand (EUR 1,362 thousand on 30 June 2019), specifically for the points of sale at Via del Corso (Downtown), Piazza Colonna, the Roma Est Shopping Centre, and the Rome Fiumicino airport. More specifically, it should be noted that the outlet at the Roma Est Shopping Centre was closed for good due to closure in March 2020. The Group has availed itself of the exemption granted by section IFRS 16:5(a) in relation to short-term leases even in cases where it has the right to use the asset in a fractional manner for a limited period of the year, even where a multi-year agreement is involved;
- rental of software licenses, led and audio systems and equipment for EUR 641 thousand (EUR 426 thousand at 30 June 2019). These costs fall within the scope of the exemption granted by: (i) section IFRS 16:5(a) in relation to short-term leases; and (ii) section IFRS 16:5(b) in relation to lease agreements for which the underlying asset is a low-value asset (i.e., the individual asset underlying the lease agreement does not exceed EUR 5,000, when new);
- other lease payments and charges, amounting to EUR 451 thousand (EUR 41 thousand at 30 June 2019) relating to the use of A.S. Roma's trademarks, photographs and multimedia content, and the First Team's image rights. The increase is due to the signing of the new framework agreement on 22 November 2019.

It should be noted that the application of IFRS 16 "Leases" has led to the recording of certain rental and operating lease agreements under non-current assets, with a counter-entry under financial liabilities, and the related costs incurred during the period being recorded under amortisation and financial charges, as described in note 3 "Standards and criteria applied", of the following Explanatory Notes, to which reference should be made..

#### 8.10. PERSONNEL COSTS

The cost of employees, amounting to EUR 4,869 thousand (EUR 5,454 thousand as of 30 June 2019) recorded a decrease of EUR 676 thousand which is comprised as follows:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Wages and payrolls	(3.602)	(4.060)	458
Social charges	(942)	(1.186)	244
Employee leaving indemnity	(302)	(273)	(29)
Other costs	(23)	(27)	4
<b>Total Other employees</b>	<b>(4.869)</b>	<b>(5.545)</b>	<b>676</b>

Following the spread of the COVID-19 virus, the socio-economic safety nets provided for by the Presidential Decrees of the Council of Ministers of March 2020 have been activated for some employees, and the players of the first team, the coach and his staff have undertaken to compensate the difference in net remuneration that will be received by these employees. Finally, an agreement was also reached with the management of the Company, which waived part of its salary during this period.

Employed staff at the end of the financial year and placed on average within the Company is comprised of:

	12 months ended,			
	30/06/2020		30/06/2019	
	Period average	End of the period	Period average	End of the period
Senior executives	5	5	5	5
Employees	2	3	7	7
Workers	74	75	77	67
<b>Total</b>	<b>81</b>	<b>83</b>	<b>89</b>	<b>79</b>

**8.11. OTHER EXPENSES**

This item totalled EUR 160 thousand (EUR 366 thousand as at 30 June 2019), down by EUR 206 thousand in the period. It consists of the following items:

€/000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Indirect tax charges	(55)	(116)	61
Other charges	(105)	(250)	145
<b>Total</b>	<b>(160)</b>	<b>(366)</b>	<b>206</b>

Indirect tax charges, amounting to EUR 55 thousand (EUR 116 thousand at 30 June 2019), relate to withholding taxes on commercial income and royalties, municipal taxes for Stadium advertising and waste disposal, government concessions, stamp duty and chamber of commerce fees, non-deductible VAT and other tax charges;

Other charges, amounting to EUR 105 thousand (EUR 250 thousand at 30 June 2019), decreased by EUR 145 thousand, essentially due to the absence of contingent liabilities accounting in the 2018/19 financial year.

**8.12. DEPRECIATION, AMORTISATION AND WRITE DOWN**

This item amounted to EUR 1,704 thousand (EUR 924 thousand at 30 June 2019), an increase of EUR 780 thousand, essentially due to the first-time adoption of IFRS 16, as described in note 4 "Standards and criteria applied", to which reference should be made.

