



ANNUAL REPORT AND FINANCIAL STATEMENTS AT 30 JUNE 2023

Board of Directors' Meeting of 27 September 2023
Via Aldo Rossi no. 8, 20149 Milan



to all Shareholders
to all members of the Board of Directors
to all members of the Board of Statutory Auditors

c/o their offices

Milan, 7 October 2023

Dear Sir/Madam,

You are hereby invited to participate in the Ordinary Shareholders' Meeting of Associazione Calcio Milan S.p.A. (the "**Company**"), convened for **23 October 2023 at 11am**, in first call, and, if necessary, for 24 October 2023 at the same time, in second call, to discuss and resolve on the following

agenda

- 1) Approval of the financial statements of Casa Milan s.r.l. as at 30 June 2023, accompanied by the Board of Directors' report on operations. Allocation of the operating loss. Related and/or consequent resolutions;
- 2) Approval of the financial statements of Milan Entertainment s.r.l. as at 30 June 2023, accompanied by the Board of Directors' report on operations and the reports of the Board of Statutory Auditors and the Independent Auditors. Allocation of the operating loss. Related and/or consequent resolutions.
- 3) Approval of the financial statements of AC Milan S.p.A. as at 30 June 2023, accompanied by the Board of Directors' report on operations and the reports of the Board of Statutory Auditors and the Independent Auditors. Allocation of the operating loss. Related and/or consequent resolutions.
- 4) Presentation of the consolidated financial statements of AC Milan S.p.A. as at 30 June 2023, accompanied by the Board of Directors' report on operations and the reports of the Board of Statutory Auditors and the Independent Auditors. Relative resolutions.
- 5) Resolutions pursuant to articles 2364, paragraph 1, no. 2, 2383 and 2386 paragraph 1 of the Italian Civil Code and pursuant to Article 15 of the Articles of Association. Relative resolutions.

The Shareholders' Meeting will be held, as permitted by Article 10 of the Articles of Association **exclusively in videoconference mode through the use of the Zoom platform.**

The meeting may be attended by those who have the right to vote, as well as by those persons to whom the right to attend is reserved by law or by the By-laws.

In order to participate in the aforementioned Shareholders' Meeting, pursuant to Article 11 of AC Milan S.p.A.'s Articles of Association, Shareholders are invited to send an email (to the address assemblea@acmilan.com), **no later than 3 days before the Shareholders' Meeting (and therefore by 20 October 2023)**, the attached form duly completed in all its parts and signed at the bottom together with a PDF scan of the share certificate(s) in the name of the person requesting to attend the Shareholders' Meeting and a PDF scan of their valid identity document (the "**Form**"). **Please note that for a satisfactory electronic connection to the Shareholders' Meeting, the instructions given in the Form must be scrupulously followed by Shareholders; it should be noted that failure to comply with these instructions will not allow the necessary and correct identification of participants and will therefore result in their inability to be admitted to the meeting proceedings.**



If Shareholders intend to attend the Shareholders' Meeting through a proxy, it will also be necessary for the proxy to send the attached form, duly completed, including the section dedicated to the identification of the proxy, together with a copy of the proxy's valid identity document and an indication of the proxy's email address to which the Zoom link for participation in the Shareholders' Meeting should be sent, again to the aforementioned email address assemblea@acmilan.com. Shareholders are reminded that, in accordance with Art. 11 of the By-laws of A.C. Milan S.p.A., **a proxy may only be conferred on another shareholder.**

Once the legitimacy of the requesting Shareholder to participate and vote has been ascertained, AC Milan S.p.A. will send them (or, if designated, their proxy) a strictly personal link via email to connect to the Shareholders' Meeting via videoconference.

Shareholders are also reminded that, should they be interested to do so, with the same email communication they may also request that AC Milan S.p.A. send them, again via email, a copy of the documentation pertaining to the agenda, which is also available for collection, in copy, at the Company's registered office.

Finally, those Shareholders who wish to ask the directors questions strictly related to the agenda of the Shareholders' Meeting are invited to submit their questions in advance by 20 October 2023 by completing the relevant section of the attached form.

The Company reserves the right to send further information and/or clarifications on the technical arrangements for the Shareholders' Meeting by email, and/or by means of a notice published on the Company's website.

Best regards,

Paolo Scaroni
Chairman of the Board of Directors

AC MILAN GROUP

corporate Offices

Membri del consiglio di amministrazione:

<i>Presidente</i>	Paolo	Scaroni
<i>AD - Dir. Gen.</i>	Giorgio	Furlani
<i>Membro</i>	Gerry	Cardinale
<i>Membro</i>	Stefano	Cocirio
<i>Membro</i>	Robert	Klein
<i>Membro</i>	Kevin	LaForce
<i>Membro</i>	Mark	Dowley
<i>Membro</i>	Riccardo	Stefanelli
<i>Membro</i>	Gordon	Singer
<i>Membro</i>	Levine	Randy

Collegio Sindacale:

<i>Presidente</i>	Franco Carlo	Papa
<i>Sindaco Effettivo</i>	Alberto	Dello Strologo
<i>Sindaco Effettivo</i>	Cesare	Ciccolini
<i>Sindaco Supplente</i>	Luca	Sala
<i>Sindaco Supplente</i>	Alessandro	Ceriani

Organismo di Vigilanza:

<i>Presidente</i>	Stanislao	Lucheschi
<i>Membro</i>	Francesca	Muttini
<i>Membro</i>	Michela	Castelli

Società di revisione:

Deloitte & Touche S.p.a.
Via Tortona 25
20144, Milano

Index

AC Milan Group

REPORT ON OPERATIONS	6
CONSOLIDATED FINANCIAL STATEMENTS	31
NOTES	38
ATTACHMENTS	90
INDIPENDENT AUDITOR'S REPORT	

AC Milan

REPORT ON OPERATIONS	102
FINANCIAL STATEMENTS	129
NOTA NITES	181
ATTACHMENTS	190
INDIPENDENT AUDITOR'S REPORT	194

REPORT ON OPERATIONS



MILAN GROUP

A.C. MILAN S.p.A.

Registered office: Via Aldo Rossi no. 8, 20149 Milan

Secondary offices: Via Milanello no. 25 – 21040 Carnago (VA) –

Via dei Missaglia no. 17 – 20142 Milan – Via dei Fontanili no. 61/63 – 20017 Rho (MI)

Share Capital: Euro 113,443,200.00 fully subscribed and paid

comprising 218,160,000 shares, each with a nominal value of Euro 0.52.

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration No: 01073200154

BOARD OF DIRECTORS' REPORT ON OPERATIONS

AT 30 JUNE 2023

Sports results

The 2022/2023 football season ended with the AC Milan men's first team finishing fourth in the Italian Serie A and exiting the Italian Cup in the round of 16, while in European competition it ended with the club reaching the semi-finals of the UEFA Champions League.

On 10 May 2023, the UEFA First Grade Licensing Committee, having examined the documentation produced by the Parent Company AC Milan S.p.A. (the "Parent Company") within the scope of the UEFA Licensing process for the 2023/2024 football season, decided to grant the Licence on the basis of the requirements provided by the UEFA Licensing Manual.

On 30 June 2023, Co.Vi.So.C./F.I.G.C., having examined the documents submitted by the Parent Company, found that the conditions required for the National Licence for the 2023/2024 professional championship had been met, in accordance with Title I) of Official Communication no. 65/A of 9 November 2022.

Transfer Campaign**Sales and purchases of player rights**

The transactions finalised during the 2022/2023 Transfer Campaign resulted in a net increase in invested capital of Euro 50.5 million, deriving from additions of Euro 107.7 million, disposals of Euro 2.2 million (net book value of the rights sold) and write-downs of Euro 4.3 million (as better detailed in attachment 2 to the Notes to the Separate Financial Statements of the Parent Company) amortisation for the year amounted to Euro 50.8 million.

Profit on disposal of player registration rights amounted to Euro 0.3 million, whereas loss on disposal amounted to Euro 0.04 million.

With regard to the player transfer transactions finalised in the summer session of the 2022/2023 Transfer Campaign, which took place from 1 July to 1 September 2022, among others, the purchases of the following players were made, Alessandro Florenzi, Junior Walter Messias, Divock Origi, De Ketelaere Charles Marc, Thiaw Malick, Dest Sergino, Vranckx Aster Jan, D'Alessio Leonardo, Cuenca Martinez Hugo Francisco, Simic Jan-Carlo, Stalmach Dariusz Piotr. For the player transfer transactions finalised in the winter session of the 2022/2023 Transfer Campaign, which ran from 2 January to 31 January 2023, we note that there was only the outright purchase of the player Vasquez Llach Devis Estiven for the men's first team. It should also be noted that during the month of May 2023, the Company and Losc Lille reached an agreement to renegotiate the terms of the Sell on Fee in favour of Lille relating to the possible future sale of the player Rafael Leao. The agreement is to be considered an amendment and supplement to that signed in the summer of 2019 between the two clubs in relation to the acquisition of the player Leao (see Attachment No. 2 of these Notes to the Financial Statements).

It should also be noted that on 29 June 2023, a contract was signed for the definitive purchase of the player Loftus-Cheek Ruben.

The permanent and/or temporary disposals of player registration rights included those of Leonardo Campos Duarte Da Silva, Samuel Castillejo Azuaga, Frank Tsadjout, Lorenzo Colombo and Daniel Maldini. It bears noting that in July 2022, the employment contracts of players Lenny Alexander Borges and Leroyil Abanda Mfono were terminated by mutual consent and the economic effect of the termination has already been recognised in the financial statements at 30 June 2022.

We also note that there were no consensual terminations with players in the winter session of the 2022/2023 Transfer Campaign.

Renewals of player contracts

During 2022/2023, ten contract renewals took place in relation to players in the Milan first team.

Terminations of player contracts

During July 2022, the existing employment contracts with the players Lenny Borges Alexander and Abanda Mfono Leroyil were terminated by mutual consent, the economic effect of which was already recognised in the financial statements as at 30 June 2022, while there were no consensual terminations with players in the winter session of the 2022/2023 Transfer Campaign.

Season Ticket Campaign

The 2022/2023 season ticket campaign reached 38,554 championship season tickets (32,909 season tickets for the 2019/2020 season).

The average number of spectators in the 2022/2023 season was 71,880 for home championship matches (43,939 spectators in the 2021/2022 season, a season that was, however, impacted, especially in the first half, by the effects of the restrictive measures linked to the pandemic).

Business performance**Consolidated result for the year**

The net consolidated result for 2022/2023 financial year shows a profit of Euro 6.1 million, an increase of Euro 72.6 million compared to the consolidated loss of 2021/2022, equal to Euro 66.5 million.

The change in the net consolidated result for the 2022/2023 financial year compared to the previous year is mainly due to higher match revenues of Euro 40.3 million for income generated by the season ticket campaign and mainly attributable to: i) the reopening of stadiums following the lifting of the stricter regulatory restrictions originally imposed in connection with the Covid-19 epidemiological emergency, ii) income related to Milan's participation in European competitions, the achievement of the UEFA Champions League semifinal, which determined higher audiovisual income for Euro 41.8 million related to the higher number of matches played in international competitions, higher income from sponsorships and royalties for Euro 44.4 million determined by the signing of new contracts for the exploitation of the trademark with leading commercial partners valid for both the 2022/2023 season and subsequent seasons, as well as lower amortisation and depreciation for Euro 5.1 million, mainly attributable to player registration rights and lower expenses from player management for Euro 5.9 million. These positive changes were partly mitigated by lower gains from the sale of player

rights for Euro 5.3 million, lower other revenues and income for Euro 19.6 million mainly attributable to the recognition in the previous year of the gain from the sale of the "Casa Milan" property for Euro 17.8 million, higher costs for services for Euro 27.7 million mainly related to the higher number of matches played in international competitions and greater sporting and technical consultancy, and higher costs for the purchase of finished products for Euro 12 million mainly for the purchase of material for the new e-commerce activity.

Value of production

The value of production for 2022/2023 amounted to Euro 404.5 million, an increase of 36% compared to the Euro 297.6 million for the previous year, as follows:

	2022/2023		2021/2022		Change
	Value	%	Value	%	
Change in inventories	3.8	0.9%	-0.1	0.0%	3.9
Income from broadcasting and media rights	174.9	43.2%	133.1	44.7%	41.8
Match day revenues	72.8	18.0%	32.5	10.9%	40.3
Income from players' registration rights	6.6	1.6%	10.5	3.5%	-3.9
Sponsorship income	80.8	20.0%	57.8	19.4%	23.0
Commercial income and royalties	46.5	11.5%	25.1	8.4%	21.4
Other revenues and income	19.1	4.7%	38.7	13.0%	-19.6
Total	404.5	100.0%	297.6	100.0%	106.9

The Changes in inventories of finished products of Euro 3.8 million increased mainly due to the new e-commerce business.

Income from broadcasting and media rights amounted to Euro 174.9 million (+31% compared to the financial year 2021/2022), increased mainly due to the playing of a greater number of matches in European competitions with the reaching of the semi-finals of the UEFA Champions League during the current season compared to the previous year.

Match day revenues amounted to Euro 72.8 million (Euro 32.5 million in the previous year). The change comes from the resumption of the season ticket campaign following the complete reopening of the stadiums and from higher revenues related to matches played in European competitions.

Income from players' registration rights, amounting to Euro 6.6 million, decreased by Euro 3.9 million compared to the 2021/2022 financial year due to the combined effect of lower revenues from the temporary transfer of player registration rights (- Euro 1.6 million), lower gains from the disposal of player registration rights (- Euro 5.3 million) and higher miscellaneous income from player registration rights (+ Euro 3.0 million) mainly due to the consideration paid to the Parent Company on the sell on of players.

Sponsorship income, commercial income and royalties amounted to Euro 127.3 million and went up by Euro 44.4 million compared to 2021/2022, thanks to signing contracts with new counterparts for the current and future seasons.

The item "Other income and revenues", amounted to Euro 11.4 million (Euro 31 million in the 2021/2022 financial year) and comprised Euro 1.8 million (Euro 3 million in the 2021/2022 financial year) for the utilisation, for various reasons, of the provision for future charges accrued in previous years' financial statements, and Euro 5.6 million (Euro 8.2 million in the 2021/2022 financial year) for contingent assets and other residual revenues and income. This item also includes Euro 1.7 million (Euro 0.7million in the 2021/2022 financial year) in fees arising from the invoicing to the associated company M-I Stadio S.r.l. for the use of some indoor and outdoor spaces at the San Siro Stadium in Milan; Euro 1.1 million (Euro 0.8 million in the 2021/2022 financial year) for insurance reimbursements resulting from injuries suffered by A.C. Milan first team players and Euro 0.4 million (Euro 0.5 million in the 2021/2022 financial year) of income for sundry recharges. The change from the previous year is mainly attributable to the recognition in the 2021/2022 financial year of Euro 17.8 million with

reference to the gain from the sale of fixed assets following the sale of the "Casa Milan" property.

Costs of production

Costs of production for the 2022/2023 financial year amounted to Euro 389.6 million, an increase of Euro 37.0 million compared to the Euro 352.6 million recorded for the 2021/2022 financial year, as follows:

	2022/2023		2021/2022		Change
	Value	%	Value	%	
Personnel costs	174.0	44.7%	170.3	48.3%	3.7
Amortisation, depreciation and write-downs	71.3	18.3%	76.4	21.7%	-5.1
Leases and rentals	99.7	25.6%	68.1	19.3%	31.6
Costs from player rights	4.1	1.1%	10.4	2.9%	-6.3
Costs for consumables and goods	19.7	5.1%	7.7	2.2%	12.0
Other costs and charges	20.7	5.3%	19.7	5.6%	1.0
Total	389.6	100.0%	352.6	100.0%	37.0

Personnel Costs amounting to Euro 174.0 million, showed an overall increase of Euro 3.7 million due essentially to higher bonuses paid to coaches, technicians and other sports personnel.

Amortisation, depreciation and write-downs amounted to Euro 71.3 million and decreased by Euro 5.1 million (-5.1% compared to 2021/2022) mainly as a result of: (i) lower amortisation of player registration rights for Euro 11.8 million as a consequence of the 2022/2023 transfer campaign, (ii) lower write-downs of the registration rights of certain players, due to the effect of disposals with a loss of value occurred during the 2023/2024 transfer campaign for Euro 3.7 million and (iii) higher amortisation of trademarks for Euro 8.7 million following the revaluation recognised in the previous year and higher write-downs of receivables included in current assets for Euro 2.3 million.

Leases and rentals, equal to Euro 99.7 million, increased by Euro 31.6 million (+46.4% compared to the 2021/2022 financial year), mainly due to higher consultancy costs (+ Euro 5.9 million), higher advertising expenses (+ Euro 3.8 million), travel and transfer expenses (+ Euro 3.6 million), utilities (+ Euro 0.5 million), higher costs for observers, agents and sports consultancy (+ Euro 8.2 million).

Costs from player rights amounted to Euro 4.1 million and decreased by Euro 6.3 million compared to the 2021/2022 financial year due to lower costs of temporary acquisition of players (- Euro 3.5 million) and lower losses from the sale of players (- Euro 2.4 million).

Costs for consumables and goods amounted to Euro 19.7 million with an increase of Euro 12.0 million and essentially refer to costs sustained for the purchase of sportswear for training and official uniforms supplied by the Technical Sponsor, costs for the purchase of medical products, products related to the "Milan Store" shop opened at "Casa Milan" and for e-commerce activities. The increase is exclusively attributable to the opening of the new e-commerce business managed by EPI S.r.l. as third-party logistics and merchant of record.

Other costs and charges, equal to Euro 20.7 million (Euro 19.7 million in the previous financial year), is essentially in line with the previous year and mainly includes Euro 6.3 million (Euro 7.9 million in the previous financial year) of provisions for future charges relative to sports and non-sporting personnel, Euro 1.5 million (Euro 2.3 million in the 2021/2022 financial year) relative to contingent liabilities, Euro 1.5 million for Lega Nazionale Professionisti Serie A contributions (Euro 1.3 million in the 2021/2022 financial year), Euro 0.2 million (Euro 0.4 million in the 2021/2022 financial year) relative to donations for charity, as well as Euro 0.4 million (Euro 0.5 million in the 2021/2022 financial year) relative to costs arising from recharges made to players and third parties for their own fees.

Financial Income and Expenses

Financial income and expenses showed a negative balance of Euro 3.0 million compared to a negative balance of Euro 4.6 million in the 2021/2022 financial year (- Euro 1.6 million), mainly due to commissions on guarantees issued by leading banks and/or insurance companies mainly to partially cover the player transfer campaign, as well as the effects of the application of the amortised cost criteria on payables arising from the player transfer campaign.

Adjustments in value of financial assets

This item amounted to a positive Euro 1.6 million (negative Euro 0.5 million in the 2021/2022 financial year) and refer to the revaluation carried out in order to align the book value of the investment in the associate M-I Stadio S.r.l. with the corresponding fraction of the company's shareholders' equity resulting from the financial statements for the year ended 30 June 2023 and the write-down of Euro 0.02 million (Euro 1.0 million in the 2021/2022 financial year) referred to the investment in European Super League Company SL.

Income taxes for the year

The balance of this item, which amounts to - Euro 7.5 million (- Euro 6.5 million in the previous financial year) includes current taxes of Euro 7.7 million, for provisions for regional business tax, as well as Euro 0.2 million of deferred tax assets on consolidation adjustments, mainly relating to the reversal of operations pertaining to intercompany gains.

Player registration rights

On 30 June 2023, player registration rights totalled Euro 178.1 million compared to Euro 127.6 million at 30 June 2022.

The net increase of Euro 50.5 million derives from the investments (+ Euro 107.7 million) and net disinvestments (- Euro 2.2 million), amortisation for the year (- Euro 55.1 million) and write-downs of multi-year player registration rights in the period (- Euro 4.3 million).

For details of the players involved in these movements, please see the attachments section of the Notes.

Shareholders' Equity

Consolidated shareholders' equity at 30 June 2023 was equal to Euro 177.2 million, a considerable increase compared to the balance of Euro 131.2 million at 30 June 2022, due to payments on account of the future share capital increase for a total of Euro 40 million made by the majority shareholder and the consolidated profit for the period (Euro 6.1 million).

Net Financial Position

At 30 June 2023, the consolidated Net Financial Position of the Milan Group presented positive net debt equal to Euro 10.8 million, a significant improvement (+ Euro 39.2 million) compared to the 2021/2022 financial year (negative net debt of Euro 28.4 million).

For more details about the composition and movements in Net Financial Position, please see the Notes to the consolidated financial statements.

Relationships with subsidiaries, affiliates and parent companies

It should be noted that the Parent Company was not subject to management and coordination activities by the parent company ACM Bidco B.V. during the financial year.

With regard to the main relationships in place with subsidiaries, associates and parent companies:

- the Parent Company A.C. Milan has an agreement in place with the subsidiary Milan Real Estate S.p.A. regarding the use of the Milanello Training Centre and a number of rental units, which also includes maintenance services, for an annual fee of Euro 7.3 million, net of any adjustments and the Italian National Statistics Institute (ISTAT) revaluation;
- the Parent Company A.C. Milan has an agreement with its subsidiary Milan Entertainment S.r.l. for the provision of a whole series of services including commercial, marketing, sales, stadium and ticketing management, staff management and administration, fiscal and insurance services, financial and cash management, operations control and internal auditing, legal, compliance and security services, IT, social and new media, logistics and general services, as well as sports regulatory compliance, with a total annual value of Euro 13.8 million, not including the Istat revaluation;
- the Parent Company A.C. Milan has a contract with the subsidiary AC Milan (Shanghai) Sports Development Co. Ltd. for the development of commercial activities under the Milan brand in the Asian market, including the planning and organisation of sports events and the sale of sports material and merchandising in Asia against royalties to be paid to the subsidiary following the execution of the specific agreement;

- the Parent Company A.C. Milan has a joint contract with F.C. Internazionale S.p.A., with M-I Stadio S.r.l. relating to the payments of invoices issued for the use of some internal and external spaces at the San Siro Stadium in Milan, under which the annual fee payable to the licensees is Euro 1.4 million (plus any adjustments) in addition to an adjustment of Euro 1.0 million;
- the Parent Company A.C. Milan has a non-interest-bearing loan with its subsidiary SportLifeCity S.r.l. in the amount of Euro 3 million maturing on 26 June 2026;
- the Parent Company A.C. Milan has a joint contract with F.C. Internazionale S.p.A., with M-I Stadio S.r.l. relating to operating costs to manage the San Siro Stadium, under which the annual fee payable by the licensees is Euro 9.1 million (plus any adjustments);
- the Parent Company A.C. Milan has an intercompany correspondence account with subsidiaries, which is regulated at arm's-length conditions;
- the Parent Company has in place with ACM FootballCo Intermediate Coöperatief U.A. a consultancy service agreement under which ACM FootballCo Intermediate Coöperatief U.A. has undertaken to provide AC Milan with certain consultancy services better detailed in the agreement to be provided on request to the Parent Company. The services are rendered at prices to be agreed between the parties and in any event at market price (arm's length basis).
- With effect from 1 January 2017 the Parent Company A.C. Milan exercised the option to join the tax consolidation scheme (Articles 117-129 of Presidential Decree 917/86), as the consolidating entity, jointly with Milan Entertainment S.r.l., Milan Real Estate S.p.A. and Casa Milan S.r.l. consolidated companies.

Details of all other intercompany relationships and the changes in equity investments, as well as related-party transactions, are provided in the summary tables in the Notes.

Potential liabilities and other information

Financial Fair Play

The club's participation in European competition is subject to compliance with the *UEFA Club Licensing and Financial Fair Play ("CL&FFP") Regulations – Edition 2018*. In this regard, on 18 June 2020 the Executive Committee of UEFA approved partial exemptions from the Financial Fair Play rules and the criteria for their monitoring, so that the negative effects of Covid-19 on the financial results of football clubs are taken into account for the issuing of the Licence. Furthermore, on 1 June 2022 the UEFA Club Licensing and Financial Sustainability Regulations - Edition 2022 came into force, which will take effect for the beginning the 2023/2024 season.

On 31 August 2022, Parent Company AC Milan S.p.A. reached a settlement agreement with UEFA. In addition to settling the proceedings initiated against the Parent Company by UEFA for violating the CL&FFP regulations as regards compliance with the break-even parameters for the monitoring period during the 2022/2023 season, this agreement regulates the transition by Parent Company AC Milan S.p.A. from the break-even parameters set forth in the CL&FFP to the new rules set forth in the UEFA Club Licensing and Financial Sustainability Regulations Edition 2022.

More information on the contents of the settlement agreement is provided in the following section.

UEFA Settlement

On 10 February 2022, the chairman of the First Chamber of the UEFA Club Financial Control Body ("**CFCB First Chamber**") opened a procedure with the Parent Company AC Milan S.p.A. under Article 12(1) of the Procedural rules governing the UEFA Club Financial Control Body ("**Procedural Rules**") – Edition 2021 to ascertain whether the Parent Company complied with the UEFA Club Licensing and Financial Fair Play Regulation – Edition 2018 ("**CL&FFP**"). Specifically, Parent Company AC Milan S.p.A. was notified that its deviation from the break-even requirements set forth in Articles 58 to 64 and 68 of the CL&FFP exceeded the permitted deviation.

On 31 August, UEFA and the Parent Company AC Milan S.p.A. reached a settlement agreement ("**Settlement Agreement**") through the CFCB First Chamber. Among other things, the Settlement Agreement regulates the transition by the Parent Company AC Milan S.p.A. from the break-even parameters under the CL&FFP to the new rules (taking effect beginning the 2023/2024 season) set forth in the UEFA Club Licensing and Financial Sustainability Regulations Edition 2022, which came into force on 1 June 2022.

The Settlement Agreement aims to govern the reporting periods ending 2022, 2023, 2024 and 2025 and the following four football seasons: 2022/2023, 2023/2024, 2024/2025 and 2025/2026. The relevant provision has been recognised in accounts.

UEFA has published an excerpt of the Settlement Agreement online, pursuant to the Procedural Rules - Edition 2022, at the following address: [transitional_3-year_settlement_agreements_-_august_2022.pdf](https://www.uefa.com/transitional_3-year_settlement_agreements_-_august_2022.pdf) (uefa.com).

The CFCB First Chamber recently confirmed that the Company has met all the targets set for the financial year 2022, pursuant to the settlement agreement entered into in September 2022. As a result of the excellent financial performance in the 2022/2023 season, the Company expects to significantly exceed the targets set out in the Settlement Agreement for the 2023 reporting period, in view of the aleatory nature of sports results, which can have a significant impact on economic results, the Board of Directors has decided to maintain a provision in the financial statements to cover the risk that the results foreseen in the agreements will not be fully achieved.

Super League

On 17 April 2021, the Parent Company and eleven other clubs (the "Founding Clubs") formalised an agreement (the "Original Agreement") to create, subject to the fulfilment of certain conditions precedent, a twenty-team European competition called the "Super League" (the "SL") in which the first team of the Parent Company would take part permanently as a founding club.

On 18 April 2021, the Parent Company, together with eight other Founding Clubs, became a member, through the subscription of a share issue and payment of an amount of Euro 200 thousand, of the European Super League Company (the "SL Company"), i.e. the company incorporated under Spanish law set up for the purpose of creating and managing the proposed SL. Subsequently, as provided for in the agreements between the Founding Clubs, the Parent Company made a further payment to Shareholders' Equity of the SL Company of Euro 1.8 million.

Following the public announcement of the planned creation of the SL, UEFA and other sports bodies affiliated to UEFA expressed their opposition to the creation of the SL and publicly announced the adoption of disciplinary sanctions against the Founding Clubs.

Following the termination, as provided for in the Original Agreement, of the SL project and the Original Agreement itself, the Parent Company (together with certain other Founding Clubs) reached an amicable settlement with UEFA an amicable settlement of the matter (the "UEFA Agreement") and in this framework the Parent Company has undertaken certain commitments towards UEFA including that of paying to the UEFA Foundation For Children, together with the other clubs that signed the agreement with UEFA, a total amount of Euro 15 million, divided among the various clubs pro rata, within 12 months of the signing of the agreement. On the basis of this agreement, the Parent Company has also agreed that UEFA, in the next UEFA competition in which the Company qualifies (it being understood that the first season for this purpose will be the 2023/2024 season), shall retain 5% of the revenues due to the Company in relation to that season. The relevant provision has been recognised in accounts.

Following the achievement of the UEFA Agreement, the Parent Company has learned from public sources that the Commercial Court of Madrid has issued an interim injunction, in the context of a case pending before that Court, ordering UEFA, inter alia, to annul certain aspects of the obligations undertaken towards it by the signatory clubs to the UEFA Agreement.

In a media statement dated 27 September 2021, UEFA informed the clubs that are signatories to the UEFA Agreement that it would not request payment of any of the amounts specified in the UEFA Agreement as long as the proceedings in the Madrid Commercial Court

were pending.

The Parent Company also learned from public sources that the court in Madrid had asked the European Court of Justice to decide whether some aspects of UEFA's and FIFA's conduct were in breach of EU law.

The Parent Company also learned from public sources that, on 20 April 2022, the court in Madrid revoked the injunctions it had previously ordered against UEFA on 20 April 2021. However, the main case is still pending (as the Court of Justice of the European Union has not yet issued its decision).

Out-of-court copyright claims

On 8 and 24 August 2022, the Parent Company received out-of-court claims for alleged copyright violations. The Parent Company responded with a defence refuting the claims. The Parent Company nonetheless activated the indemnity obligations assumed towards it by third parties in connection with these issues. The last communication from the counterparty to the Parent Company is dated 28 July 2023. As a matter of prudence, the Parent Company also made the relevant provision in accounts.

Change of Ownership

On 31 August 2022, 218,008,094 ordinary shares in the Parent Company (representing approximately 99.93% of AC Milan's share capital) were transferred from Rossoneri Sport Investment Luxembourg to ACM Bidco B.V., a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, which has its registered office in Amsterdam (Netherlands) and is registered in the Dutch Commercial Register under number 86598244.

On the same date, those shares were pledged by ACM Bidco B.V. (as pledgor) in favour of Rossoneri Sport Investment Luxembourg S.à r.l. (as secured creditor) under a Pledge Agreement over Shares, which was entered into by correspondence between the parties on 31 August 2022 in their capacities mentioned above with the intervention of Intertrust Trustees Limited as collateral agent.

Merger

On 1 August 2023, the merger by incorporation of Milan Entertainment S.r.l. and Casa Milan S.r.l. into AC Milan S.p.A., as resolved by the extraordinary general meetings of AC

Milan S.p.A., Milan Entertainment S.r.l. and Casa Milan S.r.l. on 11 May 2023, took legal effect.

This merger was finalised in order to rationalise and simplify the Milan group's corporate structure in order to achieve a more efficient management. Given that AC Milan directly or indirectly held the entire share capital of both Milan Entertainment S.r.l. and Casa Milan S.r.l., the merger was carried out in accordance with the provisions of Article 2505 of the Italian Civil Code and no exchange of shares between the Parent Company's shares and the shares of the companies being merged took place; therefore, the shares representing the entire share capital of AC Milan remained assigned to the current shareholders of AC Milan S.p.A. without any change in the relative shareholding structure.

The effective date of the merger for accounting and tax purposes was, as allowed by Article 2504-bis, paragraph 3 of the Italian Civil Code and Article 172, paragraph 9 of Presidential Decree No. 917 of 22 December 1986, backdated to 1 July 2023.

Information on the environment and personnel

In accordance with Article 2428(2) Italian Civil Code, the Milan Group performs its activity in full accordance with the health and safety obligations provided for in Legislative Decree 81/2008, with regard to stadium security, the prevention and repression of football-related violence as provided for by Law number 41 of 4 April 2007 and by the Pisanu and Amato decrees.

Details of the number and composition of personnel are provided in the Notes.

Research and Development

During the 2022/2023 financial year, the Milan Group companies did not carry out any research and development activity.

Going concern

The Milan Group had a consolidated profit for the period of Euro 6.1 million, a positive shareholders' equity of Euro 177.2 million and a positive consolidated net financial position, at 30 June 2023 of Euro 10.8 million.

During the financial year 2022/2023, ACM Bidco B.V. made a payment on account of a future capital increase in favour of the Parent Company totalling Euro 40 million.

In a letter dated 13 September 2023, the Parent Company's majority shareholder, ACM Bidco B.V., undertook to financially support the Parent Company and the group for a period of no less than 12 months from the date of approval by AC Milan's Board of Directors of the financial statements for the year ended 30 June 2023.

Based on these considerations, the directors have prepared these consolidated financial statements on a going concern basis.

Main risks and uncertainties

The continuation of the global health crisis, which affected the previous football seasons, and the outbreak of the war in Ukraine in March 2022, have exacerbated the climate of economic, financial and sporting uncertainty.

Forecasts for the global economy – and more specific figures for the sports industry in general and the football sector in particular – point towards a significant deterioration in the economic situation, taking into account both the potential impact of the Covid-19 pandemic and impacts seen in previous seasons, as well as the climate of uncertainty brought about by the war in Ukraine. These could have an impact on the performance and financial position of the Parent Company, which is currently in a period of rising investments, sporting and otherwise.

Furthermore, when assessing the outlook of operations, the uncertainties typical of the football business are still present. These derive, in particular, from the performance of the First Team in the competitions in which it is involved, from additional transfers of player registration

rights that may be made in the financial year, from the revenues from commercial activities, and from the trend in the cost of registered personnel, also taking into account the variable component of the agreed remuneration.

The Group will continue to monitor the evolution of the Ukraine conflict and situation related to the spread of the Covid-19 pandemic, in view of both the global economic implications and the changing regulatory framework. This will allow it to assess whether to adopt further measures to protect the health and well-being of its registered players, employees and collaborators, and to protect its sources of income and assets.

In its late July 2023 update of the World Economic Outlook (WEO), the International Monetary Fund revised its growth forecast for 2023 downwards, but expects the major economic regions to avoid recession. The outlook for the world economy for this year has declined due to chronically high inflation, rising interest rates and uncertainties resulting from the failure of two major US banks, these are the main causes according to the IMF. The institute now forecasts global growth of 2.8% in 2023, down slightly from the previous January estimate (-0.1 percentage points), and 3.0% in 2024 (-0.1 percentage points). By contrast, the forecast for the two-year period is significantly better for the US, whose economy is expected to grow by 1.6% in 2023 (0.2 points) and 1.1% in 2024 (+0.1 point). However, considerable uncertainty remains in view of the multiplicity of exogenous phenomena with an impact on inflation trends. Consumers and businesses continue to face high energy costs and core inflation (overall inflation excluding energy products and unprocessed food) continued to rise in H1 2023, further eroding household purchasing power with a direct impact on short- and medium-term consumption. The Group will continue to constantly monitor the development of the related situation and any impact on its business.

Business outlook

The 2023/2024 financial year began with a strong season ticket campaign, which saw an increase in revenue driven by the sporting results of the 2022/2023 season and renewed participation in the UEFA Champions League.

As of the 2023/2024 season, the sports area has been reorganised and Geoffery Moncada has been appointed as its head.

The Company Directors are pursuing a development plan aimed at maintaining a substantial revenue/cost balance, revenue growth through the development of various activities and new sponsorships, and the continued strengthening of the Club's teams through investments in player performance rights.

At the time of writing, the First Team has played 5 Serie A matches and is currently in third place in the Serie A standings. In addition, the first UEFA Champions League match was played, which was drawn against Newcastle.

In addition, as reported in the section entitled "Significant events during the period", the Company acquired a stake in Sport Life City S.r.l., a company that obtained from the Municipality of San Donato Milanese the approval of an integrated intervention programme for the development of a sports and entertainment district in the "San Francesco" area of the municipality of San Donato Milanese.

The Directors are developing a project for the construction of an owned stadium by appointing a leading industry consultant.

Financial risk management objectives and policies

The Milan Group has put in place specific policies outlining its financial risk management guidelines and objectives, with the aim of reducing its exposure to exchange, credit and liquidity risks connected to its core business.

The existing financial instruments (which do not include derivatives) such as bank and postal deposits, cash, cheques and other valuables and accounts receivable do not carry any type of financial risk.

The main financial risks that the Milan Group is exposed to are described below.

Exchange rate risk

Exposure to exchange risk derives almost entirely from the acquisition of player registration rights in currencies other than the Euro (generally U.S. Dollars, Swiss Francs and Pound Sterling). However, the Milan Group carries out the majority of its transactions (both purchases and sales) in Euro, and accordingly there are no significant risks connected to exchange rate fluctuations.

Interest rate risk

The interest rate risk mainly derives from the variable-rate payables that expose the Group to variable cash flow.

Credit risk

The Milan Group has relationships in place with leading national and international clients and has suitable procedures in place to minimise exposure to credit risk. In particular, receivables from domestic football clubs are guaranteed by the clearing house mechanism of the Lega Nazionale Professionisti. Receivables for fees resulting from the negotiation of contracts for TV rights are guaranteed by bank sureties issued by the clients. Lastly, receivables not backed by guarantees are regularly monitored to manage collection risk, with specific provisions for doubtful accounts made where necessary.

Liquidity risk

The liquidity risk is related to the difficulty in finding funds to meet commitments. The majority shareholder of the Parent Company Ac Milan S.p.A., ACM Bidco B.V., made

recapitalisations for Euro 40 million, aimed at providing the parent company A.C. Milan S.p.A. with the funds necessary to cover the expenses for the construction of the new stadium.

In a letter dated 13 September 2023, the majority shareholder of the Parent Company AC Milan S.p.A., ACM Bidco B.V., undertook to financially support the Parent Company AC Milan S.p.A. and the Group for a period of no less than 12 months from the date of approval by the Board of Directors of the Parent Company AC Milan S.p.A. of the financial statements for the financial year ended 30 June 2023.

Milan, 27 September 2023

for the **Board of Directors of AC Milan S.p.A.**

The Chief Executive Officer

Giorgio Furlani

CONSOLIDATED FINANCIAL STATEMENT



MILAN GROUP

Consolidated Financial Statements at 30 June 2023 (1/5)

(in thousands of Euros)

BALANCE SHEET

ASSETS

	30.06.2023	30.06.2022	Change
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS DUE	—	—	—
B) FIXED ASSETS			
I INTANGIBLE FIXED ASSETS			
1 Start-up and expansion costs	2	—	2
2 Development costs	405	—	405
3 Industrial patent rights and use of intellectual property	—	—	—
4 Concessions, licences, trademarks and similar rights	179.128	185.081	(5.953)
5 goodwill and consolidation difference	—	—	—
6 Assets in progress and advances	668	54	614
7 player registration rights	178.117	127.642	50.475
8 other	5.421	7.289	(1.868)
Total	363.741	320.066	43.675
II TANGIBLE FIXED ASSETS			
1 land and buildings	15.527	11.170	4.357
2 plant and machinery	3.846	2.457	1.389
3 industrial and commercial equipment	3.787	4.229	(442)
4 other assets	1.513	1.399	114
5 assets in progress and advances	2.458	3.503	(1.045)
Total	27.131	22.758	4.373
III FINANCIAL FIXED ASSETS			
1 equity investments in:			
a) subsidiaries	104	104	—
b) associates	3.680	1.858	1.822
c) parent companies	—	—	—
d) companies subject to parent companies' control	—	—	—
e) other companies	800	1.000	(200)
Total	4.584	2.962	1.622
2 accounts receivable from:			
c) others			
- within 12 months	468	418	50
- after 12 months	—	—	—
Total	468	418	50
Total	5.052	3.380	1.672
TOTAL FIXED ASSETS (B)	395.924	346.204	49.720

MILAN GROUP

Consolidated Financial Statements at 30 June 2023 (2/5)

(in thousands of Euros)

BALANCE SHEET

ASSETS

	30.06.2023	30.06.2022	Change
C) WORKING CAPITAL:			
I INVENTORIES			
4 Finished products and goods	4.258	428	3.830
Total	4.258	428	3.830
II RECEIVABLES			
1 from customers	50.914	63.753	(12.839)
2 from subsidiaries	—	—	—
3 from associates	1.066	1	1.065
4 from parent companies	—	—	—
5 from companies subject to parent companies' control	—	—	—
5 bis tax receivables			
a) within 12 months	328	677	(349)
b) beyond 12 months	351	419	(68)
5 ter deferred tax assets	7.613	9.809	(2.196)
5 quater from others	7.903	3.069	4.834
6 receivables from institutions - specific sector			
a) within 12 months	6.640	21.421	(14.781)
b) beyond 12 months	6.310	9.309	(2.999)
Total	81.125	108.458	(27.333)
III TOTAL FINANCIAL ASSETS (other than fixed assets)			
7 other receivables	—	—	—
Total	—	—	—
IV CASH AND CASH EQUIVALENTS			
1 bank and postal deposits	81.738	42.693	39.045
3 cash in hand	45	34	11
Total	81.783	42.727	39.056
TOTAL WORKING CAPITAL (C)	167.166	151.613	15.552
D) ACCRUALS AND DEFERRALS			
1 accruals	879	737	142
2 deferrals	6.252	4.346	1.906
TOTAL ACCRUALS AND DEFERRALS (D)	7.131	5.083	2.048
TOTAL ASSETS	570.221	502.900	67.321

MILAN GROUP

Consolidated Financial Statements at 30 June 2023 (3/5)

(in thousands of Euros)

BALANCE SHEET

EQUITY AND LIABILITIES

	30.06.2023	30.06.2022	Change
A) SHAREHOLDERS' EQUITY			
I CAPITAL	113.443	113.443	—
II SHARE PREMIUM RESERVE	31.020	31.020	—
III REVALUATION RESERVES	33.156	125.454	(92.298)
IV LEGAL RESERVE	124	124	0
V STATUTORY RESERVES	—	—	—
VI OTHER RESERVES	44.947	5.028	39.919
VII RESERVE FOR HEDGING EXPECTED CASH FLOWS	—	—	—
VIII PROFIT (LOSS) CARRIED FORWARD	(51.541)	(77.302)	25.761
IX PROFIT (LOSS) FOR THE PERIOD	6.070	(66.537)	72.607
X PORTFOLIO	—	—	—
GROUP SHAREHOLDERS' EQUITY	177.219	131.230	45.989
(PROFIT) LOSS OF MINORITY INTERESTS	—	—	—
EQUITY OF MINORITY SHAREHOLDERS	—	—	—
TOTAL SHAREHOLDERS' EQUITY (A)	177.219	131.230	45.989
B) PROVISIONS FOR RISKS AND CHARGES			
1 for pensions and similar obligations	—	—	—
2 for taxes, including deferred taxes	46.125	48.550	(2.425)
3 other	26.480	23.983	2.497
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	72.605	72.533	72
C) EMPLOYEE LEAVING ENTITLEMENTS	2.151	2.081	70
D) PAYABLES			
1 bonds			
a) within 12 months	—	—	—
b) beyond 12 months	—	—	—
3 payables to shareholders for loans			
a) within 12 months	—	—	—
b) beyond 12 months	—	—	—
4 financial payables			
a) within 12 months	—	4.190	(4.190)
b) beyond 12 months	—	—	—
5 payables to other financial institutions			
a) within 12 months	49.590	21.771	27.819
b) beyond 12 months	21.372	45.153	(23.781)
6 advances	—	—	—
7 trade payables			
a) within 12 months	55.375	60.237	(4.862)
b) beyond 12 months	3.576	1.675	1.901
9 payables to subsidiaries	—	—	—
10 payables to associates	3.109	2.348	761
11 payables to parent companies	227	—	227
payables to companies subject to parent companies'			
11 bis control	—	—	—
12 tax payables	22.741	28.581	(5.840)
13 payables to pension funds and social security agencies	1.888	6.373	(4.485)
14 other payables	21.025	23.614	(2.589)
15 Payables to professional bodies			
a) within 12 months	41.469	32.940	8.529
b) beyond 12 months	30.360	17.598	12.762
TOTAL PAYABLES (D)	250.732	244.480	6.252
E) ACCRUALS AND DEFERRALS			
1 accruals	383	275	108
2 deferrals	67.131	52.300	14.831
TOTAL ACCRUALS AND DEFERRALS (E)	67.514	52.575	14.939
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	570.221	502.900	67.322

MILAN GROUP

Consolidated Financial Statements at 30 June 2023 (4/5)

(in thousands of Euros)

INCOME STATEMENT

	FY 2022/2023	FY 2021/2022	Change
A) VALUE OF PRODUCTION			
1 Revenues from sales and services			
a) match revenues	55.064	32.309	22.755
b) season tickets	16.183	—	16.183
c) revenues from other competitions	1.587	235	1.352
Total	72.834	32.544	40.290
2 changes in inventories of work in progress, semi-finished goods and finished products	3.828	(54)	3.882
5 other revenues and income			—
a) operating grants	119	173	(54)
b) sponsorship income	80.783	57.799	22.984
d) commercial income and royalties	46.511	25.070	21.441
e) income from broadcasting and media rights	174.907	133.075	41.832
f) miscellaneous income	7.519	7.512	7
g) revenues from player loans	82	1.661	(1.579)
h) gains from the sale of player registration rights	268	5.570	(5.302)
i) other income from player management	6.243	3.227	3.016
l) other income and revenues	11.435	31.015	(19.580)
Total	327.867	265.102	62.765
TOTAL VALUE OF PRODUCTION (A)	404.529	297.592	106.937
B) COSTS OF PRODUCTION			
6 for raw materials, ancillary materials, consumables and goods	19.741	7.705	12.036
7 for services	85.412	57.737	27.675
8 for use of third-party assets	14.324	10.384	3.940
Total	119.477	75.826	43.651
9 for personnel:			
a) wages and salaries	161.966	159.598	2.368
b) social security charges	9.244	8.123	1.121
c) employee leaving entitlements	2.367	2.166	201
e) other costs	421	367	54
Total	173.998	170.254	3.744
10 amortisation, depreciation and write-downs			
a) amortisation of intangible assets	62.819	65.997	(3.178)
b) depreciation of tangible assets	1.867	2.347	(480)
c) other write-downs of fixed assets	4.263	8.007	(3.744)
d) Write-down of receivables included in working capital and in cash and cash equivalents	2.316	17	2.299
Total	71.265	76.368	(5.103)
12 provisions for risks	6.293	7.893	(1.600)
14 sundry management expenses			—
a) various match organisation expenses	9.358	6.280	3.078
b) match registration costs	10	20	(10)
c) percentage paid to visiting teams	—	—	—
d) costs for acquisition of players on loan	3.947	7.443	(3.496)
e) losses from the sale of player registration rights	42	2.456	(2.414)
f) other expenses from player management	149	500	(351)
g) other sundry management expenses	5.060	5.533	(473)
Total	24.859	30.125	(5.266)
TOTAL COSTS OF PRODUCTION (B)	389.599	352.573	35.425
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A) - (B)	14.930	(54.982)	71.512