€ / 000	12 months ended,		Differences
	30/06/2020	30/06/2019	
Depreciation of other intangible	(2)	(271)	269
Depreciation of fixed assets	(187)	(302)	115
Depreciation of Rights of use	(968)	-	(968)
<i>Total amortization</i>	<i>(1.157)</i>	<i>(573)</i>	<i>(584)</i>
Write-downs of current	(670)	(351)	(320)
<b>Total</b>	<b>(1.827)</b>	<b>(924)</b>	<b>(903)</b>

More specifically, EUR 1,157 thousand refers to depreciation and amortisation (EUR 573 thousand for the year to 30 June 2019), and EUR 547 thousand to write-downs of current receivables (EUR 351 thousand for the year to 30 June 2019), made to adjust them to their estimated realisable value.

For the details, please see the comments on the corresponding items of the Statement of Assets and Liabilities.

**8.13. NET FINANCIAL INCOME**

This item, which totalled EUR 4,451 thousand (EUR 6,643 thousand at 30 June 2019), decreased by EUR 2,191 thousand in the financial year, and is composed as follows:



€ / 000

	12 months ended,		Differences
	30/06/2020	30/06/2019	
<i>Financial income:</i>			
Interest income on loan to AS Roma	8.131	10.670	(2.539)
Mediaco dividends	7.532	9.475	(1.942)
Other financial income	141	2	139
<b>Total financial income</b>	<b>15.804</b>	<b>20.146</b>	<b>(4.342)</b>
<i>Financial charges:</i>			
Interest expense on financing from MediaCo	(10.941)	(13.401)	2.460
Bank commissions and other charges	-	(71)	71
Charges for financial payables from rights of	(409)	-	(409)
Other financial charges	(3)	(32)	29
<b>Total financial charges</b>	<b>(11.353)</b>	<b>(13.503)</b>	<b>2.151</b>
<b>Total net financial income</b>	<b>4.451</b>	<b>6.643</b>	<b>(2.191)</b>

Financial income, amounting to EUR 15,804 thousand (EUR 20,146 thousand at 30 June 2019), showed a decrease of EUR 4,342 thousand in the financial year and relates to EUR 8,131 thousand (EUR 10,670 thousand at 30 June 2019) for interest income accrued on the loan granted in February 2015 to AS Roma, using funds received from ASR Media and Sponsorship S.p.A, and EUR 7,532 thousand (EUR 9,474 thousand at 30 June 2019) for dividends approved by the Shareholders' Meeting of the subsidiary MediaCo, when it approved the financial statements for the year ended 30 June 2019;

Other financial income, amounting to EUR 141 thousand, mainly includes the effects deriving from the conclusion of a lease agreement which resulted in financial income in application of IFRS 16 "Leases".

Financial charges amounting to EUR 11,353 thousand (EUR 13,503 thousand at 30 June 2019), decreased by EUR 2,151 thousand and consisted of EUR 10,941 thousand (EUR 13,401 thousand at 30 June 2019) of financial charges accrued on the loan received from ASR Media and Sponsorship S.p.A. The residual amount essentially relates to financial charges determined by the application of IFRS 16, not present in the previous financial year 2018/19.

#### 8.14. TOTAL TAXES

No current or deferred taxes were recorded in the financial year, compared with EUR 85 thousand accrued at 30 June 2019 and assessed by the Revenue Office, for which an instalment plan agreed with the Tax Authorities was prepared.

#### 8.15. OTHER COMPONENTS OF THE COMPREHENSIVE OPERATING LOSS FOR THE FINANCIAL YEAR

Equal to EUR 77 thousand and EUR 197 thousand at 30 June 2019, these represent the actuarial adjustment recorded directly under the item Shareholders' Equity related to the actuarial gains (losses) reserve and relating to future employee benefits, following the periodical assessment of the employees' severance indemnity (TFR) conducted by qualified external experts.

### 9. FINANCIAL RISKS MANAGEMENT

These Annual Financial Statements have been drafted, similarly to the previous ones as at 30 June 2019, based on IFRS 7 Standard, which requires additional information about the significance of financial instruments in terms of performance and financial indebtedness of an enterprise, level of exposure to risk arising from the use of the said financial instruments, as well as a description of the objectives, policies and the accounting procedures implemented by the management in order to manage these risks.

The main financial risks related to the ordinary course of business of A.S. Roma can be summarised as follows:

#### Liquidity risk

The ability to meet its ordinary cash requirements could be affected by the mechanism for channelling cash and cash equivalents provided for in the agreements signed under the Bond issued in 2019, which provide,



more specifically, a potential constraint of use due to the mandatory mechanism for channelling cash receipts and uses of cash and cash equivalents to guarantee the exact fulfilment of the obligations undertaken, and therefore temporarily limit the use of cash and cash equivalents. Such channelling mechanism is defined through the assignment without recourse of receivables or through MediaCo being conferred mandate to collect all receivables assigned without recourse or as guarantee and therefore collect any payment made by, or on behalf of, AS Roma's and Soccer's debtors, concerning in particular the TV rights related to Serie A championship and European competitions, licensing and sponsorships activities, as well as the "direct media rights", whose activities are linked to the TV channel "Roma TV" and the radio channel "Roma Radio", as well as other activities carried out on digital platforms (e.g., website, Facebook, Twitter, WeChat, Instagram, YouTube, Pinterest, Giphy, Weibo).

Under this mechanism contractually provided for, the use of the AS Roma Group's available cash may be temporarily restricted, with negative effects on the temporary cash flow of the cash and cash equivalence necessary to meet the immediate cash flow needs, so as to prevent payment of debts at due dates, which, in the specific case of payables towards football clubs for transferred players, and salaries, including taxes and tax withholdings, accrued vis-à-vis staff registered with the Company, can negatively affect the issuance of the National License, to register for Serie A Championship, and of the UEFA License, to register for European competitions.

#### Risk associated with contractual covenants

Some loan agreements include covenants, acceleration events, cross default clauses and undertakings whose breach or triggering could lead to termination of the agreement and mandatory prepayment, with significant negative effects on the Group's economic, financial and equity position, that might jeopardise its going concern status.

More specifically, until 8 August 2019, the Group was subject to compliance with covenants, calculated on a quarterly basis, acceleration events, cross default clauses and commitments whose violation or activation could lead to the termination of the agreement and the obligation early repayment, as part of the facility agreement signed on 12 February 2015 - between, inter alia, (i) Goldman Sachs International and Unicredit S.p.A., as Mandated Lead Arranger and Bookrunner, (ii) ASR Media and Sponsorship S.p.A., as borrower, (iii) AS Roma S.p.A., for the assumption of commitments and obligations and to acknowledge the provisions of the contract, (iv) Soccer Sas of Brand Management S.r.l., for the assumption of commitments and obligations and to acknowledge the provisions of the contract, (v) UniCredit Bank AG - Milan Branch as "Agent and Security Agent" (hereinafter, the "Facility Agreement"), as amended on 22 June 2017. More specifically, the Facility Agreement included covenants - usual for similar transactions, which were complied with for all quarters from 30 June 2015 until 30 June 2019. In addition, there has been no negative pledge infringement events and there have been no events involving forfeiture of the benefit of the term or mandatory early repayment.

On 8 August 2019, MediaCo closed its private offering to qualified institutional investors of non-convertible Senior Secured Bonds maturing on 1 August 2024 (the "Bonds"). The Bonds were issued for a total amount of EUR 275 million with a minimum denomination of EUR 100,000 and received BB- ratings from Standard & Poor's, then reduced, as part of the analyses carried out to take into account the effects of the spread of the Covid-19 virus on the AS Roma Group and the football sector in general, on 16 April 2020, to B+, placing it on CreditWatch with negative implications, and on 13 July 2020, to B, with a negative Outlook, removing it from CreditWatch. Interest accrues on the Bonds at a rate of 5.125% per annum to be paid half-yearly on 30 June and 31 December of each year. The Bonds are guaranteed by Soccer in accordance with the applicable legal provisions. The principal repayment of the Bonds will take place from 31 December 2020 on a half-yearly basis, until 30 June 2024, with a final instalment on 1 August 2024. The net proceeds from the issue of the Bonds, following the payment of the commissions and expenses arising from the transaction, were used, inter alia, (i) to refinance the existing debt of MediaCo, through the full repayment of the outstanding loan under the facility agreement signed on 12 February 2015 (as amended from time to time); and (ii) to provide the Group with financial resources for its business activities.