MILAN GROUP

Consolidated Financial Statements at 30 June 2023 (5/5)

(in thousands of Euros)

INCOME STATEMENT

	FY 2022/2023	FY 2021/2022	Change
C) FINANCIAL INCOME AND (EXPENSES)			
16 other financial income			
d) income different from the above:			
- other	2.151	24	2.127
Total	2.151	24	2.127
17 interest and other financial charges			
d) other financial expenses	(5.167)	(4.500)	(667)
Total	(5.167)	(4.500)	(667)
17 bis exchange-rate gains and losses:			
a) exchange rate gains	86	2	84
b) exchange rate losses	(84)	(124)	40
Total	2	(122)	124
TOTAL FINANCIAL INCOME AND (EXPENSES) (C)	(3.014)	(4.598)	1.584
D) ADJUSTMENTS IN VALUE OF FINANCIAL ASSETS			
18 write-backs			
a) of equity investments	1.822	521	1.301
b) of financial fixed assets which are not equity			
b) investments	—	—	—
c) of securities held as working capital other than equity	—	—	—
Total	1.822	521	1.301
19 write-downs			
a) of equity investments	(200)	(1.000)	800
b) of financial fixed assets which are not equity			
b) investments	—	—	—
c) of securities held as working capital other than equity	—	—	—
Total	(200)	(1.000)	800
TOTAL ADJUSTMENTS IN VALUE OF FINANCIAL ASSETS (D)	1.622	(479)	2.101
RESULT BEFORE TAX	13.538	(60.059)	75.197
20 income taxes for the year (current, deferred tax assets and liabilities)			
a) current taxes	(7.697)	(4.209)	(3.488)
b) deferred tax assets and liabilities	229	(2.269)	2.498
Total	(7.468)	(6.478)	(990)
PROFIT (LOSS) FOR THE PERIOD	6.070	(66.537)	74.207
(PROFIT) LOSS OF MINORITY SHAREHOLDERS	—	—	—
GROUP PROFIT (LOSS)	6.070	(66.537)	74.207

for the **Board of Directors**
The Chief Executive Officer
Giorgio Furlani

MILAN GROUP

Consolidated Financial Statements as at 30 June 2023

(in thousands of Euros)

A. Cash flows from operations (indirect method)	30.06.2023	30.06.2022
Profit/(loss) for the year	6.070	(66.537)
Income taxes	7.468	6.475
Interest expense/(interest income)	3.014	4.191
(Gains)/Losses from the disposal of assets (including those arising from player registration rights)	(226)	(17.755)
(Dividends)	-	-
1. Profit (loss) for the year before income taxes, interest, dividends and gains/losses on disposals	16.326	(73.626)
<i>Adjustments for non-monetary items not offset in net working capital</i>		
Provisions	8.659	11.059
Depreciation and amortisation expense	64.686	68.345
Impairment losses	4.063	8.007
Other adjustments for non-cash items	(1.300)	-
2. Cash flow before changes in NWC	92.434	13.785
<i>Changes in net working capital</i>		
Decrease/(Increase) in inventories	(4.221)	16
Decrease/(Increase) in receivables from customers	10.523	(8.239)
Increase/(Decrease) in payables to suppliers	(2.961)	9.218
Decrease/(Increase) in accrued income and prepayments	(2.048)	(1.788)
Increase/(Decrease) in accrued expenses and deferred income	14.939	20.124
Other changes in net working capital	(18.331)	8.220
3. Cash flow after changes in NWC	90.335	41.336
Interest received/(paid)	(3.014)	(4.191)
(Income taxes paid)	(4.482)	-
Dividend income	-	-
(Use of provisions)	(4.510)	10.059
4. Cash flow after other adjustments		
Cash flow from operations (A)	78.330	47.204
B. Cash flows from investing activities		
(Acquisitions) player registration rights	(107.475)	(47.517)
Disposals players' registration rights	2.171	11.130
<i>Tangible fixed assets</i>		
(Investments)	(6.240)	(7.845)
Disinvestments	-	50.399
<i>Intangible fixed assets</i>		
(Investments)	(5.228)	(3.783)
Disinvestments	-	-
Decrease/(Increase) in receivables due to disposals of players' registration rights	17.780	28.092
Decrease/(Increase) in payables due to acquisition of players' registration rights	21.291	(8.958)
<i>Financial fixed assets</i>		
(Investments)	(1.422)	(479)
Current financial assets	-	-
Cash flow from investing activities (B)	(79.122)	21.039
C. Cash flows from financing activities		
<i>Third-party financing</i>		
loan repayments	(152)	(54.105)
increase (decrease) in short-term payables to banks	-	-
Increase in shareholder loans	-	-
Paid capital increase	40.000	5.000
Change in consolidated area	-	-
Cash flow from financing activities (C)	39.848	(49.105)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	39.056	19.138
Opening cash and cash equivalents	42.727	23.589
Closing cash and cash equivalents	81.783	42.727

for the **Board of Directors**
The Chief Executive Officer
Giorgio Furlani

NOTES



MILAN GROUP

CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2023

NOTES

GENERAL INFORMATION

The parent company A.C. Milan S.p.A. (hereinafter also referred to as the "Parent Company") A.C. Milan S.p.A. is a joint stock company incorporated in Italy and entered in the Milan Companies Register. Its registered office is located in 8 Via Aldo Rossi, 20149 Milan.

The Parent Company's sole purpose is the pursuit of sporting activities and, in particular, the training, the preparation and management of football teams and the promotion and organisation of competitions, tournaments and all other football activities in general, for the purposes and in compliance with the rules and guidelines of the Italian Football Federation and its Bodies (the "FIGC").

To realise the corporate purpose, the Parent Company may engage in the following directly or indirectly related and/or instrumental activities: a) act as a concessionaire for the booking and sale of tickets and season tickets for admission to sports facilities; b) promote and publicise its activity and image by using and exploiting models, designs, distinctive signs and emblems, directly or through third parties. By way of example only, the Parent Company, in order to promote and publicise its activity and image may: (i) organise events of other connotations such as, but not limited to, musical events, promotional and advertising events, performances and shows, conventions and congresses, participation in trade fairs, television, radio and digital events; (ii) operate sports museums, bars, restaurants, cafeterias, serving to the public, retailing food and beverages, confectionery and other consumer goods by using, in whatever form or manner, the distinctive signs and emblems of the Parent Company to distinguish these activities; (iii) manage sales outlets and trade, including import and export trade, both wholesale and retail, in the various forms in use (including by means of e-commerce), also under the trademarks of sports associations and clubs and also through commercial affiliation contracts, of any kind of product distinguished, in whatever form, by the distinctive signs and/or emblems of the Parent Company; (iv) research and implement promotional campaigns and to carry out the concessionary and/or sales and/or intermediation activities of advertising to be broadcast through radio and television systems and any means, even today unknown, of communication and diffusion, including advertising, as well as artistic assistance in the realisation of advertising services relating to the Parent Company's sports activities and those accessory, connected or instrumental thereto; (v) carry out publishing activities in all their forms and modalities as well as graphic and printing activities and the trade of any product deriving therefrom, together with all activities pertaining to information by any digital and/or physical means available from time to time in connection with the Parent Company's sports activities and those ancillary, connected or instrumental thereto; (vi) exploit the image of sportsmen and sportswomen through the use and dissemination, including through the medium of advertising, of the name and image of persons engaged in sporting activities and acquiring sports rights in general and, in particular, acquiring and exercising rights of economic exploitation relating to sporting events; and (vii) to carry out all activities related to the travel and tourism sector in connection with sports and promotional events; c) carry out any securities, real estate and financial transactions that are deemed useful, necessary and relevant.

In addition, the Parent Company, through its subsidiaries, may promote the development of initiatives in the real estate sector, within the scope of sports facilities, through the performance of any activity and

operation carried out or connected to the construction or acquisition of real estate complexes and infrastructures, including, by way of example, the design, construction, renovation, administration, and management of real estate intended for the performance of sports activities or, in any case, instrumentally connected thereto and the provision of services in the real estate sector.

The Parent Company may also hold equity investments in service and commercial companies that are in any way connected with its corporate purpose.

STRUCTURE AND CONTENT

The consolidated financial statements at 30 June 2023, and these Notes, have been prepared in accordance with requirements for consolidated accounts, in Legislative Decree no. 127 of 9 April 1991 enacting the VII EC Directive and in accordance with the provisions of the Italian Civil Code, as amended by Legislative Decree 139/2015 (the “**Decree**”), interpreted and amended by the Italian Accounting Standards issued by the Italian Accounting Body (“**OIC**”) amended and updated following the enactment of Directive 2013/34/EU (the “**Accounting Directive**”) with the Decree.

The financial statements used for preparing these consolidated financial statements at 30 June 2023 were those prepared for approval by the Boards of Directors of each company, apart from those relating to the subsidiaries, whose business years do not coincide with those of the consolidating entity. The aforementioned Financial Statements were restated, where required, to align them with the Group accounting principles, which are in line with applicable legislation, the OIC accounting principles and the provisions issued by the Football Federation and the Committee for the Supervision of Italian Football Clubs (Co.Vi.Soc.).

SCOPE OF CONSOLIDATION

The consolidated financial statements for the year 30 June 2023 include the accounts of the Parent Company A.C. Milan S.p.A. and the companies in which it holds, directly or indirectly, the absolute majority of the share capital and voting rights, as well as companies with shares of 50% or close to that amount, and for which the Milan Group is responsible for managing or exercises a dominant influence. Subsidiaries that are in liquidation or are inactive and those whose financial positions show insignificant values have therefore not been included in the scope of consolidation and have been accounted for using the cost method. Further details regarding the scope of consolidation are provided in the list of equity investments in subsidiaries, associates and others at 30 June 2023, as detailed in attachment 8 to these notes.

CONSOLIDATION METHODS

The financial statements of subsidiaries are consolidated using the line-by-line method, replacing the carrying amount of the equity investments with the assumption of the assets and liabilities of the subsidiaries.

The difference between the acquisition cost and the shareholders' equity (or share of shareholders' equity for the companies consolidated using the proportional method) in the financial statements of the subsidiaries at the time of purchase, if it is not attributable to specific assets, is recognised as a "Consolidation difference" and is amortised in the manner indicated in the "Measurement criteria and accounting principles". Any remaining negative balance is recognised under the "Provisions for risks and charges" if attributable to a forecast of unfavourable economic results, otherwise it is recognised under the Shareholders' Equity item "Other reserves".

Equity investments in the companies in which the Group exerts significant influence (generally those in which the ownership percentage is between 20% and 50%) are measured using the equity method, replacing the carrying value of those equity investments, with an amount equal to the corresponding portion of shareholders' equity shown in the last approved financial statements, after the making the adjustments required by the appropriate principles for preparing the consolidated financial statements.

Receivables and payables, costs and revenues, and gains and losses resulting from transactions between companies included in the scope of consolidation are eliminated.

The portions of shareholders' equity and profit/(loss) for the year of consolidated subsidiaries attributable to non-controlling interests are shown in specific items.

MEASUREMENT CRITERIA AND ACCOUNTING PRINCIPLES

The consolidated financial statements at 30 June 2023 were prepared on the basis of the principles of clarity, accurate and truthful representation of the financial situation of the Milan Group and of the profit or loss for the year, in accordance with Article 2423, second paragraph, of the Italian Civil Code.

The consolidated financial statements at 30 June 2023 were prepared in accordance with general principles of prudence, accrual-based accounting and the going concern assumption, also taking into account the economic function of assets and liabilities.

Please refer to the section "Going Concern" for considerations related to the Group's and the Parent Company's business continuity.

The valuation criteria of various financial statement items comply with the provisions of Article 2426 of the Italian Civil Code and the reference accounting principles. Budget assumptions include continuity with the previous financial year with respect to the application of the valuation criteria adopted to prepare the Financial Statements.

As also required by the first paragraph of Article 2423-ter Italian Civil Code, in view of the nature of the Parent Company A.C. Milan S.p.A's business, the instructions issued by the Italian Football Federation (FIGC) and the Committee for the Supervision of Italian Football Clubs have also been taken into consideration (hereinafter "Co.Vi.Soc.").

It should also be noted that, when preparing the consolidated financial statements at 30 June 2023, no exceptions pursuant to Article 2423, paragraph 4 Italian Civil Code, were made.

The most significant valuation criteria and first-implementation rules adopted are detailed below.

Intangible fixed assets

Intangible assets are recognised as assets when they can be individually identified, and their cost can be estimated in a sufficiently reliable way. They are recognised at purchase or production cost, including ancillary charges net of amortisation and write-downs. Fixed assets are systematically amortised on the basis of their estimated future life.

Multi-year charges were registered as assets because:

- their future useful life is demonstrated;
- there is an objective link with the relevant future benefits that the companies belonging to the Milan Group shall enjoy;
- their recovery can be estimated with reasonable certainty.

Player registration rights

These are intangible assets with a defined useful life equal to the term of the sports contracts signed with players.

Multi-year player registration rights are recorded at their historic purchase price inclusive of any directly attributable ancillary charges and, where appropriate, time-discounted to take into account the deferral of payments over more than one financial period.

The amounts were stated net of amortisation charges, calculated on a straight-line basis in relation of the duration of the contracts signed with individual professional players.

With regard to transactions involving the transfer of player registration rights or the renewal of player contracts, in accordance with industry regulations, the recognition in accounts of fees for services performed for the Parent Company A.C. Milan S.p.A. by licensed third parties (sports agents) is as follows:

- in the absence of conditions precedent (for example the player remaining registered with the Parent Company A.C. Milan S.p.A.), these fees are capitalised because they constitute a transaction cost for the purchase of the registration rights;
- otherwise the fees are recognised each time in the income statement if they are conditional on the player remaining registered with the Parent Company A.C. Milan S.p.A. or relate to services performed for the temporary acquisition or transfer (definitive or temporary) of the right.

Player registration rights are recognised on the date when the contract is signed. That date, pursuant to Article 1360 Italian Civil Code, becomes the retroactive date of effectiveness of the ratification by the Lega Nazionale Professionisti Serie A of national transfers, or the issuance of the international transfer certificate (I.T.C.) by the Italian Football Federation (FIGC) for international transfers, through the FIFA "T.M.S." system.

Amortisation starts from the year when the player is registered. For rights acquired during the year, amortisation starts from the date when the player is available, on a time accrual basis.

The original amortisation schedule is amended if a contract is extended due to its early renewal. The new amortisation schedule takes account, on a straight-line basis, of the net book value of the rights at the date of extension of the contract and of the new duration of that contract.

If there is no contractual provision regarding the effective date of the contract, the date for the accounting recognition is the date on which the Lega Nazionale Professionisti Serie A ratifies the contract for national transfers, or from the effectiveness of the issuance of the international transfer certificate by the Italian Football Federation (FIGC) for international transfers, through the FIFA "T.M.S." system.

The item "Player registration rights" also includes the costs incurred by the Parent Company A.C. Milan S.p.A. for the registration of players from amateur football clubs, or foreign clubs that have contributed to the technical training of the players.

In particular, the following are recognised:

- technical training and coaching bonuses, pursuant to Article 99 NOIF, paid to amateur football clubs following the signing of the first "professional" contract by players from those clubs. These costs are amortised on a straight-line basis over the duration of the contracts signed with the individual players;
- the training compensation and/or solidarity mechanism payments made, pursuant to FIFA regulations, to football clubs following definitive or temporary transfers of players registered with foreign clubs. These costs are amortised on a straight-line basis over the duration of the contracts signed with the individual players.

Concessions, licences, trademarks and similar rights

These are recognised at acquisition cost and relate to the user rights to the historical archive of television images of the Parent Company A.C. Milan S.p.A., which have a finite useful life as they have a period of economic use, in addition to the expenses for the creation and registration of company trademarks and the acquisition of software licenses, which are amortised on a straight-line basis over their estimated future useful life. This item also includes the "A.C. Milan" trademark, which was revalued at 30 June 2022 in compliance with Decree-Law 104/2020. The trademark is amortised on a straight-line basis over a period of twenty years according to its remaining useful life.

Other intangible fixed assets

These specifically refer to leasehold improvements. Leasehold improvements are capitalised and entered under "other intangible fixed assets" if they are not separable from the assets themselves (otherwise they are entered under "tangible assets" in the specific item to which they belong), they are systematically amortised at the lower of the period of expected future usefulness and the residual term of the lease, taking into account the renewal period, if any, if dependent on the Group.

Tangible fixed assets

They are recorded at the purchase cost effectively paid to acquire the asset and are recognised on the date on which the transfer of risks and benefits takes place, which usually coincides with the transfer of title. This cost includes the purchase cost, ancillary purchase costs and all costs incurred to bring the asset to the location and in the conditions required for it to be a long-term asset for the companies belonging to the Milan Group.

Tangible fixed assets with a limited useful life are systematically depreciated on a straight-line basis based on their residual useful life.

The depreciation charge for each financial year refers to the distribution of the cost incurred over the entire duration of use.

For assets purchased during the financial year, the depreciation charge is reduced by 50%.

The basis for depreciation, initially estimated upon drafting the depreciation schedule based on the prices achievable on the market through the disposal of similar assets both in terms of technical features and the type of use to which they have been subject, is periodically reviewed in order to verify that the initial estimate is still valid. This amount is considered net of presumable removal costs.

If the tangible asset includes components or accessories with a useful life other than that of the principal asset, the depreciation of such components is calculated separately from that of the principal asset, unless this is not material or feasible.

The annual depreciation rates used, unchanged from the previous year, are shown in the table below:

Asset	Rate
Industrial Buildings	3.0%
Light construction	10.0%
Plant and machinery	7.5% - 25.0% - 30.0%
Industrial and commercial equipment	15.0% – 15.5%
Furniture and fittings	12.0%
Electrical office equipment	20.0%
Vehicles	25.0%

Ordinary maintenance costs are charged in full to the income statement. Improvement-related maintenance costs are allocated to the related assets and depreciated over their remaining useful life.

Impairment losses for intangible and tangible assets

Impairment losses for intangible and tangible assets are posted pursuant to the provisions of the OIC 9 Accounting Standard.

The Company assesses at each financial statements date whether objective evidence exists that an asset has incurred an impairment loss. If such evidence exists, it estimates the recoverable value of the asset. In particular, if the recoverable value of an asset (that is the greater out of its use value and fair value) is lower than its book value, the asset is posted at such lower value. The difference is recognised in the income statement as an impairment loss under item B10c). If, in the subsequent financial years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation/amortisation, and recognised in the income statement under item A5).

In absence of evidence of potential impairment losses, the recoverable amount is not determined.

The write-back is made if the reasons for the impairment losses no longer exist and takes place to the extent of the value that the asset would have had, had the value adjustment not been performed. The impairment of goodwill cannot be restored.

With specific reference to player registration rights, if there are indications of value impairments (for example serious injuries or significant losses from post year-end sales, and contractual market conditions that prohibit the sales of players who are surplus to requirements) the depreciation (“impairment”) of the residual book value is made.

Financial fixed assets

Equity investments in subsidiaries, associates, parent companies and other companies

Equity investments are registered as financial fixed assets if they are expected to be part of the Milan Group's long-term investment portfolio, otherwise they are recognised in the Working capital.

Equity investments in the companies in which the Milan Group exerts significant influence (generally those in which the ownership percentage is between 20 and 50%) are measured using the equity method in the manner described above.

The carrying amount of equity investments measured using the equity method is determined on the basis of their purchase or establishment price, including any ancillary charges. The cost incurred when purchasing an investment booked as a fixed asset is maintained in the financial statements of the subsequent financial years, unless an impairment loss occurs. The Milan Group assesses at each financial statements date whether objective evidence exists that an asset has incurred an impairment loss. The impairment loss is determined by comparing the value the equity investment was recorded at in the financial statements with the relevant recoverable value, calculated on the basis of the future benefits expected for the investor. The impairment loss is not maintained if the reasons for the adjustment made no longer apply.

In the event that the long-term investment is acquired at the time of incorporation of the company, or at the time the company commences operations, and the company incurs losses, even substantial ones, during the start-up phase of the first financial year, it is possible not to write down the investment, as the loss is not to be considered permanent, provided that the subsequent financial year shows positive indications of a change that would allow the previous losses to be offset and, in any case, the results and development of the business confirm the company's plans and programmes.

Inventories

Inventories are recorded at the lower of purchase or production cost, determined using the weighted average cost method, and the estimated realisable value inferable from market trends (Article 2426 No. 9 of the Italian Civil Code). Purchase cost means the actual purchase price plus accessory charges, excluding financial charges.

Inventories are written down in the balance sheet when their realisable value based on market trends is lower than their book value. Obsolete and slow-moving inventories are written down in relation to their possibility of utilisation or realisation.

Receivables

Receivables are carried at the amortised costs, time-adjusted, to the extent of their expected realisable value and, therefore, they are shown in the balance sheet net of the relevant provisions for doubtful accounts deemed adequate to cover reasonably predictable losses due to uncollectability.

If the transaction's interest rate is not markedly different from the market rate, the receivable is initially recognised at a value equal to the nominal value net of all premiums, discounts, allowances and inclusive of any costs directly attributable to the transaction that generated the receivable. The aforementioned transaction costs, any commission income and expenses and any difference between the initial value and the nominal value at maturity are distributed along the life of the receivable using the effective interest method.

When, on the other hand, the interest rate for the transaction that can be inferred from contractual conditions is markedly different from the market rate, the receivable (and the relevant income in the case of commercial transactions) is initially posted at a value equal to the present value of estimated future cash flows plus any transactions costs. The rate used to discount future cash flows is the market rate.

In the case of receivables from commercial transactions, the difference between the thus determined initial recognition value of the receivable and the value upon maturity is posted to the income statement as financial income throughout the life of the loan, using the effective interest rate method. In the case of financial receivables, the difference between the liquidity disbursed and the current value of future financial flows, always determined using the market interest rate, is recognised in financial expenses or income in the income statement upon their initial recognition, unless the substance of the transaction or of the agreement attribute a different nature to this component. Subsequently, the active interest accruing on the transaction is calculated at the effective interest rate and posted to the income statement with the value of the receivable as a contra-entry.

The value of the receivables is then subsequently reduced by the amounts received both as capital and as interest, as well as by any write-downs effected to readjust the receivables to their expected realisable value or due to losses.