The Bonds are secured by the following pledges and guarantees: (i) a pledge on the shares of MediaCo; (ii) a pledge on the shares of Soccer; (iii) a pledge on the current accounts of MediaCo; (iv) a pledge on the current accounts of Soccer; (v) a pledge on the current account of AS Roma called "UEFA Account"; (vi) an assignment as security by AS Roma of the receivables deriving from national and international television rights (so-called, "Indirect Media Rights"); (vii) a pledge of receivables arising from certain infra-group relationships; (viii) a pledge by Soccer and MediaCo of receivables arising from sponsorship and media rights agreements (direct and indirect); (ix) a pledge on MediaCo's intellectual property rights.

More specifically, among other things, the financial documentation relating to the issue of the Bonds provides for certain covenants - usual for similar transactions - including, but not limited to:

- **financial covenants:** there is a commitment by MediaCo to comply with certain parameters aimed at measuring its financial capacity to repay the Bonds and specifically: (A) Debt Service Coverage Ratio which, calculated on the basis of historical 12-month data, is recognised every six months starting on 30 June 2020; and (B) Pro Forma Debt Service Coverage Ratio which, calculated as the ratio between the expected cash flows for the following 12 months and the financial outlays relating to loan repayment and interest payments for the following 12 months, is recognised every six months starting on 30 June 2020. Both financial parameters must be not less than 1.5:1 and any breach constitutes an Event of Default within the meaning of the financial documentation, unless MediaCo restores - where possible - compliance with the aforesaid financial parameters within 30 working days from the date of notification to the Agent.
- **negative pledge:** there are restrictions for companies in the AS Roma Group: (i) to grant guarantees to third parties on its assets, except in the case of statutory guarantees linked to transactions in the ordinary course of business carried out by the companies; (ii) to assign, transfer or otherwise dispose of its assets towards third parties, excluding players' registration rights. There are also specific limitations with regard to the assumption of additional debt and the issue of guarantees.

The financial documentation of the Bonds also provides for a number of hypotheses constituting Events of Default - usual for similar transactions - which determine, among other things, the acceleration of the obligation to fully repay the Bonds, such as, by way of example and without limitation: (i) the failure to pay principal or interest due in relation to the Bonds unless it was due to technical and administrative errors and was made within the terms set forth in the documentation; (ii) the failure to comply with the financial covenants not remedied within the terms set forth above; (iii) the cross acceleration of the financial indebtedness of MediaCo, Soccer and its subsidiaries; (iv) the case of MediaCo's insolvency due to failure to pay its past due debts; and (v) the ineffectiveness or nullity or non-enforceability of the documentation guaranteeing the Bonds.

These contractual covenants were complied with for all periods ending until 30 June 2020. In addition, there has been no negative pledge infringement events and there have been no events involving forfeiture of the benefit of the term.

Finally, the financial documentation of the Bonds provides for certain hypotheses of mandatory repurchase of the Bonds/mandatory early repayment, among others (without limitation), in the following cases: (i) change in the ownership or control structure of, among others, the Company, Soccer and MediaCo, within the terms set out in the documentation of the Bonds; and (ii) relegation of the Company to the lower series of national sports competitions.

In this regard, it should be noted that, as a result of the change of control connected with the completion of the acquisition by Mr Thomas Dan Friedkin, through Romulus and Remus Investments LLC, a company controlled by the same, of the entire share capital of NEEP Roma Holding S.p.A. ("NEEP"), completed on 17 August 2020 and, accordingly, the loss of control over AS Roma S.p.A. by AS Roma SPV LLC, MediaCo was obliged to repurchase all or part of the Bonds, at a price equal to 101% of the relevant principal amount, together with (i) interest accrued and not paid on the repurchase date and (ii) any Additional Amount due in the event of withholding or deductions applicable on the payment of the amounts referred to in point (i) above.

However, on 17 September 2020, the Bondholders' Meeting approved the granting of certain waivers and certain changes to be made to the Indenture as described in detail in the specific consent solicitation statement dated 2 September 2020 (the "Consent Solicitation Statement"). The Supplemental Indenture aimed at implementing the extraordinary resolution of the Bondholders' Meeting was signed on 18 September and entered into force at the time of payment of the Consent Payment occurred on 24 September 2020, and the repayment plan of the Bonds has therefore remained unchanged with respect to the original one.

In addition, on 29 September 2020, AS Roma's Board of Directors approved a shareholders' loan with the direct controlling shareholder NEEP for an amount of approximately EUR 14.6 million, equal to the amount of the costs paid by the subsidiary MediaCo as part of the Consent Solicitation relating to the bond described above. Since NEEP is a related party of AS Roma, the transaction was classified as a "major related-party transaction" and approved by the Board of Directors with the prior favourable opinion of the Committee for Related-party Transactions. The Information Document on the transaction was published by the Company in accordance with Article 5 of Consob Regulation No. 17221/2010.

#### Credit risk

In compliance with the new IFRS 9 standard, the Company, starting from 2018, writes down its receivables with the expected losses model (and not with the incurred losses model used by IAS 39). Loans from customers with inadequate ratings, even if relating to items not yet due, are subject to provisions. These ratings are attributed on the basis of commercial information and collection statistics within the company and the related provisions are made on the basis of percentages of expected losses for rating classes modulated on the statistics of credit losses occurring in the last 2 years.

#### Interest rate risk

There is no interest rate risk for the Bond issued on 8 August 2019, as it is set at a fixed rate.

#### Exchange rate risk

The Company carries out almost all acquisitions and sales in Euro. Therefore, it is not subjected to significant exchange rate fluctuation risks.

#### Derivative financial instruments risk

In the 2019-2020 financial year under review and in previous financial years, the Company has not subscribed any hedging or trading derivative financial instruments.

### **10. SIGNIFICANT EVENTS AFTER 30 JUNE 2020**

The following are the significant events that occurred after 30 June 2020:

#### **TERMINATION OF THE TECHNICAL SPONSORSHIP CONTRACT**

On 16 July 2020, the technical sponsorship agreement with Nike European Operations Netherlands B.V. signed on 12 March 2013, with an expiry date of 31 May 2024, for the production and supply of all match and training products, from the First Team to the youth teams, as well as leisure products for players and fans, with a basic remuneration in favour of the Club equal to EUR 4 million plus bonuses on achievement of certain sports results (including UEFA Champions League, UEFA Europa League, Serie A championship or Italian Cup), and royalties in favour of the Club calculated on the basis of sales for each year of the agreement, was terminated by mutual consent.

On the same date, an agreement was signed with Nike valid for the 2020/2021 football season under which Nike will continue to provide all technical, match, training and casual equipment for the First Team, youth teams and women's teams on an exclusive basis.

#### **SIGNING OF THE OFFICIAL FIRST TEAM SLEEVE SPONSOR CONTRACT**

In September 2020, a multi-year partnership agreement was signed with IQONIQ Group Sarl, a fan engagement platform, which became the "Main Global Partner" and official sleeve sponsor of the First Team until the end of the sports season 2022/23.

## REGISTRATION TO THE SERIES A 2020/2021 CHAMPIONSHIP

In August 2020, the procedure for the issue of the National Licence and registration for the Serie A Championship for the 2020/21 football season was completed. The FIGC Federal Council, having verified the Company's compliance with the economic-financial and legal criteria, as well as the infrastructural, sports and organisational criteria, approved the admission of AS Roma to the Serie A Championship for the 2020/2021 football season.