The Milan Group assumes that effects resulting from the implementation of the amortised costs and the discounting are not material when receivables are due within 12 months, taking into account that all contractual and substantial considerations that apply upon recognition of the receivable, as well as all transaction costs and any difference between the initial value and the nominal value at maturity are also negligible. In this case, discounting can be omitted, the interest can be calculated on the capital and transaction costs registered as deferred expenses and amortised on a straight-line basis over the duration of the receivable to adjust nominal interest income.

It should be noted that the Milan Group took advantage of the option – provided for by Article 12 of Legislative Decree 139/2015 – to apply the amortised cost only to receivables that have arisen after 1 January 2016.

Write-off of receivables

A receivable is written off from the Financial Statements when:

- the contractual rights on the financial flows arising from the receivable are extinguished; or
- the ownership of the contractual rights arising from the receivable is transferred and, with it, the risks linked to the receivable area also essentially transferred.

For the purposes of the valuation of the transfer of risks, all contractual clauses are taken into account, such as repurchase obligations at the occurrence of certain events or the presence of commissions, excesses or penalties due for non-payment.

When the receivable is written off from the financial statements as a result of a disposal transaction that entails the substantial transfer of all risks, the difference between the price and the value the receivable was recognised at the time of disposal is recognised as disposal loss to be posted under item B14) of the income statement, unless the contract does not allow the identification of other economic components of different nature, including financial.

When the sale agreement does not include the transfer of all risks (e.g. agreements with total recourse), the account receivable is kept on the financial statements. If part of the consideration agreed by the transferee is paid in advance, a financial receivable is recorded as counterparty of the advance received. Cost elements, such as interest and commission, to be paid to the transferee, are recorded in the income statement depending on their nature.

When, also by virtue of a disposal contract that can substantially transfer all risks linked to the receivable, minimal risks for the companies belonging to the Milan Group can be identified, the presence of the conditions required to affect a relevant provision to the risk provision is assessed.

Cash and cash equivalents

Bank deposits, post office deposits, and cheques (current account, bank drafts and similar), are measured according to the general principle of the estimated realisable value, unless the collection of such receivables is very doubtful.

Cash and revenue stamps, measured at their nominal amount.

Cash pooling, consisting in the centralised treasury management by one company within a Group, enables the optimisation of financial resources and is characterised by receivable and payable items towards the company managing the aforementioned cash pooling, respectively for collections from and deposits to the joint current account. Individual companies that participate in centralised treasury management recognise the receivables generated in the item “Financial assets for centralised treasury management” with an indication of the counterparty, which can be the subsidiary of the parent company, in Financial assets that do not constitute long-term investments. If the receivables are not due within one year, they are classified as financial fixed assets. Any such revaluations and write-downs are posted to

the income statement under “Write-down of financial assets due to centralised treasury management” and “Revaluation of financial assets due to centralised treasury management”, indicating the counterparty. Any debt position arising from centralised treasury management shall be classified based on the provision of OIC 19 “Debts”.

Accruals and deferrals

The items include the portions of costs and revenues that are common to two or more financial years, based on the accruals principle. This principle provides that an accrual or a deferral is recognised when the following conditions are met:

- the contract starts in one financial year and ends in a subsequent one;
- the consideration for the services provided is contractually due in advance or in arrears compared to performance common to two or more subsequent financial years;
- the size of accruals and deferrals varies over time.

Accruals and deferrals do not include costs and revenues that accrued in full in the financial year to which the Financial Statements refer or in subsequent ones.

At the end of each financial year, the Company assesses whether the conditions that determined the initial recognition of the accrual or the deferral still apply; if necessary, the required value adjustments are affected. This assessment takes into account not only the passage of time, but also the estimated recoverability of the amount posted to the Financial Statements.

Shareholders' Equity

This item recognises all capital transactions effected between the Group and the individuals who exercise their rights and duties as Shareholders. The share capital increase may only be recognised in the accounts after the transaction has been recorded in the companies' registry, as provided for by Article 2444, paragraph 2, Italian Civil Code. This condition entails, from an accounting viewpoint, the need to use a Shareholders' equity item other than “Equity” in order item, in order to recognise the capital contributions subscribed by the Shareholders, which shall be reclassified under that item only after the transaction has been registered in the companies registry.

Any decrease in the share capital due to the withdrawal of a Shareholder entails an obligation for the Group to purchase their shares in order to reimburse them, if they are not acquired by other Shareholders; from an accounting viewpoint, a negative provision is registered under the item AX) “Negative reserve for treasury shares in the portfolio”. The difference between the reduction in Shareholders' equity and the claim against the outgoing shareholder is channelled to a provision.

If a shareholder defaults, the share capital is reduced by an amount corresponding to the cancelled shares, which from an accounting point of view reverses the amount due from the outgoing shareholder (as to the tenths still payable by him), and the difference between the reduction in shareholders' equity and the claim against the outgoing shareholder is paid into a reserve.

Provisions for risks and charges

Provisions for risks are recognised for specific liabilities that are probable and whose values are estimated. Therefore, they are contingent liabilities linked to conditions that already existed at the date of the Financial Statements, but that were characterised by a degree of uncertainty, whose outcome depends on the occurrence of one or more future events.

Provisions for charges are recognised for liabilities of a specific nature and certain existence, estimated as to their amount or date of occurrence, linked to obligations already assumed at the Financial Statements' date, but which will be collected in subsequent financial years.

Provisions are quantified based on estimates that take into account all available information, in compliance with the principles of accruals and prudence. These elements can also include the time horizon when at the Financial Statements' date there is a known commitment, on the basis of a contractual or legal obligation, whose disbursement can be reliably estimated and whose occurrence can be reasonably determined, that is sufficiently distant in time so as to make its current value at the date of the Financial Statements significantly different from the one estimated at the time of disbursement.

No generic risk funds without economic justification were set up.

Potential liabilities, if any, are posted to the Financial Statements and registered in the provisions only if they are deemed probably and if the amount of the relevant expense can be reasonably estimated. As a result, remote risks were not taken into account, whereas for contingent liabilities that are deemed possible, even if unlikely, information about the uncertainty situation, where relevant, that the loss would cause, as well as the estimated amount or the indication that such amount cannot be estimated, other possible effects, if not apparent, the indication of the management's opinion and that of its legal and other advisers, where available.

With respect to classification, the provisions for risks and charges are initially registered in the income statement items of the relevant classes Per (B, C or D), depending on their nature. If the link between the nature of the provision and one of the aforementioned classes is not immediately apparent, provisions for risks and charges are posted to items B12) and B13) of the income statement.

Employee leaving entitlements

Italian Law no. 296 of 27 December 2006, (2007 Finance Act) introduced new rules for employee leaving entitlements accruing from 1 January 2007. As a result of the Supplementary Pension Reform:

- employee leaving entitlements accrued up to 31 December 2006 remain in the company;
- employee leaving entitlements accruing from 1 January 2007, at the employee's discretion, either through explicit or tacit agreement, have been:
 - allocated to supplementary pension schemes;
 - remained with the company, which transferred the employee leaving entitlements to the I.N.P.S.'s Treasury Fund.

The amounts accrued from 1 January 2007 are still shown in the income statement item B9c) "Employee leaving entitlements". In the balance sheet, item C) "Employee leaving entitlements" represents the remainder of the provision outstanding at 31 December 2006, while item D13) "Payables to pension funds and social security agencies" shows the payable accrued at 30 June 2023 for the employee leaving entitlements still to be paid to the pension funds and social security agencies.

Payables

Payables are recorded in the Financial Statements using the amortised cost method, on a time-adjusted basis.

If the transaction's interest rate is not markedly different from the market rate, the payable is initially recognised at a value equal to the nominal value net of all premiums, discounts, allowances and inclusive of any costs directly attributable to the transaction that generated the debt. The aforementioned transaction costs, such as accessory costs to obtain loans, any commission income and expenses and any difference between the initial value and the nominal value at maturity are distributed along the life of the payable using the effective interest method.

When, on the other hand, the interest rate for the transaction that can be inferred from contractual conditions is markedly different from the market rate, the payable (and the relevant cost in the case of commercial transactions) is initially posted at a value equal to the present value of estimated future cash flows plus and considering any transactions costs. The rate used to discount future cash flows is the market rate.

In the case of payables from commercial transactions, the difference between the thus determined initial recognition value of the payable and the value upon maturity is posted to the income statement as borrowing costs throughout the life of the loan, using the effective interest rate method. In the case of financial payables, the difference between the liquidity disbursed and the current value of future financial flows, always determined using the market interest rate, is recognised in financial income or expenses in the income statement upon their initial recognition, unless the substance of the transaction or of the agreement attribute a different nature to this component. Subsequently, the interest expense accruing on the transaction is calculated at the effective interest rate and posted to the income statement with the value of the payable as a contra-entry.

The value of the payables is then subsequently reduced by the amounts paid both as capital and as interest, as well as by any write-downs effected to readjust the receivables to their expected realisable value or due to losses.

The Milan Group assumes that effects resulting from the implementation of the amortised costs and the discounting are not material when payables are due within 12 months, taking into account that all contractual and substantial considerations that apply upon recognition of the payable, as well as all transaction costs and any difference between the initial value and the nominal value at maturity are also negligible. In this case, discounting can be omitted, the interest can be calculated on the capital and transaction costs registered as deferred expenses and amortised on a straight-line basis over the duration of the receivable to adjust nominal interest expense.

Payables towards Group companies

Items D9), D10) e D11) include respectively payables to subsidiaries, associates and parent companies (not fully consolidated), as defined by Article 2359 of the Italian Civil Code. These payables are shown separately in the balance sheet.

Item D11 bis) includes payables to companies subject to parent companies' control.

Revenues

Match revenues are recognised at the actual time of performance (when each match is played); Season pass sales, if collected at the end of the previous football season, are recognised on an accrual basis using the same rule (i.e. when each match is played).

Sponsorship income is allocated pro rata according to the related contracts, which are signed on the basis of the FIGC football seasons. Bonuses from sponsors are allocated to the income statement on an accrual basis, when the sporting event they relate to takes place.

Revenues from broadcasting license rights and subsequent use of images relating to home league matches are recognised on an accrual basis according to the football season to which they relate.

Revenues from service provision and expenses for their purchase are recognised on the date on which provision ended, or, for those governed by contracts with periodical payments, on the date such payments are due.

The revenues from the sale are recognised net of returns, discounts, allowances and premiums, as well as any taxes directly linked to the sale of the products and the provision of the services, and any adjustments to the revenues accrued during the year directly reduce the item "Revenues".

The item "Other revenues and income" includes non-financial positive income components solely due to additional management. This item includes any grants related to income.

Cost

Acquisition costs are recognised on an accruals basis.

The costs for raw materials, ancillaries, consumables and goods are inclusive of ancillary purchase costs (transport, insurance, loading and downloading, etc.) if included by the supplier in the purchase price, otherwise they are separately posted to service costs depending on their nature.

The costs include not only those whose amount is certain, but also those that are not yet documented, which have been specifically recognised in the Financial Statements.

Costs for bonuses due to players, coaches and technical personnel, for the achievement of pre-established sports results, and bonuses from sponsors are allocated to the income statement on an accrual basis, when the sporting event they relate to takes place.

Financial Income and Expenses

They include the positive and negative components of the economic result for the year linked to the financial activity of the companies belonging to the Milan Group, and are recognised based on the accruals principle.

All revenues, with suitable indication of the relevant sub-items, are recognised on an accruals basis.

Dividends

Dividends are recognised at the time when, as a result of the Resolution adopted by the Shareholder's Meeting of the subsidiary to distribute the profit, or the provisions, a collection right arises for the investor company. The dividend is recognised as financial income, independently from the nature of the reserves distributed. The investee company verifies that, following the distribution, the recoverable value of the equity investment has not diminished to such an extent as to require the recognition of an impairment loss.

Gains and losses

Gains and losses arising from the sale of multi-year player registration rights are classified under revenues and costs from the core business.

Gains and/or losses are calculated as the difference between the price agreed and the net carrying amount at the date of sale.

Current and deferred taxes and national tax consolidation

Taxes for the year are recognised in the income statement in the item "Current income taxes".

Direct taxes accrued for the year are recognised based on the estimate of taxable income, in line with legal provisions and current tax rates and considering any applicable exemptions.

Moreover, the analysis of the presence of any time difference between the asset and liability values and the corresponding values relevant for tax purposes and/or between the income components posted in the income statement and those taxable or deductible for the purposes of the calculation of tax for the financial year, as provided for by OIC 25.

In presence of taxable temporary differences, deferred tax liabilities are registered in the Financial Statements, with the exceptions detailed below and provided by OIC 25.

In presence of deductible timing differences, taxes are registered in the Financial Statements only if their future recoverability is reasonably certain.

If tax liabilities have occurred, deferred tax assets are calculated and registered against the future tax benefit linked to them and to the extent of the taxable result achievable in line with tax projections within a reasonable time scale.

Deferred tax assets and liabilities are calculated on the amount of all the timing differences for the financial year, applying the tax rates applicable during the financial year in which the timing differences will be taxed, as provided for by the tax regulations that apply at the date of the Financial Statements. If tax regulations do not set out the tax rates applicable to the year in which the timing differences shall be taxed, the Milan Group calculates deferred taxes based on the rates applicable at the date of the Financial Statements.

Deferred tax assets and liabilities are not discounted.

For the purposes of classification in the Financial Statements, tax receivables and payables are offset against each other only if there is a legal right to pay the amounts recognised based on tax legislation and if there the intention to net financial receivables and payables with a single payment.

The remuneration of the tax losses of the companies in the consolidation area is recognised at the time that the losses are effectively utilised in the consolidation area (and are not subject to the taxation of future profits by the individual consolidated company), at the IRES rate applicable during the tax period in which the tax loss is carried forward to reduce the consolidated taxable income. The economic benefits arising from consolidation adjustments effected by the consolidating company, but relating to the consolidated company, are remunerated in favour of the aforementioned consolidated company.

The consolidation adjustments that generated benefits in the consolidated tax return are recognised on the income statement under "Tax income from tax consolidated", which is classified under "Current income taxes" with a contra-entry in the balance sheet, under "Receivables from Treasury from tax consolidation".

With respect to the treatment of I.R.E.S. withholding tax, positive differences, as well as advances paid independently by the consolidated companies, as this is a real transfer of operations to the consolidated entity, the transferring entity recognises a receivable due from the consolidating entity.

Change of accounting principles

Below is a description of the standards used when there are changes to voluntary accounting standards, and also to mandatory standards if different rules are not specifically required.

The change to an accounting standard is registered in the financial year in which it is adopted and the relevant events and transactions are treated in compliance with the new standard, which is applied with retroactive effect. This entails the accounting recognition of such effects on the opening balance of the Shareholders' equity for the year.

For comparison purposes only the opening balance of the Shareholders' equity of the previous year is adjusted and the comparative figures for the previous financial year are considered as if the new accounting standard had always been applied. However, when, after all reasonable efforts, it is not possible to determine the effect pertaining to the previous financial year, or when this calculation is excessively onerous, the Milan Group does not restate figures.

Ultimately, when it is not possible to calculate the cumulative effect of the change of accounting principle of such calculation is too onerous, the Milan Group applies the new accounting standard starting from the first feasible date. When this date coincides with the start of the current financial year, the new accounting standard is applied on a forward-looking basis.

The effects resulting from the adoption of new accounting principles on the balance sheet, income statement and cash flow statement, where available, have been highlighted and commented in these notes in correspondence of the explanatory notes pertaining to the items in the Financial Statements that were impacted in a specific way.

This standard had no significant impact on the consolidated financial statements for the year ending 30 June 2023.

Error correction

An error is registered at the time in which an incorrect qualitative and/or quantitative representation of a Financial Statement figure and/or an information provided in a note and, at the same time, information and data for its correct management is available. Correction of relevant errors is performed by rectifying the balance sheet item that was affected by the error at the time, charging the error's correction to the opening statement of the Shareholders' equity of the financial year in which the error is identified.

For comparison purposes only, when feasible, the Milan Group corrects a material error for the previous year by restating comparable figures, whilst if an error relates to previous financial years, it is corrected by restating the opening balances of the previous financial year. When the cumulative effect of a material error cannot be restated for all previous financial years, the Milan Group must recalculate comparable figures to correct the material error starting from the first feasible date.

Non-material errors committed in previous years are recognised in the income statement of the financial year in which the error is detected.

This standard had no significant impact on the consolidated financial statements for the year ending 30 June 2022.

Conversion criteria for items in foreign currency

Pursuant to Article 2426, paragraph 1, no. 8 bis of the Italian Civil Code, monetary assets and liabilities in currencies other than the functional currency in which the Financial Statements are presented (the so-called "accounting currency"), subsequently to initial recognition, are recognised at the spot exchange on the date of the end of the financial year. The resulting exchange-rate gains or losses are posted to the income statement at the items C17-bis) "Exchange-rate gains and losses" and any net profit, which contributes to the result for the financial year, is allocated to the dedicated reserve that cannot be distributed until realisation.

Non-monetary assets and liabilities in currencies other than the accounting one are recognised at the exchange rate applicable at the time of their purchase. When the exchange rate at the closing date of the financial year is markedly different from that at the purchase date, the exchange rate variance is one of the elements considered in the assessment process to determine the value that can be recognised in the financial statements for individual non-monetary assets. In this case, therefore, any (positive or negative) exchange rate differences contribute to the calculation of the recoverable value.

Exchange rates

The exchange rates used to translate the main items in foreign currency are:

		<i>Spot rate</i> 30.06.2023 (*)	<i>Average rate</i> 2022/2023 (*)
U.S. dollar.	USD	1.0866	1.084
Japanese Yen	JPY	157.16	153.1486
GB Pound	GBP	0.85828	0.85861
Swiss franc	CHF	0.9788	0.9764
Chinese Yuan	CNY	7.8983	7.7653

(*) Source Bank of Italy Eurosystema.

OTHER INFORMATION**Use of estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the values of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on experience and other factors considered relevant. The results to be achieved may therefore differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes made to them are reflected in the income statement in the year in which the estimate is revised if the revision affects only that year, or in subsequent years if the revision affects both the current year and future years.

Estimates are used to recognise loan loss provisions, to determine impairment of equity investments and to determine provisions for risks and charges.

With reference to the estimation of the provisions for risks and bad debts, the consolidated financial statements reflect an estimate of liabilities based on the best knowledge of the state of solvency of the counterparties and the progress of litigation, in this using the information provided by the legal and tax advisers assisting the Company and taking into account existing contacts with the counterparties. The estimate of risks is subject to the risk of uncertainty inherent in any estimate of future events and the outcome of litigation proceedings, and it cannot be excluded that in future years there may be charges that cannot be estimated at present due to a worsening of the state of litigation and the level of solvency of the counterparties, also in consideration of the general deterioration of the solvency of the markets.

Tax consolidation

The Parent Company A.C. Milan S.p.A. exercised the option to join the tax consolidation scheme (Articles 117-129 of Presidential Decree 917/86), as the consolidating entity, jointly with Milan Entertainment S.r.l. and Milan Real Estate S.p.A. and Casa Milan S.r.l., as consolidated companies.

Statutory audit of the accounts

The consolidated financial statements are audited by independent auditors Deloitte & Touche S.p.A..

Statement of amounts

In view of their significance, the values of items in the consolidated financial statements, as well as the figures presented and commented on in the notes, are stated in thousands of Euros, unless otherwise indicated.

Disclosure on commitments, guarantees and contingent liabilities not included in the balance sheet

The note must detail the overall amount of the commitments, guarantees and contingent liabilities not included in the balance sheet, specifying the nature of any collateral provided, itemised in: a) existing pension and similar commitments, b) commitments towards subsidiaries, associates, as well as parent companies and companies subject to the latter's control.

Public funds - Information pursuant to Article 1, paragraphs 125-129 of law no. 124/2017

With reference to obligations on transparency and the disclosure of public funding regulated by article 1, paragraphs 125-129 of law no. 124/2017 as amended by the "security" decree law (no. 113/2018) and "simplification" decree law (no. 135/2018), introducing a number of disclosure and transparency obligations, starting from the 2018 financial reporting year, for entities that have economic relations with the Public Administration, in view of Assonime's interpretation in Circular no. 5 of 22 February 2019, which considers the regulation as non-applicable in the following cases:

- grants, contributions and economic benefits of any kind, of which the advantages are accessible to all enterprises that meet certain conditions, based on general, previously established criteria (for example: measures of ministerial decrees aimed at specific industrial sectors and at funding activities related to research and development projects);
- general measures that may benefit all enterprises and which come under the general structure of the reference system defined by the State (for example the mechanism to promote the reinvestment of profit, as provided for by A.C.E);
- public European/foreign resources;
- contributions from trade associations;
- interprofessional funds for training courses, considering that the Funds are provided through contributions made by the beneficiary companies, that are required to meet specific management criteria based on transparency.

The Parent Company AC Milan S.p.A. declares that on 28 March 2023 it received a contribution of Euro 1,445,880 as compensation for healthcare expenses incurred between 1 February 2020 and 31 March 2022, in accordance with the provisions of the Prime Ministerial Decree of 3 October 2022.

Going concern

The Milan Group had a consolidated profit for the 2022/2023 financial year of Euro 6.1 million, a positive shareholders' equity of Euro 177.2 million and a positive consolidated net financial position, at 30 June 2023 of Euro 10.8 million.

During the year, the majority shareholder ACM Bidco B.V. made a payment on account of a future capital increase in favour of the Parent Company AC Milan S.p.A. for a total of Euro 40 million.

In a letter dated 13 September 2023, the majority shareholder of the Parent Company AC Milan S.p.A., undertook to financially support the Parent Company AC Milan S.p.A. and the Group for a period of no less than 12 months from the date of approval by the Board of Directors of the Parent Company AC Milan S.p.A. of the financial statements for the financial year ended 30 June 2023.

Based on these considerations, the directors have prepared these consolidated financial statements on a going concern basis.

Significant events during the period

Change of control and appointment of new Board of Directors

On 31 August 2022, 218,008,094 ordinary shares in the Company (representing approximately 99.93% of the share capital) were transferred from Rossoneri Sport Investment Luxembourg to ACM Bidco B.V., a limited liability company (besloten vennootschap met beperkte aansprakelijkheid) incorporated under Dutch law, which has its registered office in Amsterdam (Netherlands) and is registered in the Dutch Commercial Register under number 86598244. On the same date, those shares were pledged by ACM Bidco B.V. (as pledgor) in favour of Rossoneri Sport Investment Luxembourg (as secured creditor) under a Pledge Agreement over Shares, which was entered into by correspondence between the parties on 31 August 2022 in their capacities mentioned above with the intervention of Intertrust Trustees Limited as collateral agent.