## COMPLETION OF THE ACQUISITION OF THE MAJORITY SHAREHOLDING IN A.S. ROMA S.P.A. - RESIGNATION AND APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS

On 17 August 2020, AS Roma SPV, LLC sold and transferred its controlling interest held directly and indirectly in the Company - and certain related assets and liabilities - to Romulus and Remus Investments LLC ("RRI"), a company incorporated under the laws of Delaware and designated by TFG for the purpose of the acquisition, of 544,468,535 ordinary shares of the Club, representing approximately 86.6% of the share capital, composed of a direct shareholding of 3.3% in the share capital of the Club and an indirect shareholding of 83.3% held through the company NEEP Roma Holding S.p.A. (the "Majority Shareholding"), together with certain additional assets, as indicated in the joint press release issued by the Parties on 7 August 2020 and available at [www.asroma.com](http://www.asroma.com).

As a result of the completion of the acquisition of the Majority Shareholding and in accordance with certain provisions of the agreements made by the parties, on 17 August 2020, the Board of Directors of AS Roma:

- received the resignation of directors James J. Pallotta, Charlotte Beers (independent), Richard D'Amore, Gregory Martin, Paul Edgerly, Cameron Neely (independent) and Barry Sternlicht. These directors did not hold shares in the Company and were not beneficiaries of severance indemnities in connection with these resignations;
- appointed for co-optation the following new directors: Dan Friedkin (Chairman), Ryan Friedkin, Marc Watts, Eric Williamson, and Ana Dunkel, who do not hold shares in the Club (on the understanding that Dan Friedkin controls the RRI);
- appointed the new Executive Committee consisting of Dan Friedkin (Chairman), Ryan Friedkin, Guido Fienga, Marc Watts and Eric Williamson, and
- Guido Fienga has maintained his position as Chief Executive Officer of AS Roma and the related powers, as most recently delegated by the Board of Directors on 26 June 2020.

In addition, an AS Roma Shareholders' Meeting has been called to appoint the entire new Board of Directors in accordance with the applicable provisions of law and the Articles of Association, as illustrated in the information published by the parties in accordance with Article 122 of the Consolidated Finance Act (TUF). The Board of Statutory Auditors of the Club shall remain in office until the natural expiry of its term of office. The Shareholders' Meeting, which met on 29 September 2020, then resolved the appointment of the new Board of Directors, as described in the following section on corporate governance events.

As a result of the completion of the acquisition of the Majority Shareholding, RRI launched, in accordance with Article 106 of Legislative Decree No. 58 of 24 February 1998 (the "TUF"), a mandatory public tender offer on the remaining ordinary shares of the Club, equal to 84,413,785 ordinary shares, representing approximately 13.4% of the Club's share capital (the "Public Tender Offer").

The Public Tender Offer that was carried out from 9 October 2020, will be completed on 29 October 2020 and each shareholder that will take part in it will receive a cash consideration for each share equal to the Price per Share of EUR 0.1165.

## START OF THE NATIONAL AND INTERNATIONAL COMPETITIONS OF THE 2020/21 SEASON

On 19 September 2020, the 2020/21 Serie A championship began, with the matches initially held behind closed doors, and then with the entrance allowed to a limited number of one thousand spectators.

In the international arena, the draw for the group stage of the UEFA Europa League, in which AS Roma took part by virtue of its fifth place in the final standings of the 2019/20 football season, took place on 2 October and AS Roma was drawn as the top seed in Group A with Young Boys, Cluj and CSKA Sofia, while the first match was played on 22 October. The knockout phases will remain unchanged from the original programme, with the sixteenth finals taking place from 18 to 25 February 2021, the eighth finals from 11 to 18 March 2021 and the quarter finals, semi-finals and final in April and May 2021.