In addition, following the resignation of the majority of the members of the Board of Directors and the consequent dissolution of the Company's entire Board of Directors on 14 September 2022, the Company's general meeting appointed new members of the Board of Directors who will remain in office for three years, which is to say up to the general meeting convened to approve the financial statements for the financial year ending 30 June 2025. The composition of the Board of Directors as appointed at the general meeting of 14 September 2022 subsequently changed as described in more detail in the following paragraph (*Appointment of a new Chief Executive Officer, appointment of a Chief Financial Officer, increase in the number of directors and co-option of new directors*)

Appointment of a new Chief Executive Officer, appointment of a Chief Financial Officer, increase in the number of directors and co-option of new directors

With effect from 6 December 2022, Mr Ivan Gazidis ceased to be CEO of the parent company AC Milan S.p.A. (as well as its subsidiaries) as a result of the resignation by the latter in concomitance with the natural expiry of the contract he held with A.C. Milan; consequently, on 17 January 2023, the Company's Board of Directors appointed Mr. Randy Lewis Levine by co-optation pursuant to Article 2386 of the Italian Civil Code. Also on 17 January 2023, Mr Giorgio Furlani, who had already been a director of A.C. Milan since 2018, was appointed as the new CEO of the parent company A.C. Milan S.p.A.. At the same time as the appointment of Mr Giorgio Furlani as the new CEO of the parent company A.C. Milan S.p.A., the Company's Board of Directors appointed Mr Stefano Cocirio, who has also been a director of A.C. Milan since 2018, as CFO of the parent company A.C. Milan S.p.A.. Subsequently, on 16 March 2023, following the resignation of Mr Domenico Barile from his position as director, Mr Giorgio Furlani and Mr Stefano Cocirio were appointed at the respective general meetings of Milan Entertainment S.r.l. and Milan Real Estate S.p.A., by the sole shareholder A.C. Milan S.p.A., as directors until the expiry date of the current Boards of Directors and therefore until the general meeting for the approval of the financial statements as of 30 June 2023. On the same date, the Boards of Directors of Milan Entertainment S.r.l. and Milan Real Estate S.p.A. appointed Mr Giorgio Furlani and Mr Stefano Cocirio respectively CEO and CFO of the companies.

The shareholders of AC Milan, during the shareholders' meeting held on 11 May 2023, resolved to confirm Mr Randy Lewis as director until the date of the Company's general meeting to approve the financial statements as at 30 June 2025. At the same general meeting, the shareholders also resolved to increase the number of members of the Board of Directors from nine to eleven and simultaneously appointed Mark Michael Dowley and Riccardo Stefanelli as new members of the Board of Directors.

Following the resignation of Alec John Scheiner, Isaac John Halyard and Niraj Narendra Shah, effective as of 12 June 2023, the AC Milan Board of Directors resolved to co-opt Robert Jay Klein and Kevin Craig LaForce as directors - until the date of the next general meeting

Super League

On 17 April 2021, A.C. Milan S.p.A. and eleven other clubs (the "Founding Clubs") formalised an agreement (the "Original Agreement") to create, subject to the fulfilment of certain conditions precedent, a twenty-team European competition called the "Super League" (the "SL") in which the first team of AC Milan would take part permanently as a founding club.

On 18 April 2021, AC Milan S.p.A., together with eight other Founding Clubs, became a member, through the subscription of a share issue and payment of an amount of Euro 200 thousand, of the European Super League Company S.L.U. (the "SL Company"), i.e. the company incorporated under Spanish law set up for the purpose of creating and managing the proposed SL. Subsequently, as provided for in the agreements between the Founding Clubs, AC Milan S.p.A. made a further payment to Shareholders' Equity of the SL Company of Euro 1.8 million.

Following the public announcement of the planned creation of the SL, UEFA and other sports bodies affiliated to UEFA expressed their opposition to the creation of the SL and publicly announced the adoption of disciplinary sanctions against the Founding Clubs.

Following the announcement of termination, as provided for in the Original Agreement, of the SL project and the Original Agreement itself, AC Milan S.p.A. (together with certain other Founding Clubs) reached an amicable settlement with UEFA an amicable settlement of the matter (the "**UEFA Agreement**") and in this context AC Milan S.p.A. has undertaken certain commitments towards UEFA, including that of paying to the UEFA Foundation For Children, together with the other clubs that signed the agreement with UEFA, a total amount of Euro 15 million, divided among the various clubs pro rata, within 12 months of the signing of the UEFA Agreement, in the first UEFA competition in which AC Milan S.p.A. qualifies (it being understood that the first relevant season in this respect will be the 2023/2024 season), retain 5% of the revenues due to AC Milan S.p.A. in relation to that season. The relevant provision has been recognised in accounts.

Following the achievement of the UEFA Agreement, AC Milan S.p.A. has learned from public sources that the Commercial Court of Madrid has issued an interim injunction, in the context of a case pending before that Court, ordering UEFA, inter alia, to void certain obligations undertaken towards it by the signatory clubs to the UEFA Agreement.

In a media statement dated 27 September 2021, UEFA informed the *clubs* that are signatories to the UEFA Agreement that it would not request payment of any of the amounts specified in the UEFA Agreement as long as the proceedings in the Madrid Commercial Court were pending.

AC Milan S.p.A. also learned from public sources that the court in Madrid had asked the European Court of Justice to decide whether some aspects of UEFA's and FIFA's conduct were in breach of EU law.

AC Milan S.p.A. also learned from public sources that, on 20 April 2022, the court in Madrid revoked the injunctions it had previously ordered against UEFA on 20 April 2021. However, the main case is still pending (as the Court of Justice of the European Union has not yet issued its decision).

Purchase of equity investment in SportLifeCity S.R.L.

In June 2023, AC Milan S.p.A. acquired 90% of the share capital of SportlifeCity S.r.l., the latter company having obtained from the Municipal Council of San Donato Milanese, with reference to the area called "San Francesco" located in the Municipality of San Donato Milanese, the approval of an integrated intervention programme for the development of a sports and entertainment district on the aforementioned area.

Capital payments

During the year 2022/2023, the Parent Company's majority shareholder, ACM Bidco B.V., made a payment on account of a future capital increase of Euro 40 million, necessary to cover expenses and investments related to the "New Stadium" project and to strengthen the Company's equity.

Transfer Campaign 2022/2023

The transactions finalised during the 2022/2023 Transfer Campaign resulted in a net increase in invested capital of Euro 50.5 million, deriving from additions of Euro 107.7 million, disposals of Euro 2.2 million (net book value of the rights sold) and write-downs of Euro 4.3 million. Amortisation for the year amounted to Euro 50.8 million.

Profit on disposal of player registration rights amounted to Euro 0.3 million, while loss on disposal amounted to Euro 0.04 million.

With regard to the player transfer transactions finalised in the summer session of the 2022/2023 Transfer Campaign, which took place from 1 July to 1 September 2022, among others, the definitive or temporary purchases of the following players were made, Alessandro Florenzi, Junior Walter Messias, Divock Origi, De Ketelaere Charles Marc, Thiaw Malick, Dest Sergino, Vranckx Aster Jan, D'Alessio Leonardo, Cuenca Martinez Hugo Francisco, Simic Jan-Carlo, Stalmach Dariusz Piotr. For the player transfer transactions finalised in the winter session of the 2022/2023 Transfer Campaign, which ran from 2 January to 31 January 2023, we report that there was only the outright purchase of the player Vasquez Llach Devis Estiven for the men's first team. It should also be noted that during the month of May 2023, the Company and Losc Lille reached an agreement to renegotiate the terms of the Sell on Fee in favour of Lille relating to the possible future sale of the player Rafael Leao. The agreement is to be considered an amendment and supplement to that signed in the summer of 2019 between the two clubs in relation to the acquisition of the player Leao (see Attachment No. 2 of these Notes to the Financial Statements). It

should also be noted that on 29 June 2023, a contract was signed for the definitive purchase of the player Loftus-Cheek Ruben.

The permanent and/or temporary disposals of player registration rights included those of Leonardo Campos Duarte Da Silva, Samuel Castillejo Azuaga, Frank Tsadjout, Lorenzo Colombo and Daniel Maldini. It bears noting that in July 2022, the employment contracts of players Lenny Alexander Borges and Leroyil Abanda Mfono were terminated by mutual consent and the economic effect of the termination has already been recognised in the financial statements at 30 June 2023.

We also note that there were no consensual terminations with players in the winter session of the 2022/2023 Transfer Campaign.

UEFA Licence

On 10 May 2023, the UEFA First Instance Licensing Committee, having examined the documentation produced by the Parent Company in the framework of the UEFA Licensing process for the 2023/2024 football season, decided to grant the Licence on the basis of the requirements provided for by the UEFA Licensing Manual.

National licence

On 30 June 2023, Co.Vi.So.C./F.I.G.C., having examined the documents submitted by the Parent Company, found that the conditions required for the National Licence for the 2023/2024 professional championship had been met, in accordance with Title I) of Official Communication no. 65/A of 9 November 2022.

Football Season

On 4 June 2023, the Serie A Championship ended with AC Milan finishing in fourth place, which guaranteed access to the group stage of the UEFA Champions League 2023/2024.

UEFA Settlement Agreement

On 10 February 2022, the chairman of the First Chamber of the UEFA Club Financial Control Body ("CFCB First Chamber") opened a procedure with the Parent Company under Article 12(1) of the Procedural rules governing the UEFA Club Financial Control Body ("Procedural Rules") – Edition 2021 to ascertain whether the Parent Company complied with the UEFA Club Licensing and Financial Fair Play Regulation – Edition 2018 ("CL&FFP"). Specifically, Parent Company AC Milan S.p.A. was notified that its deviation from the break-even requirements set forth in Articles 58 to 64 and 68 of the CL&FFP exceeded the permitted deviation.

On 31 August, UEFA and the Parent Company AC Milan S.p.A. reached a settlement agreement (the "**Settlement Agreement**") through the CFCB First Chamber. This agreement regulates the transition by the Parent Company from the break-even parameters under the CL&FFP to the new rules (taking effect beginning the 2023/2024 season) set forth in the UEFA Club Licensing and Financial Sustainability Regulations Edition 2022 ("CL&FSR"), which came into force on 1 June 2022.

The Settlement Agreement aims to govern the reporting periods (*reporting periods*) ending 2022, 2023, 2024 and 2025 and the following four football seasons: 2022/2023, 2023/2024, 2024/2025 and 2025/2026. The relevant provision has been recognised in accounts.

UEFA has published an excerpt of the Settlement Agreement online, pursuant to the Procedural Rules - Edition 2022, at the following address: [transitional_3-year_settlement_agreements_-_august_2022.pdf](#) (uefa.com).

The CFCB First Chamber recently confirmed that the Company has met all the targets set for the financial year 2022, pursuant to the settlement agreement entered into in September 2022. As a result of the excellent financial performance in the 2022/2023 season, the Company expects to significantly exceed the targets set out in the Settlement Agreement for the 2023 reporting period, in view of the aleatory nature of sports results, which can have a significant impact on economic results, the Board of Directors has decided to maintain a provision in the financial statements to cover the risk that the results foreseen in the agreements will not be fully achieved.

Out-of-court copyright claims

On 8 and 24 August 2022, the Parent Company received out-of-court claims for alleged copyright violations. The Parent Company responded with a defence refuting the claims. The last communication from the counterparty to the Parent Company is dated 28 July 2023. The Parent Company nonetheless activated the indemnity obligations assumed towards it by third parties in connection with these issues. As a matter of prudence, the Parent Company also made the relevant provision in accounts.

Significant events after the reporting period

Merger

On 1 August 2023, the merger by incorporation of Milan Entertainment S.r.l. and Casa Milan S.r.l. into AC Milan S.p.A., as resolved by the extraordinary general meetings of AC Milan S.p.A., Milan Entertainment S.r.l. and Casa Milan S.r.l. on 11 May 2023, took legal effect.

This merger was finalised in order to rationalise and simplify the Milan group's corporate structure in order to achieve a more efficient management. Given that AC Milan directly or indirectly held the entire share capital of both Milan Entertainment S.r.l. and Casa Milan S.r.l., the merger was carried out in accordance with the provisions of Article 2505 of the Italian Civil Code and no exchange of shares between the Company's shares and the shares of the companies being merged took place; therefore, the shares representing the entire share capital of AC Milan remained assigned to the current shareholders of AC Milan S.p.A. without any change in the relative shareholding structure.

The effective date of the merger for accounting and tax purposes was, as allowed by Article 2504-bis, paragraph 3 of the Italian Civil Code and Article 172, paragraph 9 of Presidential Decree No. 917 of 22 December 1986, backdated to 1 July 2023.

Municipality of Milan

On 7 July 2023, the Municipality of Milan issued the decision closing the activities relating to the payment of the instalment for the ten-year period 2010/2020 pursuant to Article 4b of the Convention for the concession for the use and management of the Meazza Stadium and related services to the Companies F.C. Internazionale Milano S.p.A. and A.C. Milan S.p.A., for the period 01/07/2000-30/06/2030.

AC Milan Management Middle East

On 13 July 2023, the company AC Milan Management Middle East, a wholly owned subsidiary of A.C. Milan S.p.A., was incorporated and registered with the Dubai Companies Registry, with the corporate purpose of representing and managing the commercial activities of A.C. Milan S.p.A. in UAE.

Vismara ground lease

On 25 July 2023, the ground lease was renewed with Opera Diocesana per la Preservazione e Diffusione della fede, for the duration of 10 (ten) years, starting from 4 June 2023 until 4 June 2033, without interruption, for the complex known as the P. Vismara centre - Puma House of Football, located in Milan, via dei Missaglia 117.

Transfer Campaign 2023/2024

The transactions finalised during July and August of the 2023/2024 Transfer Campaign resulted in a net increase in invested capital of Euro 91.3 million, deriving from additions of Euro 103.7 million, disposals of Euro 12.4 million (net book value of the rights sold). Gains of Euro 48.5 million were also realised.

NOTES ON THE MAIN ASSET ITEMS

(in thousands of Euros)

FIXED ASSETS

Specific tables have been prepared for each class of fixed assets (intangible assets, tangible assets and financial fixed assets), shown in the attachments, which indicate for each item: the historical cost, the accumulated depreciation, any write-backs and write-downs, movements during the year and the final balance.

INTANGIBLE FIXED ASSETS

This item amounts to Euro 363,741 thousand (Euro 320,066 thousand at 30 June 2022). The breakdown is as follows:

	30.06.2023	30.06.2022	Change
Start-up and expansion costs	2	0	2
Development costs	405	0	405
Concessions, licences, trademarks and similar rights	179,128	185,081	-5,953
Assets in progress and advances	668	54	614
Player registration rights	178,117	127,642	50,475
Other intangible fixed assets	5,421	7,289	-1,868
Total	363,741	320,066	43,675

The change in intangible fixed assets is shown in attachment 1, which is an integral part of these Notes.

The item Concessions, licenses, trademarks and similar rights, amounting to Euro 179,128 thousand (Euro 185,081 thousand at 30 June 2022), mainly refers for Euro 165,606 thousand to the "AC Milan" trademark revalued in the previous financial year, availing of the option pursuant to Article 110 of Legislative Decree 104/2020, and for Euro 9,219 thousand (Euro 9,548 thousand at 30 June 2022) for the rights to use the television archive of home matches of A.C. Milan S.p.A. ("Milan Library") acquired by the R.A.I. Group and R.T.I. S.p.A. (Mediaset Group) in 2009 and for Euro 4,304 thousand to concessions and licences (Euro 1,249 thousand at 30 June 2022). This archive is supposed to be self-sustaining over time depending on the matches played by the team from time to time.

This item also includes charges related to the development of the official website, the corporate software of the Parent Company AC Milan S.p.A. and the company Milan Entertainment S.r.l.

Player registration rights, of Euro 178,117 thousand (Euro 127,642 thousand at 30 June 2022), also include the costs of direct allocation which are amortised according to the players' contract expiry dates, taking into account any contract extensions agreed before the financial statements are approved. The main changes resulting from investments, disposals and write-downs during the year are detailed in attachment 2, which is an integral part of these Notes. The main changes for the period, as detailed in the specific table in the attachment, primarily related to new acquisitions of Euro 107,701 thousand,

sales and other movements of Euro 2,171 thousand, amortisation of Euro 50,791 thousand and write-downs of Euro 4,263 thousand.

Other intangible assets, amounting to Euro 5,421 thousand (Euro 7,289 thousand on 30 June 2022), relate in particular to the following:

- Euro 1,544 thousand (Euro 1,684 thousand at 30 June 2022) for investments which were made in the “Casa Milan” headquarters, amortised according to the duration of the rental agreement for the technical and commercial areas;
- Euro 4,953 thousand (Euro 5,512 thousand on 30 June 2022), being the incremental costs incurred for the San Siro Stadium in Milan, amortised according to the duration of the agreement with the Municipality of Milan.

In relation to intangible fixed assets, amounting to Euro 363,741 thousand at 30 June 2023, it should be noted that write-downs of Euro 4,263 thousand were included under the item Player registration rights deriving from losses from definite sales, which took place in July and August 2023.

TANGIBLE FIXED ASSETS

This item amounts to Euro 27,131 thousand (Euro 22,758 thousand at 30 June 2022). The breakdown is as follows:

	30.06.2023	30.06.2022	Change
Land and buildings	15,527	11,170	4,357
Plant and machinery	3,846	2,457	1,389
Industrial and commercial equipment	3,787	4,229	-442
Other assets	1,513	1,399	114
Assets in progress and advances	2,458	3,503	-1,045
Total	27,131	22,758	4,373

The change in tangible fixed assets is shown in attachment 2, which is an integral part of these Notes.

Land and buildings, amounting to Euro 15,527 thousand (Euro 11,170 thousand at 30 June 2022), relates in particular to the following:

- Land adjacent to the Milanello Training Centre, of Euro 6,934 thousand (no change compared to 30 June 2022) owned by the subsidiary Milan Real Estate S.p.A.;
- Milanello Training Centre, owned by the subsidiary Milan Real Estate S.p.A. of Euro 9,444 thousand (Euro 5,254 thousand at 30 June 2022).

The increase compared to 30 June 2022 is mainly attributable to works for the construction of a new building for the A.C. Milan S.p.A. spring team and the renovation of the club house rooms, as well as the restyling of the entrance to the Milanello Training Centre.

Plant and machinery, of Euro 3,846 thousand (Euro 2,457 thousand on 30 June 2022) which mainly relates to facilities at the Milanello Training Centre, owned by the subsidiary Milan Real Estate S.p.A..

Industrial and commercial equipment, of Euro 3,787 thousand (Euro 4,229 thousand on 30 June 2022), mainly including Euro 3,351 thousand (Euro 3,800 thousand on 30 June 2022) of the Parent A.C. Milan S.p.A. and Euro 135 thousand (Euro 105 thousand at 30 June 2022) of the subsidiary Milan Entertainment S.r.l. and Euro 300 thousand (Euro 324 thousand at 31 December 2021) of the subsidiary Milan Real Estate S.p.A.. The change mainly relates to depreciation for the year.

Other tangible assets, of Euro 1,513 thousand (Euro 1,399 thousand at 30 June 2022), which mainly includes electronic office equipment, furniture, office supplies and vehicles owned by the Milan Group.

Tangible fixed assets in progress and advances, amounting to Euro 2,458 thousand (Euro 3,503 thousand as at 30 June 2022), mainly refer to projects, already started but not yet completed, relating to the Milanello Sports Centre of the subsidiary Milan Real Estate S.p.A..

FINANCIAL FIXED ASSETS

Equity investments

The breakdown of equity investments in subsidiaries, associates and other companies is as follows:

	30.06.2023	30.06.2022	Change
Subsidiaries	104	104	0
Associates	3,680	1,858	1,822
Other companies	800	1.000	-200
Total	4,584	2,962	1,622

Details of the changes during the year for financial fixed assets are provided in attachment 3, which is an integral part of these Notes.

Equity investments in subsidiaries

The total for this item, of Euro 104 thousand (unchanged with respect to 30 June 2022) relates to 100% of the share capital of the non-profit Milan Foundation, which was set up in 2003 with the aim of meeting basic individual needs and freedoms, of diffusing a culture of sport as a tool for mental and physical well-being, social integration, improving quality of life, and to support and organise charitable projects.

Equity investments in associates

At 30 June 2023, this item amounted to Euro 3,680 thousand (Euro 1,858 at 30 June 2022) and refers to the 50% holding in the company M-I Stadio S.r.l., established with F.C. Internazionale Milano S.p.A. for the technical and commercial management of the San Siro Stadium in Milan. The change compared to the previous year derives from the revaluation of the investment carried out at 30 June 2023 to align the book value to the share pertaining to the shareholders' equity, given the positive result achieved by the associate during the year.

Shareholdings in other companies

This item amounted to Euro 800 thousand at 30 June 2023 (Euro 1,000 thousand at 30 June 2022) and related to the investment held in European Super League Company S.L. ("SL Company"), a company incorporated under Spanish law created to create and manage the competition called "Super League".

For any events not described here, please refer to the relevant paragraph in "Significant events during the period".

Long-term receivablesOther receivables

This item is equal to Euro 468 thousand (Euro 418 thousand at 30 June 2022), mainly comprising security deposits.

WORKING CAPITAL**INVENTORIES**

Inventories of finished products and goods, amounting to Euro 4,258 thousand (Euro 428 thousand present at 30 June 2022), refer to Milan-branded products of the "Milan Store" opened by the subsidiary Milan Entertainment S.r.l. at the "Casa Milan" registered office and to Milan-branded products in stock at the company EPI s.r.l., which from 1 July 2022 manages the e-commerce activity as a third party logistics and merchant of record.

It should be noted that a provision for inventory obsolescence of Euro 479 thousand was prudentially set aside, with reference to products from previous and current seasons that remained unsold.

RECEIVABLES

	30.06.2023	30.06.2022	Change
Trade receivables	50,914	63,753	-12,839
Receivables from associates	1,066	1	1,065
Tax receivables	679	1,096	-417
Deferred tax assets	7,613	9,809	-2,196
Other receivables	7,903	3,069	4,834
Receivables from bodies – specific sector	12,950	30,730	-17,780
Total	81,125	108,458	-27,333

Trade receivables

At the end of the period this item was composed as follows:

	30.06.2023		30.06.2022		Change
	Gross	Write-down provision.	Net value	Net value	
Parent Company A.C. Milan S.p.A.	37,042	-2,269	34,773	49,715	-14,942
Milan Entertainment S.r.l.	24,556	-8,557	15,999	13,880	2,119
Milan Real Estate S.p.A.	102	-89	13	13	0
Casa Milan S.r.l.	0	0	0	0	0
Sportlife City S.r.l.	0	0	0	0	0
AC Milan (Shanghai) Sports Development Co. Ltd.	129	0	129	145	-16
Total	61,829	-10,915	50,914	63,753	-12,839

Trade receivables include receivables from the core operations of the sale of goods and services by Milan Group companies. The change of Euro 12,839 thousand is mainly referred to the advance invoicing of television rights for the 2023-2024 season offset by the reduction of receivables from the Municipality of Milan for the closing of the convention related to the fee for the ten-year period 2010-2020. In addition, there was an increase for the subsidiary Milan Entertainment related to the higher volumes realised by it compared to the financial year ended 30 June 2023.

The provision for doubtful accounts shown above reflects the value adjustment to the receivables to align them to their estimated realisable value.

Receivables from subsidiaries, associate, parent companies and companies subject to parent companies' control

Receivables from associates, amounting to Euro 1,066 thousand (Euro 1 thousand at 30 June 2022), refer to trade receivables from the associated company MI-Stadio S.r.l..