### INFORMATION ON ENTITIES EXERCISING MANAGEMENT AND COORDINATION ACTIVITIES

Pursuant to art. 2497-bis and 2497-ter of the Italian Civil Code, in order to provide the necessary information and publicity, of the person who, directly or indirectly, is able to carry out the management and coordination of Soccer, the summary information is provided below, updated as at 30 June 2020.

It should be noted that Soccer is 99.98% controlled by AS Roma, the limited partner, while each of the general partners, Brand Management and ASR Soccer LP Srl, have a 0.01% stake.

The Management and coordination activity, pursuant to Articles 2497 and following of the Civil Code, was exercised until August 17, 2020 by AS Roma SPV LLC, a Delaware limited liability company incorporated on 27 January 2011 with registered office in 615 South Du Pont Highway, Dover, Delaware (USA). Below most recent available summary financials:

(Thousand US Dollars)	31.12.18	31.12.17
<b>Assets</b>		
A – Current assets-escrow cash account	9.837	1.958
B – Other assets – AS Roma Entities	256.335	151.675
C – Investment in Stadium	72.717	70.927
C - Other assets – Notes receivable	25.479	119.781
<b>Total assets</b>	<b>364.368</b>	<b>344.341</b>
<b>Liabilities &amp; Equity</b>		
A – Equity:		
▪ Share capital – Members' Contributed Capital	315.034	294.637
▪ Retained earnings	(21.034)	(17.176)
▪ Net income	(6.710)	(3.907)
<b>Total Equity</b>	<b>287.241</b>	<b>273.554</b>
B - Liabilities:		
▪ Account payable	748	716
▪ Other current liabilities (interest, note payable)	76.379	70.071
Total current liabilities	<b>77.127</b>	<b>70.787</b>
<b>Total Liabilities &amp; Equity</b>	<b>364.368</b>	<b>344.341</b>

It is recalled that Management and coordination activity, pursuant to Articles 2497 and following of the Civil Code is currently exercised by Romulus and Remus Investments LLC, a limited liability company by law US with registered office in Wilmington, Delaware, 1209 Orange Street and operational headquarters in Houston, Texas, 1375 Enclave Parkway, registered in the State of Delaware under no. 7868101 (company specifically designated by THE FRIEDKIN GROUP, INC., Hereinafter "RRI").

In particular, on August 17, 2020 AS Roma SPV, LLC sold and transferred its controlling interest held directly and indirectly (through NEEP Roma Holding S.p.A., hereinafter "NEEP") in the A.S. Roma S.p.A. - and some related assets and liabilities - in favor of RRI, which therefore controls 100% of NEEP, with a stake equal to 83.284% of the majority stake in the capital of A.S. Roma S.p.A., and is the direct owner of 3.293% of the shares with voting rights of the same A.S. Roma S.p.A.

Romulus and Remus Investments LLC was incorporated on February 26, 2020 and has therefore not completed a financial year at the date of this Report and has not prepared any financial statements. Please find below a summary representation of the Romulus and Remus Investments LLC's balance sheet prepared as of 31 August 2020 and included in the Mandatory tender offer, pursuant to artts. 102, 106, par.1, and 109

of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented, on the ordinary shares of A.S. Roma S.p.A., which does not include the impact of Acquisition accounting or consider consolidation standards, which was not subject to any audit, and which was prepared solely for the purposes of inclusion into the Offer Document.

As shown by the chart below, the assets consist of the intercompany receivables and the participation acquired in the context of the EPA.

Romulus and Remus Investments LLC – Financials as of 31 August 2020	
Financial Statement line item	Euro
Intercompany receivables	110,357,319
Investments in Subsidiaries – NEEP Roma Holding S.p.A.	95,429,898
Investments in Subsidiaries – AS Roma S.p.A.	2,411,889
Investments in Subsidiaries – ASR Soccer LP S.r.l.	32,828
Investments in Subsidiaries – Retail TDV S.p.A.	45,865
<b>Total Assets</b>	<b>208,277,888</b>
Accrued Expenses	6,294,587
<b>Total Liabilities</b>	<b>6,294,587</b>
Total Capital (1)	218,940,681
Retaining Earnings	(16,957,380)
<b>Net Worth</b>	<b>201,983,302</b>

(1) On 1 September 2020 additional capital of Euro 13 million was contributed to Romulus and Remus Investments LLC

An income statement for the Offeror has not been included in the Offer Document as, since the date of its incorporation, the Offeror has not carried out any significant operating activities outside those relating to the Acquisition of the Majority Stake.

Romulus and Remus Investments LLC did not carry out any significant activities from the date of incorporation until the date of this report, apart from the purchase of the majority stake and AS Roma S.p.A. and certain other related activities referred to the sale agreement. Pursuant to art. 3 of its organizational act, Romulus and Remus Investments LLC may carry out any lawful activity and pursue any purpose permitted under the Delaware Limited Liability Company Act.

RRI is directly controlled by Romulus and Remus Holdings LLC, a Delaware limited liability company, which holds 100% of the share capital. Pursuant to art. 93 of the TUF, Mr. Thomas Dan Friedkin, through Romulus and Remus Holdings LLC, exercises control over the Group. Romulus and Remus Holdings LLC's financial statements are expected to be prepared in accordance with US GAAP, with no impact on consolidation principles; however, at the date of this report, this decision is still being evaluated by the competent corporate bodies.

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**CERTIFICATION OF THE FINANCIAL STATEMENTS**

These Financial Statements of Soccer SAS of Brand Management S.r.l. truthfully and exactly represent the financial position, as well as the performance for the financial year ended on 30 June 2019 and correspond to the profits/losses in the accounting records.

Reference should be made to the Report on Operations for further information on significant events occurring after the end of the financial year.

These financial statements, consisting of the Statement of Assets and Liabilities, Income Statement, Statement of Changes in Shareholders' Equity, Cash Flow Statement and the Explanatory Notes, present a true and fair view of the Company's financial position and trading results for the financial year ended 30 June 2020 and correspond to the accounting records.

Rome, 23 October 2020

On behalf of the Board of Directors  
of the General Partner  
Brand Management S.r.l.

The Chief Executive Officer  
Guido Fienga



**REPORT OF THE INDEPENDENT AUDITORS TO THE FINANCIAL STATEMENTS**

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

To the Shareholders of  
Soccer S.a.S. di Brand Management S.r.l.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

We have audited the financial statements of Soccer S.a.S. di Brand Management S.r.l. ("Company"), which comprise the statement of financial position as of June 30, 2020, the comprehensive income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended and the explanatory notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

**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.

**Other aspects**

In accordance with article 2497-bis, first comma, of Italian Civil Code, the Company has indicated that it was subject to management and coordination by AS Roma SPV LLC until August 17, 2020, and therefore has included the essential data of the last financial statements of AS Roma SPV LLC in the explanatory notes. Our opinion on financial statement of Soccer S.a.S. di Brand Management S.r.l. does not extend to such data.

**Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and,

Accounting firms: Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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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.

#### **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;

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- 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 Soccer S.a.S. di Brand Management S.r.l. are responsible for the preparation of the report on operations of Soccer S.a.S. di Brand Management S.r.l. as of June 30, 2020, 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 Soccer S.a.S. di Brand Management S.r.l. as of June 30, 2020 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 Soccer S.a.S. di Brand Management S.r.l. as of June 30, 2020 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  
**Giovanni Cherubini**  
Partner

Rome, Italy  
October 26, 2020

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

## LEGAL INFORMATION AND CONTACTS

Registered office:

Via Emilia, 47 – 00187 Rome

Headquarters:

Via di Trigoria, km. 3.600 – 00128 Rome

Administrative office:

Viale Tolstoj, 2/6 - 00144 Rome

Tax code:

09305501000

Vat No.:

09305501000

Economic Administrative Index No.:

1154259

Share Capital:

EUR 123,432,269.87 fully paid up

Certified e-mail address:

[soccer@pec.it](mailto:soccer@pec.it)

Name of the company exercising management and coordination activities:

Romulus and Remus Investments, LLC