Tax receivables

At end of the year this item was composed as follows:

	30.06.2023	30.06.2022	Change
Due from Treasury for VAT	0	537	-537
Regional business tax (IRAP) receivables	149	89	60
Other tax receivables	530	470	60
Total	679	1,096	-417

As of 30 June 2023, the Group had an IRAP credit of Euro 149 thousand (Euro 89 thousand as of 30 June 2022), while it had a debit VAT position in its balance sheet liabilities (credit position of Euro 537 thousand as of 30 June 2022).

Deferred tax assets

The amount of Euro 7,613 thousand (Euro 9,809 thousand at 30 June 2022) relates to the recognition of deferred tax assets, mainly:

- Euro 4,896 thousand (Euro 7,071 thousand at 30 June 2022) which represents consolidation adjustments primarily concerning the reversal of operations pertaining to infra-group gains;
- Euro 2,718 thousand (Euro 2,738 thousand as of 30 June 2022) on accruals made to the allowance for doubtful accounts for the portion not deductible for tax purposes, to the Milan Store and E-Commerce inventory write-down provision, and to the provision for personnel expenses.

Other receivables

This item, amounting to Euro 7,903 thousand (Euro 3,069 thousand at 30 June 2022), mainly includes Euro 4,691 thousand (Euro 983 thousand at 30 June 2022) for advances paid to suppliers, professionals and employees, and Euro 2,350 thousand (Euro 1,872 thousand at 30 June 2022) for the sale of Corporate season tickets for the 2023/2024 season. The relevant monies were received in the month of July.

Receivables from bodies – specific sector

Net of the provision for doubtful accounts and amortised cost, this item amounts to Euro 12,950 thousand (Euro 30,730 thousand at 30 June 2022). The amount is due from various football clubs, for payments relating to the current and/or past transfer seasons, and in connection with international trips by teams taking part in the training of players sold by those clubs, in accordance with the F.I.F.A. Solidarity mechanism.

Specifically, the item consists of:

- Euro 5,000 thousand (Euro 8,576 at 30 June 2022) for amounts due from the club Eintracht Frankfurt Fussball AG for the temporary sale of the player Jens Petter Hauge;
- Euro 2,781 thousand (not present at 30 June 2022) related to the sell on fee and a performance bonus of the player Lucas Tolentino Coehlo De Lima “Paquetà”;
- Euro 1,600 thousand (not present at 30 June 2022) related to the sell on fee of the player Matteo Pessina;
- Euro 1,108 thousand (not present at 30 June 2022) to receivables from Istanbul Basaksehir FK for the definitive sale of the football player Leonardo Campos Duarte da Silva;
- Euro 1,050 thousand (Euro 5,158 thousand at 30 June 2022) for amounts due from the Lega Nazionale Professionisti, in respect of various transfer seasons;
- Euro 952 thousand (Euro 1,905 at 30 June 2022) for amounts due from the club F.K. Dinamo Moskva for the definitive sale of the player Diego Sebastián Laxalt Suárez;
- Euro 36 thousand (not present as at 30 June 2022) for amounts due from ACF Fiorentina for the definitive sale of the player Miriam Longo;
- Euro 421 thousand (Euro 64 thousand at 30 June 2022) for amounts due from various football clubs under the “solidarity mechanism”.

CASH AND CASH EQUIVALENTS

This item consists of the funds in the restricted and ordinary current accounts, totalling Euro 81,738 thousand (Euro 42,693 thousand at 30 June 2022). It should be noted that there are no restricted amounts at the date of the consolidated financial statements.

Cash and valuables on hand amounted to Euro 45 thousand (Euro 34 thousand at 30 June 2022).

Please refer to the Cash Flow Statement, which forms an integral part of these Notes, for a more detailed analysis of liquidity trends.

ACCRUED INCOME AND PREPAYMENTS

At end of the year this item was composed as follows:

	30.06.2023	30.06.2022	Change
Accrued income	879	737	142
Prepaid expenses:			
- prepaid insurance premiums	83	670	-587
- prepaid apartment rentals	67	42	25
- prepaid sports fields	412	716	-304
- other prepayments	5,690	2,918	2,772
Total prepaid expenses	6,252	4,346	1,906
Total accruals and deferrals	7,131	5,083	2,048

The item Other prepaid expenses, amounting to Euro 5,690 thousand (Euro 2,918 thousand at 30 June 2022), refers in particular to Euro 947 thousand (not present at 30 June 2022) for costs related to the men's first team tour in the United States, Euro 212 thousand (not present at 30 June 2022) related to F24 for interest and accrual surcharge, Euro 1,312 thousand (Euro 231 thousand at 30 June 2022) for advance invoicing of clothing and technical sponsor supplies, Euro 540 thousand related to the renovation of the F playing field at the Vismara Training Centre and Euro 1,268 thousand for the Milan Municipality fee.

NET FINANCIAL POSITION

As a supplement to the reporting of financial payables and financial receivables in the consolidated financial statements, the Net Financial Position of the Milan Group is also provided in this section.

	30.06.2023	30.06.2022	Change
Non-current financial assets (<i>cash collateral</i>)	-	-	-
Total financial assets other than fixed assets	-	-	-
Cash and cash equivalents	81,783	42,727	39,056
Total financial assets	81,783	42,727	39,056
Bonds	-	-	-

Payables to shareholders for loans	–	–	–
Financial payables	0	-4,190	4,190
Payables to other financial institutions	-70,962	-66,924	-4,038
Total financial liabilities	-70,962	-71,114	152
Net financial position	10,821	-28,387	39,208

A breakdown of changes in the individual items making up the net financial position is provided in the specific sections of these Notes.

NOTES ON MAIN SHAREHOLDERS' EQUITY AND LIABILITY ITEMS

(in thousands of Euros)

SHAREHOLDERS' EQUITY

The changes in the items of shareholders' equity are provided in attachment 4. Comments are provided on those changes below.

SHARE CAPITAL

The Share capital of the Parent Company A.C. Milan S.p.A. at 30 June 2023, amounting to 113,443,200, which was fully subscribed and paid up, consisted of 218,160,000 ordinary shares with a nominal value of Euro 0.52 each.

SHARE PREMIUM RESERVE

At 30 June 2023, the Share premium reserve amounted to Euro 31,020,000 (unchanged compared to 30 June 2022) and relates to the premium paid to cover 170,160,000 shares.

REVALUATION RESERVE

At 30 June 2023, the Revaluation Reserve amounted to Euro 33,156 thousand (Euro 125,454 thousand at 30 June 2022). The reserve was recognised by the Parent Company A.C. Milan S.p.A. in the previous financial year following the revaluation of the "AC Milan" trademark carried out by availing itself of the option set forth in Article 110 of Legislative Decree No. 104/2020, converted into Law No. 126 of 13/10/2020 and its subsequent amendments. The change from the previous year is determined by the utilisation to cover the loss emerging from the financial statements of the Parent Company A.C. Milan S.p.A. as at 30 June 2022 in the amount of Euro 92,298 thousand.

LEGAL RESERVE

The Legal reserve amounts to Euro 124 thousand (no change compared to 30 June 2022) and is the same as the amount indicated by the Parent Company A.C. Milan S.p.A.

OTHER RESERVES

The item Other reserves, which is positive at Euro 44,947 thousand (positive Euro 5,028 thousand at 30 June 2022) includes the capital contributions and/or payments to cover losses already made, and the effects of the consolidation adjustments. The change compared to 30 June 2022 is mainly attributable to the Parent Company A.C. Milan S.p.A. following the payment on account of a future capital increase made by the majority shareholder ACM Bidco B.V. for a total of Euro 40,000 thousand.

PROFIT (LOSS) CARRIED FORWARD

At 30 June 2023 this amounted to a loss of Euro 51,541 thousand (loss of Euro 77,302 thousand at 30 June 2022). The change from the previous year was determined by the differential between the loss of the Parent Company A.C. Milan S.p.A., fully covered through the utilisation of the Revaluation Reserve, and the consolidated result as of 30 June 2022.

PROFIT/(LOSS) FOR THE YEAR

During the 2022/2023 financial year, the result of the Milan Group shows a profit for the period of Euro 6,070 thousand (the consolidated loss for the year ending 30 June 2022 was Euro 66,537 thousand).

PROVISIONS FOR RISKS AND CHARGES

Provisions estimated on the basis of specific losses that are certain or likely are detailed below.

	Balance at 01.07.2022	Allocations	(Uses)	Other changes	Balance at 30.06.2023
Provision for deferred tax liabilities	48,550	0	-2,425	0	46,125
Other provisions for risks and charges	23,983	6,293	-1,796	-2,000	26,480
Total	72,533	6,293	-4,221	-2,000	72,605

Provision for deferred tax liabilities

As of 30 June 2023 it amounted to Euro 46,125 thousand (Euro 48,550 thousand as of 30 June 2022) and included the deferred tax liabilities recognised in the previous year following the revaluation of the "AC Milan" trademark carried out by the Parent Company A.C. Milan S.p.A. availing itself of the option set forth in Article 110 of Legislative Decree 104/2020, converted into Law No. 126 of 13/10/2020 and its subsequent amendments. The change is related to trademark amortisation.

Other provisions for risks and charges

At 30 June 2023 this amounted to Euro 26,480 thousand (Euro 23,983 thousand at 30 June 2022). The utilisations for the year refer to transactions concluded with sports personnel whose employment contracts were terminated early during the previous season. During the financial year, Euro 2 million was also released and transferred to other payables as the amount that, pursuant to the agreement concluded with UEFA (on this, see the section "Significant events during the period"), was withheld by UEFA on the prize money due to the Parent Company in relation to the 2022/2023 football season. 2022/2023. It should also be noted that provisions for out-of-court claims are also included.

EMPLOYEE LEAVING ENTITLEMENTS

This item has moved as described in the table below and the balance is fully sufficient to cover contractual and legal obligations.

	EMPLOYEE LEAVING ENTITLEMENTS.	End of career entitlements	Total
Balance at 01.07.2022	2,029	52	2,081
Provisions	1,707	659	2,366
Uses for employment terminations/prepayments	-289	0	-289

NOTES

Payments	0	-777	-777
Other changes	-1,364	134	-1,230
Balance at 30.06.2023	2,083	68	2,151

The item Provisions includes revaluation of the pre-existing amount calculated in accordance with legal requirements and the "white semester" amount which represents (solely for the year 2007) the employee leaving entitlements accrued from 1 January 2007 up to the date of selection of allocation to the company supplementary pension fund (closed) or a contractual pension fund (open) or individual pension plan (IPP).

PAYABLES

	30.06.2023	30.06.2022	Change
Financial payables	0	4,190	-4,190
Payables to other financial institutions	70,962	66,924	4,038
Trade payables	58,951	61,912	-2,961
Payables to associates	3,109	2,348	761
Payables to parent companies	227	0	227
Tax payables	22,741	28,581	-5,840
Payables to pension funds and social security agencies	1,888	6,373	-4,485
Payables to third parties	21,025	23,614	-2,589
Payables to bodies – specific sector	71,829	50,538	21,291
Total	250,732	244,480	6,252

Payables due beyond the next financial year amounted to Euro 60,416 thousand; there were no payables with a remaining duration of more than five years.

Financial payables

The balance of Euro 0 thousand (Euro 4,190 thousand at 30 June 2022) refers entirely to the residual bank loan granted by Unicredit S.p.A., falling due in August 2022, for the prior year transaction to acquire the "Casa Milan" property, which was repaid in August 2022.

Payables to other financial institutions

This amount, of Euro 70,962 thousand (Euro 66,924 thousand at 30 June 2022) relates to amounts payable to factoring companies for advances on future accounts receivable as follows:

- Euro 32,510 thousand (Euro 40,250 thousand as of 30 June 2022) to a factoring contract signed with Unicredit Factoring S.p.A. concerning the sale with recourse to Unicredit Factoring S.p.A. of receivables accrued/matured deriving from the marketing of broadcasting rights of the Serie A championship;

- Euro 38,452 thousand (Euro 13,219 thousand as of 30 June 2022) to a "confirming" financing line signed with Factorit S.p.A., which provides for the possibility for the Company to request, within the limits of the granted plafond, the payment of maturing debts by the factoring institute, in the name and on behalf of the Company, with repayment of the amounts in instalments over time.

We also note the complete extinguishment of the factoring contract with Banca Ifis S.p.A in the amount of Euro 13,455 thousand as of 30 June 2023.

Trade payables

These are broken down in the table below:

	30.06.2023	30.06.2022	Change
Parent Company A.C. Milan S.p.A	44,508	50,253	-5,745
Milan Entertainment S.r.l	12,345	8,751	3,594
Milan Real Estate S.p.A	1,943	2,845	-902
Casa Milan S.r.l	4	11	-7
AC Milan (Shangai) Sports Development Co. Ltd.	22	52	-30
Sportlife City S.r.l	129		129
Total	58,951	61,912	-2,961

The item Trade payables of the Parent Company includes payables to football agents for a total of Euro 10,884 thousand (Euro 6,953 thousand at 30 June 2022), of which Euro 3,576 thousand maturing after the following year.

Payables to subsidiaries, associates and parent companies

Payables to associates, equal to Euro 3,109 thousand (Euro 2,348 thousand at 30 June 2022) relate to the company M-I Stadio S.r.l. for the coverage of operating costs for the management of the San Siro Stadium in Milan, under an agreement in place between A.C. Milan S.p.A., F.C. Internazionale Milano S.p.A. and M-I Stadio S.r.l., which provides for an annual fee in favour of the concessionaires of Euro 9,100 thousand (plus any adjustments).

Payables to parent companies, amounting to Euro 227 thousand (not present as at 30 June 2022), relate to consultancy services provided by ACM FootballCo Intermediate Coöperatief U.A. (as better detailed in the section "Transactions with subsidiary, associated and controlling companies")

Tax payables

	30.06.2023	30.06.2022	Change
Payables for current taxes	3,757	904	2,853
Payable to Treasury for VAT	1,221	0	1,221
Payables withholding tax on income from work	17,762	27,673	-9,911
Other tax payables and withholdings	1	4	-3
Total	22,741	28,581	-5,840

It should be noted that in the context of Payables for current taxes, the I.R.A.P. payable refers to the IRAP portion recognised as of 30 June 2023, amounting to Euro 3,757 thousand.

As at 30 June 2023, the Group had a debit VAT position of Euro 1,221 thousand (credit position as at 30 June 2022).

Payables on withholdings on income from work related to the withholdings made on registered players, employees and freelance workers. The Parent Company AC Milan S.p.A. benefited from the suspension of contributions and social security payments due in April-June 2020 pursuant to Decree Law 34/2020 and the suspension of payments due in January-February 2022 pursuant to Article 1, paragraphs 36 and 37 of the 2022 Finance Act. The aforesaid payments resumed from 16 September 2020 and from May 2022 according to the instalment plan granted by Decree Law 104/2020 (so-called “August Decree”). It should also be noted that withholding taxes for the month of December on members were not paid for registered players in accordance with paragraphs 923 and 924 of Article 1 of Law No. 234/2022 (Budget Law 2022). However, these payments resumed from 26 May 2022. It should also be noted that the withholding taxes of December 2021 and January/March 2022 on members were further accrued in 57 instalments as per the Budget Law 2023. It should be noted, therefore, that in connection with the application of the Budget Law 2023, there are tax payables in the amount of Euro 5,107 thousand due beyond the next financial year.

Payables to pension funds and social security agencies

The amount of this item was broken down as follows:

	30.06.2023	30.06.2022	Change
Payables to I.N.P.S.	1,932	6,355	-4,423
Payables/(Receivables) to/from other pension institutions	-44	18	-62
Total	1,888	6,373	-4,485

This item also includes the payables for contributions to supplementary pension funds and/or to the Treasury Fund at the INPS. The changes were in line with the trend in the cost of labour. The change from the previous year is related to the use in the previous year of the suspension of contributions and social security payments due in April-June 2020 pursuant to Decree Law 34/2020 and the suspension of payments due in January-February 2022 pursuant to Article 1, paragraphs 36 and 37 of the 2022 Finance Act. The aforesaid payments resumed from 16 September 2020 and from May 2022 according to the instalment plan granted by Decree Law 104/2020 (so-called “August Decree”). It should also be noted that withholding taxes for the month of December on members were not paid for registered players in accordance with paragraphs 923 and 924 of Article 1 of Law No. 234/2022 (Budget Law 2022). However, these payments resumed from 26 May 2022 and have been paid in full to date.

Other payables

These consisted of the following:

	30.06.2023	30.06.2022	Change
Payables to registered players and employees	16,720	19,359	-2,639
Payables to directors, statutory auditors and the Supervisory Body.	94	94	-0
Other payables	4,211	4,161	50
Total	21,025	23,614	-2,589

Payables to registered players and employees relate in particular to the additional month salaries and bonuses to registered players, which will be duly paid on the established deadlines.

The item Other Payables refers mainly to payables for holidays, reduced working hours and additional monthly payments.

Payables to bodies – specific sector

These amount, net of the amortised cost, to Euro 71,829 thousand (Euro 50,538 thousand at 30 June 2022) and are composed of payables to the Lega Nazionale Professionisti and payables to foreign and national football clubs.

Payables to the Lega Nazionale Professionisti, of Euro 6,745 thousand (Euro 10,375 thousand of 30 June 2022) are the balance of the 2022/2023 transfer campaign.

Payables to foreign and Italian football clubs, amounting to Euro 65,084 thousand (Euro 40,163 thousand at 30 June 2022), net of amortised cost adjustments of Euro 1,486 thousand, related to:

- Euro 25,500 thousand (not present at 30 June 2022) for the payable to Club Brugge NV for the definitive purchase of the player Charles De Ketelaere;
- Euro 17,543 thousand (not present at 30 June 2022) for the payable to Chelsea Football Club for the definitive purchase of the player Loftus Cheek Rubem;

- Euro 10,589 thousand (Euro 21,659 thousand at 30 June 2022) for the payable to Chelsea Football Club for the definitive purchase and other performance bonuses of the player Tomori Oluwafikayomi;
- Euro 4,066 thousand (Euro 8,359 thousand at 30 June 2022) for the payable to Lille Olympique Sporting Club for the definitive purchase and other performance bonuses of the player Mike Petterson Maignan;
- Euro 3,018 thousand (not present at 30 June 2022) to the payable to FC Gelsenkirchen-Schalke 04 EV for the definitive purchase of the player Malick Thiaw;
- Euro 1,300 thousand (not present at 30 June 2022) to the payable to U.S. Lecce for the performance bonus and counter-option of the player Lorenzo Colombo;
- Euro 1,000 thousand (not present at 30 June 2022) to the payable to Brescia Calcio for the performance bonus to football player Sandro Tonali;
- Euro 750 thousand (not present at 30 June 2022) to the payable to F.C.Crotone for the performance bonus of the player Walter Junior Messias;
- Euro 600 thousand (not present at 30 June 2022) to the payable to Spezia Calcio for the performance bonus of the player Daniel Maldini;
- Euro 248 thousand (not present at 30 June 2022) to the payable to Bordeaux for bonuses related to the player Yacine Adli;
- Euro 247 thousand (not present at 30 June 2022) to the payable to Real Madrid for bonuses related to the player Abdeldader Diaz Brahim;
- Euro 216 thousand (Euro 330 thousand at 30 June 2022) for the payable to FK Bodo/Glimt for the sell-on fee for the player Hauge Jens Petter;
- Euro 160 thousand (not present at 30 June 2022) to the payable to Cosenza Calcio for performance bonuses of the players Brescianini and Nasti;
- Euro 144 thousand (not present at 30 June 2022) to payables to Fiorentina, Atletico Madrid and Bayer Munich respectively for the players Mascarello, Staskova, Laurent;
- Euro 100 thousand (not present at 30 June 2022) to the payable to FC Gornik Zabre SA for the definitive purchase of the player Dariusz Piotr Stalmach;
- Euro 78 thousand (not present at 30 June 2022) to payables to other minor football clubs for youth sector players;
- Euro 47 thousand (not present at 30 June 2022) for the payable to Manchester United for reimbursement of the world championship participation of the player Dalot;

- Euro 878 thousand (Euro 738 thousand at 30 June 2022) for the payable to various clubs for the fees payable in connection with international transfers to the teams who contributed to the players' training, in accordance with the FIFA solidarity mechanism. Specifically, it mainly derives from the purchase and performance bonuses of players Mike Petterson Maignan, Oluwafikayomi Oluwadamilola Tomori, Malik Thiaw, Rafael Leao, Olivier Giroud, Boakye, Eletu, Lazetic and Vasquez.

ACCRUED EXPENSES AND DEFERRED INCOME

At end of the year this item was composed as follows:

	30.06.2023	30.06.2022	Change
Accrued expenses	383	275	108
Deferred income:			
deferred broadcasting rights	13,859	0	13,859
deferred season tickets	14,242	14,629	-387
Other prepayments	39,030	37,671	1,359
Total deferred income	67,131	52,300	14,831
Total accruals and deferrals	67,514	52,575	14,939

The item Deferred income, equal to Euro 67,131 thousand (Euro 52,300 thousand on 30 June 2022) includes:

- Euro 9,126 thousand (Euro 9,450 thousand at 30 June 2022) relating to royalties from rights to use images of Milan's home games in specific seasons ("Milan Library");
- Euro 13,859 thousand (not present at 30 June 2022) related to the advance billing of broadcasting rights for the 2023/2024 Serie A championship;
- Euro 11,649 thousand (Euro 4,876 thousand at 30 June 2022) relating to advance invoicing for sponsorships and kit);
- Euro 14,242 thousand (Euro 14,713 thousand at 30 June 2022) relating to advance invoicing for season ticket sales valid for the 2023/2024 Serie A season;
- Euro 2,950 thousand (Euro 1,716 thousand at 30 June 2022) relating to advance invoicing for royalties contracts valid for the period from 1 July 2023 to 30 June 2024;
- Euro 735 thousand (Euro 1,235 thousand on 30 June 2022) relating to advance invoicing for football academy contracts in Italy and abroad, friendly matches and other archive rights.
- Euro 14,610 thousand (Euro 20,393 thousand at 30 June 2022) relating to advance invoicing for promotional and advertising rights on commercial contracts valid for the year from 1 July 2023 to 30 June 2024;

COMMITMENTS, RISKS AND POTENTIAL LIABILITIES**COMMITMENTS AND GUARANTEES****Bank guarantees, endorsements and other personal guarantees**

These are guarantees issued by banks and/or insurers, totalling Euro 18,336 thousand (Euro 12,484 thousand at 30 June 2022), mainly in favour of:

- Lega Calcio, for the transfer season, for Euro 7,241 thousand (Euro 5,376 thousand at 30 June 2022);
- The Municipality of Milan, for the use of the San Siro Stadium, for Euro 2,379 thousand (Euro 2,348 thousand at 30 June 2022);
- The Italian Revenue Agency (Agenzia delle Entrate) for Euro 1,497 thousand (Euro 1,497 thousand at 30 June 2022) for a VAT receivable relative to the 2018 VAT return 2017 tax period, requested as a reimbursement;
- Ministry for Economic Development, for Euro 32 thousand (unchanged compared to 30 June 2022), for prize contests related to the "MILAN120" and "Derby Together" initiatives;
- Fabbrica Immobiliare SGR S.p.A., for Euro 3,200 thousand (unchanged compared to 30 June 2022) for the lease on the "Casa Milan" property;
- Municipality of Milan for the freezing of fees Euro 3,877 thousand (not present as at 30 June 2022)
- FIGC for women's team registration Euro 80 thousand (not present as at 30 June 2022).

NOTES ON THE MAIN INCOME STATEMENT ITEMS

(in thousands of Euros)

Introduction

Before analysing the individual items, we remind you that the comments on the general changes in costs and revenues are provided in the Report on Operations, as required by Article 2428 paragraph 1 Italian Civil Code. We also remind you that the income statement items have been classified according to the financial statement structure established for professional football clubs, in compliance with the provisions of the Italian Football Federation Official Notice no. 58, published on 5 September 2006.

VALUE OF PRODUCTION

The total value of production in the 2022/2023 financial year amounted to Euro 404,921 thousand (Euro 297,592 thousand in the 2021/2022 financial year). The breakdown of this item is shown below.

Revenues from sales and services

The item was composed as follows:

	FY 2022/2023	FY 2021/2022	Change
Match revenues	55,064	32,309	22,755
Season tickets	16,183	0	16,183
Revenues from other competitions	1,587	235	1,352
Total	72,834	32,544	40,290

The change, and concomitant increase, in match revenues stems from revenues related to the season ticket campaign due to the reopening of stadiums as well as higher revenues related to European competitions with the reaching of the semi-finals of the UEFA Champions League.

For more details on the revenue trend, please refer to the Report on Operations.

Changes in inventories

Changes in inventories of finished products and goods, equal to Euro 3,828 thousand (negative Euro 54 thousand in the 2021/2022 financial year), refer to Milan branded items in stock at 30 June 2023 relative to the "Milan Store" opened at "Casa Milan" as well as to inventories at EPI S.r.l., which from 1 July 2022 manages the e-commerce business as a third party logistics and merchant of record.

NOTES

	30.06.2023	30.06.2022	Change
Closing E-Commerce Inventories	3,098	228	2,870
Closing Casa Milan Store Inventories	1,121	-282	1,403
E-commerce Obsolescence Provision	-391	0	-391
Total	3,828	-54	3,882

It should be noted that a provision for inventory obsolescence was prudently set aside for products from previous and current seasons that remained unsold.

Other revenues and income

This income consisted of:

	FY 2022/2023	FY 2021/2022	Change
Contributions from other bodies	119	173	-54
Sponsorship income	80,783	57,799	22,984
Commercial income and royalties	46,511	25,070	21,441
Income from broadcasting and media rights	174,907	133,075	41,832
miscellaneous income	7,519	7,512	7
Revenues from player loans	82	1,661	-1,579
gains from the sale of player registration rights	268	5,570	-5,302
Other income from player management	6,243	3,227	3,016
Other income and revenues	11,435	31,015	-19,580
Total	327,867	265,102	62,765

Sponsorship income, of Euro 80,783 thousand (Euro 57,799 thousand in the 2021/2022 financial year) mainly relate to the following:

- Euro 16,200 thousand (Euro 15,000 thousand in the 2021/2022 financial year) in fees paid by the Official Sponsor Emirates;
- Euro 14,565 thousand (Euro 15,541 thousand in the 2021/2022 financial year) in fees paid by the Official Kit Partner Puma International Sports Marketing B.V. for the purchase of the right to place their branding on the Parent Company's official kit;

- Euro 49,374 thousand (Euro 26,811 thousand in the 2021/2022 financial year) in revenues from the sale of multi-product promotional-advertising packages to commercial partners, among which Banco B.P.M. S.p.A., Goat & Partners L.t.d., HDR Global Trading L.t.d., ISG Interregional Sport Group L.t.d., Konami Digital Entertainment, One Football GmbH, Skrill L.t.d., Socios Technologies AG., Sorare S.a.s., Tianyu Technology Inc. and We Fox Italy S.r.l. are particularly important. The increase of Euro 22,563 thousand compared to the 2021/2022 financial year is due to the agreement of new contracts with primary commercial partners for the 2022/2023 and following seasons;
- Euro 644 thousand (Euro 447 thousand in FY 2021/2022) being payments from contracts with the corporate sponsors, official and technical suppliers, and commercial partners under which the Parent Company allows sponsors to use the titles of "Official Supplier", "Official Partner" and "Institutional Sponsor" for advertising and publicity.

Commercial income and royalties, amounting to Euro 46,511 thousand (Euro 25,070 thousand in the 2021/2022 financial year), mainly consisted of:

- E-Commerce commercial revenues, amounting to Euro 14,157 thousand (not present in the 2021/2022 financial year) are related to online sales of Milan-branded products and sponsor companies, which the company EPI S.r.l., as of 1 July 2022, will manage as a third party logistics and merchant of record.
- Other commercial revenues, equal to Euro 6,037 thousand (Euro 3,690 thousand in the 2021/2022 financial year) refer to income deriving from commercial activities at the "Casa Milan" registered office, concerning a space dedicated to the sale of Milan-branded products and sponsor companies (Milan Store) and a museum space open to the public (Mondo Milan).
- Royalties, amounting to Euro 5,742 thousand (Euro 4,038 thousand in the 2021/2022 financial year), mainly refer to revenues from merchandising and licensing activities and, in particular, to the contract with Puma International Sports Marketing B.V., 3R Sport S.r.l., Electronic Arts. Inc., Memento Market Inc., Socios Technologies AG., Stilscreen S.r.l. and E.P.I. S.r.l..

Income from broadcasting and media rights, of Euro 174,907 thousand (Euro 133,075 thousand in the 2021/2022 financial year):

- Euro 87,024 thousand (Euro 88,729 thousand in the 2021/2022 financial year) from the centralised licence of broadcasting rights for the 2022/2023 season of various packages assigned to broadcasters, including in particular Sky Italia S.r.l., RAI IMG Media and Perform Investment Ltd (Dazn). The negative change is mainly related to the lower placing in the Serie A championship;
- Euro 87,882 thousand (Euro 44,272 thousand in the 2021/2022 financial year) relating to the amount paid to the Parent Company as a result of the trading and utilisation of television and radio broadcasting rights for participation in the 2022/2023 UEFA Champions League.

The caption Miscellaneous income, equal to Euro 7,519 thousand (Euro 7,512 thousand in the 2021/2022 financial year), includes Euro 6,337 thousand (Euro 6,422 thousand in the 2021/2022 financial year) for the fees resulting from granting rights to use images of the A.C. Milan home matches for specific football seasons (the "Milan Library").

Revenues from player loans, amounting to Euro 82 thousand (Euro 1,661 thousand in the 2021/2022 financial year), relate to the following players loaned out by the Parent Company:

Player	Selling club	Amount
Andreas Kristoffer Jungdal	SCR Altach Spielbet	35
Marko Lazetic	SCR Altach Spielbet	47
Total		82

Gains from the sale of player registration rights, realised in the year 2022/2023, are listed below with details of the name of the player and the selling club:

Player	Selling club	Net carrying amount (*)	Sale amount	Gain
Frank Tsadjout	U.S. Cremonese	167	400	233
Linda Tucceri Cimini	ACF Fiorentina	0	5	5
Miriam Chiara Longo	ACF Fiorentina	0	30	30
Gains				268

(*) Net of the effect of the implementation of the "amortised cost" method as provided for by Article 2426, paragraph 1, no. 8 of the Italian Civil Code.

Other income from player management, of Euro 6,243 thousand (Euro 3,227 thousand in the 2021/2022 financial year) relates to:

- Euro 1,600 thousand (not present in the 2021/2022 financial year) sell on fee paid by Atalanta Bergamasca Calcio on the resale of the player Matteo Pessina;
- Euro 3,068 thousand (not present in the 2021/2022 financial year) sell on fee paid by Olympique Lyonnais on the resale of the player Lucas Paquetà;
- Euro 300 thousand (not present in the 2021/2022 financial year) sell on fee paid by Crotone on the resale of the player Giovanni Crociata;
- Euro 200 thousand (not present in the 2021/2022 financial year) sell on fee paid by Bologna Calcio on the resale of the player Simone Verdi;
- Euro 214 thousand (not present in the 2021/2022 financial year) to the variable compensation paid by Olympique Lyonnais for the player Lucas Paquetà reaching the contractual targets;
- Euro 235 thousand (not present in the 2021/2022 financial year) to the variable compensation paid by AZ NV Alkmaar for the player Milos Kerkez reaching the contractual target;
- Euro 120 thousand (not present in the 2021/2022 financial year) to the variable compensation paid by Istanbul Basaksehir for the player Leonardo Campos Duarte Da Silva reaching the contractual target;
- Euro 505 thousand (Euro 792 thousand in the 2021/2022 financial year) for the solidarity contribution paid by various clubs for the transfer of certain players who played for Milan aged between 12 and 23.

The item "Other income and revenues", amounting to Euro 11,435 thousand (Euro 31,015 thousand in the 2021/2022 financial year), included Euro 1,770 thousand (Euro 2,953 thousand in the 2021/2022 financial year) for the utilisation, for various reasons, of the provision for future charges accrued in previous years' financial statements, and Euro 5,642 thousand (Euro 8,203 thousand in the 2021/2022 financial year) for contingent assets and other residual revenues and income. This item also includes

Euro 1,752 thousand (Euro 725 in the 2021/2022 financial year) in fees arising from the invoicing to the associated company M-I Stadio S.r.l. for the use of some indoor and outdoor spaces of the San Siro Stadium in Milan, Euro 1,121 thousand (Euro 819 thousand in the 2021/2022 financial year) for insurance reimbursements resulting from injuries suffered by A.C. Milan first team players and Euro 383 thousand (Euro 537 thousand in the 2021/2022 financial year) of income for sundry recharges. The change from the previous year is mainly attributable to the recognition in the 2021/2022 financial year of Euro 17,755 thousand with reference to the gain from the sale of fixed assets following the sale of the "Casa Milan" property.

COSTS OF PRODUCTION

Costs of production in the 2022/2023 financial year amounted to Euro 389,599 thousand (Euro 352,573 thousand in the 2021/2022 financial year). The breakdown of this item is shown below.

Costs for consumables and goods

Costs for the purchase of consumables and goods, amounting to Euro 19,741 thousand (Euro 7,705 thousand in the first half of the 2021/2022 financial year), essentially relate to costs incurred by the Parent Company A.C. Milan S.p.A. and the subsidiary Milan Entertainment S.r.l. for the purchase of sports clothing for training, the official kits provided by the Official Kit Partner, medicinal expenses and purchase costs for products for resale at the new "Milan Store" opened in "Casa Milan" and for products destined for e-commerce. The increase was mainly due to purchases related to the new e-commerce business managed by EPI S.r.l. as third-party logistics and merchant of record.

Cost for services

Were broken down as follows:

	FY 2022/2023	FY 2021/2022	Change
General costs for sporting activities	35,824	23,133	12,691
Consultancy and collaboration	13,444	7,185	6,259
Advertising and promotion	6,612	2,796	3,816
Insurance	942	655	287
Fees to company bodies	4,027	4,033	-6
Administrative and general expenses	7,275	6,692	583
Canteen and catering services	1,455	1,115	340
Maintenance and repair	2,184	2,155	29
Transport, storage and travel expenses	2,950	829	2,121
Other costs for services	10,699	9,144	1,555

Total	85,412	57,737	27,675
--------------	---------------	---------------	---------------

General costs for sporting activities included the expenses incurred primarily by the Parent Company A.C. Milan S.p.A. and the subsidiary Milan Entertainment S.r.l., of which:

- Euro 20,345 thousand (Euro 12,167 thousand in the 2021/2022 financial year) mainly composed of consultancy and technical-sports collaboration for Euro 13,215 thousand (Euro 6,860 thousand in the 2021/2022 financial year), sports agent and auxiliary costs for the Transfer Campaign for Euro 5,447 thousand (Euro 3,376 thousand in the 2021/2022 financial year), the increase of which is mainly related to the effects of the 2022/2023 Transfer Campaign, and by costs for monitoring players for Euro 1,683 thousand (Euro 1,931 thousand in the 2021/2022 financial year);
- Euro 4,583 thousand (Euro 3,992 thousand in the 2021/2022 financial year), relate to the expenses incurred for health and schooling assistance and for training and camp sessions of the first team and the youth sector;
- Euro 1,999 thousand (Euro 1,823 thousand in the 2021/2022 financial year) for remuneration to medical and healthcare personnel and other related expenses;
- Euro 6,276 thousand (Euro 2,621 thousand in the 2021/2022 financial year) for expenses incurred for away games of the first team and the minor teams;
- Euro 2,622 thousand (Euro 2,516 thousand in the 2021/2022 financial year), relates to the premiums paid to insure the players of the first team and youth sector, and have increased as a result of further insurance items being included in the cover.

Consultancy and collaboration, of Euro 13,444 thousand (Euro 7,185 thousand in the 2021/2022 financial year) includes the amounts payable for legal and notarial fees, administration, fiscal and management, commercial, communications, technical and other costs, and commission paid to third parties.

Advertising expenses, which amounted to Euro 6,612 thousand (Euro 2,796 thousand in the 2021/2022 financial year), mainly included posters and other advertising expenses.

Emoluments to company bodies, of Euro 4,027 thousand (Euro 4,033 thousand in the 2021/2022 financial year), includes fees payable to the directors, the statutory auditors and the Supervisory Control Body for their services to the Milan Group.

Administrative, general expenses and utilities, amounting to Euro 7,275 thousand (Euro 6,692 thousand in the 2021/2022 financial year), consists of the costs incurred by the Milan Group primarily for insurance and information technology services, for utilities, and for surveillance and cleaning costs.

The item Transport, storage amounting to Euro 2,950 thousand (Euro 829 thousand in 2021/2022), includes costs incurred for the new e-commerce business and the increase is mainly due to these new transport costs.

Other costs for services, amounting to Euro 10,699 thousand (Euro 9,144 thousand in the 2021/2022 financial year), mainly consisted of:

- Euro 4,550 thousand (unchanged with respect to the 2021/2022 financial year) relates to the costs of providing technical and maintenance services at the San Siro stadium, commercial and administration services charged by M-I Stadio S.r.l., under a specific agreement;
- Euro 1,212 thousand (Euro 1,283 thousand in the 2021/2022 financial year), for the costs of broadcasting production and distribution for the Serie A Championship and 2022/2023 edition of the Tim Cup, charged by Lega Nazionale Professionisti Serie A;
- Euro 3,375 thousand (Euro 2,403 thousand in the 2021/2022 financial year) for production costs of content and the distribution of the signal related to Milan TV thematic channel, which increased due to the in-housing of production activities for Serie A matches and the related integrations required by national and international broadcasters.

Leases and rentals

The item was composed as follows:

	FY 2022/2023	FY 2021/2022	Change
Rental expenses	9,521	7,359	2,162
Rentals and other hires	4,803	3,025	1,778
Total	14,324	10,384	3,940

Rental expenses, amounting to Euro 9,521 thousand (Euro 7,359 thousand in the 2021/2022 financial year), consisted of:

- costs of Euro 5,170 thousand (Euro 4,758 thousand in the 2021/2022 financial year) resulting from the use of the San Siro Stadium in Milan under the agreement reached with the Municipality of Milan involving the joint management of the stadium together with F.C. Internazionale Milano S.p.A. from 1 July 2000 up to 30 June 2030, of which Euro 2,222 thousand (Euro 2,411 thousand in the 2021/2022 financial year) will be subsequently deducted from the rental payments upon completion of the modernisation work carried out each year on the San Siro Stadium in Milan;
- Euro 4,351 thousand (Euro 2,594 thousand in the 2021/2022 financial year) in costs for property leases and ancillary services that the subsidiary Milan Real Estate S.p.A. makes available to the players and certain employees of the Milan Group.

Rentals and other hires, of Euro 4,803 thousand (Euro 3,025 thousand in the 2021/2022 financial year), refer mainly to the leasing of vehicles and equipment for corporate use. The increase is mainly due to transport costs related to the new E-Commerce business.

Personnel costs

Personnel costs were broken down as follows:

	FY 2022/2023			FY 2021/2022		
	Registered players	Other employees	Total	Registered players	Other employees	Total
Wages and salaries	143,372	18,594	161,966	143,364	16,234	159,598
Social security charges	4,458	4,786	9,244	3,832	4,291	8,123
End of career entitlements/Employee leaving entitlements	1,054	1,313	2,367	878	1,288	2,166
Other costs	116	305	421	367	0	367
Total	149,000	24,998	173,998	148,441	21,813	170,254

Details of the average numbers of personnel (both registered and employees) employed by the Milan Group in 2021/2022 are provided below:

	FY 2022/2023	FY 2021/2022	Change
Players	83	55	28
Team managers/other technicians	180	167	13
Directors	19	18	1
Journalists	7	7	0
Office workers and middle managers	195	168	27
Workers	3	3	0
Total	487	418	69

Amortisation, depreciation and write-downs

	FY 2022/2023	FY 2021/2022	Change
Amortisation of Intangible fixed assets	62,819	65,997	-3,178
Depreciation of tangible fixed assets	1,867	2,347	-480
other write-downs of fixed assets	4,263	8,007	-3,744
Write-down of receivables included in working capital and in cash and cash equivalents	2,316	17	2,299
Total	71,265	76,368	-5,103

The details of the amortisation and depreciation of the intangible and tangible fixed assets are provided in the attached statements of changes.

The item Other write-downs of fixed assets, equal to Euro 4,263 thousand (Euro 8,007 thousand in the

2021/2022 financial year), relates to the write-down of the Player registration rights of some players, due to the effect of losses of some players in August 2023.

The item Write-down of receivables included in working capital and in cash and cash equivalents, amounting to Euro 2,316 thousand (Euro 17 thousand in the 2021/2022 financial year), refers to the allocation made to the provision for doubtful trade receivables.

Provisions for risks

This item amounted to Euro 6,293 thousand (Euro 7,893 thousand in the 2021/2022 financial year) and included the provision for future charges related to sports and non-sports personnel.

Sundry management expenses

Sundry management expenses consisted of:

	FY 2022/2023	FY 2021/2022	Change
Various match organisation expenses	9,358	6,280	3,078
Match registration costs	10	20	-10
Percentage paid to visiting teams	0	0	0
Costs for acquisition of player services on loan	3,947	7,443	-3,495
Losses from the sale of multi-year player registration rights	42	2,456	-2,414
other expenses from player management	149	500	-350
Other management expenses	5,060	5,533	-472
Total	18,566	22,232	-3,666

Other match organisation costs, of Euro 9,358 thousand (Euro 6,280 thousand in the first half of the 2021/2022 financial year), mainly relate to the costs of managing the corporate seating, Sky Boxes and Sky Lounges, and the stewarding, ticketing and customer services at San Siro during home matches for the season 2022/2023. The increase is mainly due to the higher number of disputed matches as a result of reaching the semi-finals of the UEFA Champions League.

Costs for acquisition of player services on loan, amounting to Euro 3,947 thousand (Euro 7,443 thousand in the 2021/2022 financial year), refer to the following players purchased by the Parent Company:

Player	Selling club	Amount
Abdelkader Diaz	Real Madrid	1,731
Vranckx Aster	VfL Wolfsburg - Fussball GMBH	1331
Tiémoué Bakayoko	Chelsea FC	815
Vechiu Christian Mihai	Vicenza calcio S.p.A.	30
Lontani Simone	Cesena FC Srl	30
Bashi Ervin	Aurora Pro Patria 1919 Srl	5
Rana Vincenzo	SSC Bari Spa	5
Total		3,947

Losses from the sale of multi-year player registration rights, equal to Euro 42 thousand (Euro 2,456 thousand in the 2021/2022 financial year), realised during the 2022/2023 financial year, concern the following players.

Player	Selling club	Net book value	Sale amount	Loss
Mundula Ciro	US Salernitana 1919	27	-	-27
Marshage Wilgot	Torino FC	12	-	-12
Dubcova Michaela	Termination	3	-	-3
Total		2,456	-	-42

Other management expenses, amounting to Euro 5,060 thousand (Euro 5,533 thousand in the 2021/2022 financial year) include the contributions to the Lega Nazionale Professionisti and other bodies, fines and other penalties for matches, charitable donations, contingent liabilities, and other indirect tax expenses, as well as recharges made to players and third parties for the amounts due.

FINANCIAL INCOME AND (EXPENSES)

Financial income and expenses show expenses of Euro 3,015 thousand (expenses of Euro 4,599 thousand in the 2021/2022 financial year) and were broken down as follows.

	FY 2022/2023	FY 2021/2022	Change
Interest on other receivables	2,151	24	2,127
Total financial income	2,151	24	2,127
Interest expense on other debt	-3,520	-2,597	-923
Interest expense on other debt	-25	-24	-1
Other interest and financial charges	-1,622	-1,879	257

Total financial expenses	-5,167	-4,500	-667
Exchange rate gains	86	2	84
Exchange rate losses	-84	-124	40
Total exchange rate gains (losses)	2	-122	124
Total	-3,014	-4,598	1,584

The item Interest on other receivables includes the positive effect of Euro 2,151 thousand (Euro 24 thousand in the 2021/2022 financial year), from the adoption of the amortised cost criterion on receivables from the player transfer campaign.

It should also be noted that the item Other interest and financial charges includes Euro 568 thousand (Euro 638 thousand in the 2021/2022 financial year) being the commission payable on guarantees issued by banks and/or insurers, mainly used as partial coverage for the player transfer season, as well as Euro 3,509 thousand (Euro 2,189 thousand in the 2021/2022 financial year) in commissions on the sale of factoring assets.

VALUE ADJUSTMENTS OF FINANCIAL ASSETS

Write-backs

The amount of Euro 1,822 thousand refers to the revaluation to align the book value of the investment in the associate M-I Stadio S.r.l. to the corresponding portion of the company's shareholders' equity resulting from the financial statements at 30 June 2023.

Write-downs

Euro 200 thousand refers to the write-down of the investment in SL Company.

INCOME TAXES FOR THE YEAR

Current taxes

	FY 2022/2023	FY 2021/2022	Change
IRAP (regional business tax)	-7,695	-4,147	-3,548
Other income taxes	-2	-62	60
Total	-7,697	-4,209	-3,488

In the 2022/2023 financial year, there was no recognition of Tax income from tax consolidation, as the taxable income was offset against the tax losses within the Milan Group, in application of the “Agreement on the exercise of the option for the national tax consolidation scheme”.

Deferred tax assets and liabilities

The item Deferred tax assets and liabilities, which amounted to a positive Euro 229 thousand (a negative Euro 2,269 thousand in the 2021/2022 financial year), mainly refers to the combined effect of the release

of prepaid taxes on consolidation adjustments, mainly related to the reversal of transactions involving intercompany gains, and the release of deferred taxes following the start of the amortisation process of the trademark revalued in the previous year.

Remuneration of the Directors, Statutory Auditors and the Supervisory and Control Body and the Auditing firm

Details are provided below of the remuneration for the 2022/2023 financial year due to the Directors, Statutory Auditors and the Supervisory and Control Body and the Auditing firm for the positions held in the Company and in its subsidiaries.

	A.C. Milan S.p.A.	Milan Entertainment S.r.l.	Milan Real Estate S.p.A.	Casa Milan S.r.l.	Sportlifecycle S.r.l.
Board of Directors	3,761	20	20	20	0
Board of Statutory Auditors	40	27	27	0	0
Supervisory and control body	23	14	14	0	0
Auditing firm	109	22	11	0	0
Total	3,824	61	61	20	0

Related party disclosures

Attachment 7 shows the financial and economic relationships with related parties in the year ended 30 June 2023 and in the previous year.

Consolidated result for the period

The period 2022/2023 resulted in a profit of Euro 6,070 thousand (loss of Euro 66,537 thousand in the 2021/2022 financial year).

Milan, 27 September 2023

for the **Board of Directors of AC Milan S.p.A.**
The Chief Executive Officer
Giorgio Furlani

ATTACHMENTS



ATTACHMENTS

These attachments contain additional information to that reported in the Notes, of which they are an integral part.

This information is contained in the following attachments:

- statement of changes in intangible fixed assets;
- statement of changes in tangible fixed assets;
- statement of changes in equity investments;
- statement of changes in shareholders' equity;
- segment breakdown;
- reconciliation between the A.C. Milan S.p.A. and the Consolidated shareholders' equity and profit or loss;
- list of equity investments in subsidiaries, associates and others.

1

Statement of changes in intangible fixed assets;

(in thousands of Euros)

Historical cost	01.07.2022	Investments	(Disinvestments)	Other changes	(Amortisation)	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Start-up and expansion costs	3	—	—	2	—	—	—	5
Development costs	—	—	—	405	—	—	—	405
Industrial patent rights and use of intellectual property	—	—	—	—	—	—	—	—
Concessions, licences, trademarks and similar rights	226.251	3.896	—	46	—	—	—	230.193
Goodwill and consolidation difference	—	0	0	—	—	—	—	—
Assets in progress and advances	54	660	—	(46)	—	—	—	668
Capitalisation of nursery costs	—	—	—	—	—	—	—	—
Player registration rights	322.694	107.700	(93.856)	—	—	—	—	336.538
Other intangible fixed assets	28.493	260	—	—	—	—	—	28.753
Total	577.495	112.516	(93.856)	407	—	—	—	596.562

Accumulated amortisation and Provision for Doubtful Accounts	01.07.2022	Investments	(Disinvestments)	Other changes	(Amortisation)	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Start-up and expansion costs	(3)	—	—	—	—	—	—	(3)
Industrial patent rights and use of intellectual property	—	—	—	—	—	—	—	—
Concessions, licences, trademarks and similar rights	(41.165)	—	—	—	(9.900)	—	—	(51.065)
Goodwill and consolidation difference	—	—	—	—	—	—	—	—
Player registration rights	(195.052)	—	91.685	—	(50.791)	(4.263)	—	(158.421)
Other intangible fixed assets	(21.204)	—	—	—	(2.128)	—	—	(23.332)
Total	(257.424)	—	91.685	—	(62.819)	(4.263)	—	(232.821)

Net value	01.07.2022	Investments	(Disinvestments)	Other changes	(Amortisation)	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Start-up and expansion costs	—	—	—	2	—	—	—	2
Development costs	—	—	—	405	—	—	—	405
Industrial patent rights and use of intellectual property	—	—	—	—	—	—	—	—
Concessions, licences, trademarks and similar rights	185.081	3.896	—	46	(9.900)	—	—	179.128
Goodwill and consolidation difference	—	—	—	—	—	—	—	—
Assets in progress and advances	54	660	—	(46)	—	—	—	668
Player registration rights	127.642	107.700	(2.171)	—	(50.791)	(4.263)	—	178.117
Other intangible fixed assets	7.289	260	—	—	(2.128)	—	—	5.421
Total	320.066	112.516	(2.171)	407	(62.819)	(4.263)	—	363.741

2

Statement of changes in tangible fixed assets

(in thousands of Euros)

Historical cost	01.07.2022	Investments	(Disinvestments)	Other changes	(Amortisation)	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Land and buildings	15.286	2.069	—	2.513	—	—	—	17.355
Plant and machinery	5.869	954	—	900	—	—	—	7.723
Industrial and commercial equipment	8.538	386	—	—	—	—	—	8.924
Other tangible assets	4.824	377	(2)	88	—	—	—	5.287
Tangible assets in progress	3.503	2.456	—	(3.501)	—	—	—	2.458
Total	38.020	6.242	(2)	—	—	—	—	41.747

Accumulated Depreciation and Provision for Doubtful Accounts	01.07.2022	Investments	(Disinvestments)	Other changes	(Amortisation)	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Land and buildings	(4.116)	—	—	—	(225)	—	—	(4.341)
Plant and machinery	(3.412)	—	—	—	(464)	—	—	(3.876)
Industrial and commercial equipment	(4.309)	—	—	—	(828)	—	—	(5.137)
Other tangible assets	(3.425)	—	1	—	(350)	—	—	(3.775)
Total	(15.263)	—	1	—	(1.867)	—	—	(17.130)

Net value	01.07.2022	Investments	(Disinvestments)	Other changes	(Amortisation)	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Land and buildings	11.170	2.069	—	2.513	(225)	—	—	15.527
Plant and machinery	2.457	954	—	900	(464)	—	—	3.846
Industrial and commercial equipment	4.229	386	—	—	(828)	—	—	3.787
Other tangible assets	1.399	377	(1)	88	(350)	—	—	1.513
Tangible assets in progress	3.503	2.456	—	(3.501)	—	—	—	2.458
Total	22.758	6.242	(1)	—	(1.867)	—	—	27.131

3

Statement of changes in equity investments

(in thousands of Euros)

Historical cost	01.07.2022	Investments	(Disinvestments)	Other changes	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Subsidiaries:							
- measured using the equity method	—	—	—	—	—	—	—
- measured using the cost method	104	—	—	—	—	—	104
Associates:							
- measured using the equity method	1.858	—	—	—	1.822	—	3.680
- measured using the cost method	—	—	—	—	—	—	—
Other companies:							
- measured using the equity method	2.000	—	—	—	—	—	2.000
- measured using the cost method	—	—	—	—	—	—	—
Total	3.962	—	—	—	1.822	—	5.784

Write-down provision	01.07.2022	Investments	(Disinvestments)	Other changes	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Subsidiaries:							
- measured using the equity method	—	—	—	—	—	—	—
- measured using the cost method	—	—	—	—	—	—	—
Associates:							
- measured using the equity method	—	—	—	—	—	—	—
- measured using the cost method	—	—	—	—	—	—	—
Other companies:							
- measured using the equity method	(1.000)	—	—	—	(200)	—	(1.200)
- measured using the cost method	—	—	—	—	—	—	—
Total	—	—	—	—	(200)	—	(1.200)

Net value	01.07.2022	Investments	(Disinvestments)	Other changes	(Write-downs) / Write-backs	Scope of consolidation	30.06.2023
Subsidiaries:							
- measured using the equity method	—	—	—	—	—	—	—
- measured using the cost method	104	—	—	—	—	—	104
Associates:							
- measured using the equity method	1.858	—	—	—	1.822	—	3.680
- measured using the cost method	—	—	—	—	—	—	—
Other companies:							
- measured using the equity method	1.000	—	—	—	(200)	—	800
- measured using the cost method	—	—	—	—	—	—	—
Total	2.962	—	—	—	1.622	—	4.584

4

statement of changes in shareholders' equity

(in thousands of Euros)

	Share Capital	Share premium reserve	Revaluation reserves	Legal reserve	Statutory Reserves	Other reserves	Profit (loss) carried forward	Profit/(loss) for the year	Total Shareholders' Equity
Shareholders' Equity at 30.06.2021	113.443	31.020	—	124	—	36.311	(17.188)	(96.416)	67.294
Appropriation of profit for the year 2020/2021	0	0	0	0	0	(36.311)	(60.105)	96.416	—
Increases in share capital	0	0	0	0	0	—	0	0	—
Capital contributions and/or contributions to cover losses	0	0	0	0	0	5.000	0	0	5.000
Covering of losses	0	0	0	0	0	0	0	0	—
Other changes	0	0	125.454	0	0	28	(9)	0	125.473
Result for the period	0	0	0	0	0	0	0	(66.537)	(66.537)
Shareholders' Equity at 30.06.2022	113.443	31.020	125.454	124	—	5.028	(77.302)	(66.537)	131.230
Appropriation of profit for the year 2021/2022	0	0	(92.298)	0	0	—	25.761	66.537	—
Increases in share capital	0	0	0	0	0	0	0	0	—
Capital contributions and/or contributions to cover losses	0	0	0	0	0	40.000	0	0	40.000
Covering of losses	0	0	0	0	0	0	0	0	—
Other changes	0	0	0	0	0	(81)	0	0	(81)
Result for the period	0	0	0	0	0	0	0	6.070	6.070
Shareholders' Equity at 30.06.2023	113.443	31.020	33.156	124	—	44.947	(51.541)	6.070	177.219

Segment breakdown

(in thousands of Euros)

Balance Sheet	A.C. Milan S.p.A.	Milan Entertainment S.p.A.	Milan Real Estate S.p.A.	Casa Milan S.r.l.	AC Milan (Shanghai) Sports Development Co. Ltd.	Sportlife City S.r.l.	Adjustments	Milan Group Consolidated
Assets								
Receivables from shareholders	—	—	—	0	0	0	—	0
Fixed assets:								
- intangible	367.270	21.675	—	—	—	407	(25.611)	363.741
- tangible	4.823	802	28.436	—	—	298	(7.228)	27.131
- financial	202.012	1.000	—	—	—	—	(198.428)	4.584
Other long-term receivables	414	6	49	—	—	—	(1)	468
Total fixed assets	574.519	23.483	28.485	0	0	705	(231.268)	395.924
Working capital:							0	
- inventories	—	4.258	—	—	—	—	—	4.258
- receivables	70.903	19.140	953	2.789	153	9	(12.822)	81.125
- current financial assets	17.201	216.862	—	—	—	—	(234.063)	—
- cash and cash equivalents	70.512	6.878	573	508	509	2.802	1	81.783
Total working capital	158.616	247.138	1.526	3.297	662	2.811	(246.884)	167.166
Accruals and deferrals	6.194	473	447	0	17	0	0	7.131
Total assets	739.329	271.093	30.458	3.297	679	3.516	(478.152)	570.221
Shareholders' Equity and Liabilities								
Shareholders' Equity:								
- share capital	113.443	20.000	5.000	10	200	10	(25.220)	113.443
- reserves	109.300	167.632	7.399	1.008	(53)	84	(176.123)	109.247
- profit/(loss) carried forward	(45.242)	299	1.497	35	446	0	(8.576)	(51.541)
- profit/(loss) for the period	(17.879)	38.347	92	(37)	69	(32)	(14.490)	6.070
Shareholders' Equity	159.622	226.278	13.988	1.016	662	62	(224.409)	177.219
Capital and reserves of minority shareholders	—	—	—	0	0	0	0,0	0
Total Shareholders' Equity	159.622	226.278	13.988	1.016	662	62	(224.409)	177.219
Provisions for risks and charges	74.271	296	0	0	0	0	-1.962	72.605
Employee leaving entitlements	1.335	782	34	0	0	0	0	2.151
Payables	453.116	27.468	16.433	2.281	59	3.154	-251.779	250.732
Accruals and deferrals	50.985	16.269	2	0	-41	300	-2	67.514
Total Liabilities and Shareholders' Equity	739.329	271.093	30.458	3.297	679	3.516	(478.152)	570.221

(in thousands of Euros)

Income Statement	A.C. Milan S.p.A.	Milan Entertainment S.p.A.	Milan Real Estate S.p.A.	Casa Milan S.r.l.	AC Milan (Shanghai) Sports Development Co. Ltd.	Sportlife City S.r.l.	Adjustments	Milan Group Consolidated
Value of production:								
- Revenues from sales and services	70.487	2.606	—	—	—	—	(259)	72.834
- changes in inventories of finished products, work in progress, increases in fixed assets for internal use	—	3.828	—	—	—	—	—	3.828
- Other revenues and income	242.934	108.168	7.510	—	492	—	(31.237)	327.867
Total value of production	313.421	114.602	7.510	—	492	—	(31.496)	404.529
Costs of production:								
- for raw materials, ancillary materials, consumables and goods	3.237	16.380	123	—	1	—	—	19.741
- for services	86.658	19.711	5.100	24	337	27	(26.445)	85.412
- of use of leased assets	13.103	5.526	218	—	22	—	(4.545)	14.324
- for personnel	163.664	9.979	268	—	85	2	—	173.998
- amortisation, depreciation and write-downs	60.518	12.231	717	—	—	—	(2.201)	71.265
- changes in inventories	—	—	—	—	—	—	—	—
- provisions and sundry management expenses	15.254	9.741	365	1	1	2	(505)	24.859
Total costs of production	342.434	73.568	6.791	25	446	31	(33.696)	389.599
Difference between value and costs of production	(29.013)	41.034	719	(25)	46	(31)	2.200	14.930
Financial Income and (Expenses)	5.334	10.363	(423)	(12)	25	(1)	(18.300)	(3.014)
Adjustments in value of financial assets	(200)	—	—	—	—	—	1.822	1.622
Result before tax	(23.879)	51.397	296	(37)	71	(32)	(14.278)	13.538
Income taxes for the period	6.001	(13.050)	(204)	—	(2)	—	(213)	(7.468)
(Profit) loss of minority shareholders	—	—	—	—	—	—	—	—
Group profit/(loss)	(17.879)	38.347	92	(37)	69	(32)	(14.490)	6.070

6

Reconciliation between the A.C. Milan S.p.A. and the Consolidated shareholders' equity and profit or loss.

(in thousands of Euros)

	30.06.2023		30.06.2022	
	Shareholders' Equity	Group Profit (Loss)	Shareholders' Equity	Group Profit (Loss)
Balance of statutory financial statements (A.C. Milan S.p.A.)	159.623	(17.879)	137.501	(92.298)
Surpluses in shareholders' equity including profit/loss for the period, compared to book value of the equity investments	43.578	38.454	24.593	19.398
Elimination of infragroup profits and losses	(25.982)	(14.505)	(30.864)	6.363
Other consolidation adjustments			-	0
Balance of consolidated financial statements	177.219	6.070	131.230	(66.537)

7

Related-party transactions

(in thousands of Euros)

Counterparty	Trade receivables and Other	Financial Receivables	Trade payables and Other	Financial Payables	Value of Production	Cost of Production	Financial Income (Expenses)
Acm Bidco	0	-	227	-	0	0	0
Total parent companies	0	-	227	-	0	0	0
Fondazione Milan Onlus	30	-	24	-	103	95	0
Total subsidiaries	30	-	24	-	103	95	0
M-I Stadio S.r.l.	1.027	-	3.109	-	1.761	5.271	0
Total associates	1.027	-	3.109	-	1.761	5.271	0
Total associates	0	-	0	-	0	0	0
European Super League Company (*)	0	-	0	-	0	0	0
Total Other companies	0	-	0	-	0	0	0
Total	1.057	0	3.360	0	1.864	5.366	0

(*) It should be noted that the Company was incorporated on 17 April 2021 and as of the date of these consolidated financial statements, information relating to its Balance Sheet (in particular Shareholders' Equity and Share Capital) and Income Statement was not available.

List of equity investments in subsidiaries, associates and others

(*)	Name	Location	Currency	Share capital (in thousands of Euros)	% Ownership held by the Group
-----	------	----------	----------	---	-------------------------------------

Companies consolidated using the line-by-line method**Parent Company**

	A.C. Milan S.p.A.	Milan	Euro	113.443	—
A	Milan Entertainment S.r.l.	Milan	Euro	20.000	100,00
A	Milan Real Estate S.p.A.	Carnago (VA)	Euro	5.000	100,00
A	AC Milan (Shanghai) Sports Development Co. Ltd.	Shanghai (PRC)	Euro	200	100,00
A	Casa Milan S.r.l.	Milan	Euro	10	100,00
A	Sportlife City S.r.l.	Milan	Euro	10	90,00

Companies consolidated using the equity method

B	M-I Stadio S.r.l.	Milan	Euro	1.000	50,00
C	European Super League Company (**)	Madrid	Euro		9,09

Companies consolidated using the cost method

A	- Fondazione Milan - Onlus	Milan	Euro	104	100,00
---	----------------------------	-------	------	-----	--------

KEY:

- (*) A=> subsidiaries
 B=> associates
 C=> others

(**) *It should be noted that the Company was incorporated on 17 April 2021 and as of the date of these consolidated financial statements, information relating to its Balance Sheet (in particular Shareholders' Equity and Share Capital) and Income Statement was not available.*

INDEPENDENT AUDITOR'S REPORT





Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

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

**To the Shareholders of
A.C. Milan S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of A.C. Milan S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 30 June 2023, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

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

Emphasis of matter

We draw attention to the disclosure provided by Directors in the Management Report on Operation as well as in the Note "Going Concern" of the Explanatory Notes to the consolidated financial statements, which disclose the consideration and the evaluation carried out by them to support the going concern assumptions for the preparation of the consolidated financial statements as at June 30, 2023.

Our opinion is not qualified in relation to this aspect.

Other Matter

The consolidated financial statements of the Group A.C. Milan for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on October 10, 2022.



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The Directors of A.C. Milan S.p.A. are responsible for the preparation of the report on operations of Milan Group as at 30 June 2023, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of Milan Group as at 30 June 2023 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the consolidated financial statements of Milan Group as at 30 June 2023 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.

A handwritten signature in black ink, appearing to read "Riccardo Raffo".

Signed by

Riccardo Raffo

Partner

Milan, Italy

October 6, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

REPORT ON OPERATIONS



A.C. MILAN S.p.A.

Registered office: Via Aldo Rossi no. 8, 20149 Milan

Secondary offices: Via Milanello no. 25 – 21040 Carnago (VA) –

Via dei Missaglia no. 17 – 20142 Milan – Via dei Fontanili no. 61/63 – 20017 Rho (MI)

Share Capital: Euro 113,443,200.00 fully subscribed and paid

comprising 218,160,000 shares, each with a nominal value of Euro 0.52.

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration No: 01073200154

BOARD OF DIRECTORS' REPORT ON OPERATIONS

AT 30 JUNE 2023

Sports results

The 2022/2023 football season ended with the AC Milan men's first team finishing fourth in the Italian Serie A and exiting the Italian Cup in the round of 16, while in European competition it ended with the club reaching the semi-finals of the UEFA Champions League.

On 10 May 2023, the UEFA First Instance Licensing Committee, having examined the documentation produced by AC Milan S.p.A. (the "Company") in the framework of the granting process of the UEFA Licence for the 2023/2024 football season, decided to grant the Licence on the basis of the requirements provided for by the UEFA Licence Manual.

On 30 June 2023, Co.Vi.So.C./F.I.G.C., having examined the documents submitted by the Club, found that the conditions required for the National Licence for the 2023/2024 professional championship had been met, in accordance with Title I) of Official Communication no. 65/A of 9 November 2022.

Transfer Campaign

Sales and purchases of player rights

The transactions finalised during the 2022/2023 Transfer Campaign resulted in a net increase in invested capital of Euro 50.5 million, deriving from additions of Euro 107.7 million, disposals of Euro 2.2 million (net book value of the rights sold) and write-downs of Euro 4.3 million, as better detailed in Attachment 2 to the Notes to the Financial Statements. Amortisation for the year amounted to Euro 50.8 million.

Profit on disposal of player registration rights amounted to Euro 0.3 million, while loss on disposal amounted to Euro 0.04 million.

With regard to the transactions concerning the transfers of players finalised in the summer session of the 2022/2023 Transfer Campaign, which took place from 1 July to 1 September 2022, the following should be noted, among others, the permanent or temporary purchases of players: Alessandro Florenzi, Junior Walter Messias, Divock Origi, De Ketelaere Charles Marc, Thiaw Malick, Dest Sergino, Vranckx Aster Jan, D'Alessio Leonardo, Cuenca Martinez Hugo Francisco, Simic Jan-Carlo, Stalmach Dariusz Piotr. For the player transfer transactions finalised in the winter session of the 2022/2023 Transfer Campaign, which ran from 2 January to 31 January 2023, we note that there was only the outright purchase of the player Vasquez Llach Devis Estiven for the men's first team.

It should also be noted that during the month of May 2023, the Company and Losc Lille reached an agreement to renegotiate the terms of the Sell on Fee in favour of Lille relating to the possible future sale of the player Rafael Leao. The agreement is to be considered an amendment and supplement to that signed in the summer of 2019 between the two clubs in relation to the acquisition of the player Leao (see Attachment No. 2 of these Notes to the Financial Statements).

It should also be noted that on 29 June 2023, a contract was signed for the definitive purchase of the player Loftus-Cheek Ruben.

The permanent and/or temporary disposals of player registration rights included those of Leonardo Campos Duarte Da Silva, Samuel Castillejo Azuaga, Frank Tsadjout, Lorenzo Colombo and Daniel Maldini. It bears noting that in July 2022, the employment contracts of players Lenny Alexander Borges and Leroy Abanda Mfono were terminated by mutual consent and the economic effect of the termination has already been recognised in the financial statements at 30 June 2022.

We also note that there were no consensual terminations with players in the winter session of the 2022/2023 Transfer Campaign.

Renewals of player contracts

During 2022/2023, ten contract renewals took place in relation to players in the Milan first team.

Terminations of player contracts

During July 2022, the existing employment contracts with the players Lenny Borges Alexander and Abanda Mfono Leroyil were terminated by mutual consent, the economic effect of which was already recognised in the financial statements as at 30 June 2022, while there were no consensual terminations with players in the winter session of the 2022/2023 Transfer Campaign.

Season Ticket Campaign

The 2022/2023 season ticket campaign reached 38,554 championship season tickets (32,909 season tickets for the 2019/2020 season).

The average number of spectators in the 2022/2023 season was 71,880 for home championship matches (43,939 spectators in the 2021/2022 season, a season that was, however, impacted, especially in the first half, by the effects of the restrictive measures linked to the pandemic).

Financial position and operating performance**Net income/(loss) for the year**

The net result for the 2022/2023 financial year shows a loss of Euro 17.9 million, an increase of Euro 74.4 million compared to the loss of the 2021/2022 financial year, equal to Euro 92.3 million.

The change in the net result for the 2022/2023 financial year compared to the previous year is mainly due to higher match revenues of Euro 38.6 million for income generated by the season ticket campaign and mainly attributable to: (i) the reopening of stadiums following the lifting of the stricter regulatory restrictions initially imposed in relation to the Covid-19 pandemic, (ii) income related to Milan's participation in

European competitions, increased income from broadcasting rights for Euro 43.6 million, related to the participation of the Company's first team in the UEFA Champions League semi-finals, higher income from player management of Euro 3.0 million, lower costs for the temporary acquisition of players of Euro 3.5 million and lower amortisation of intangible assets of Euro 10.0 million, mainly related to player registration rights. These increases were partly mitigated by lower gains from the sale of player rights for Euro 5.3 million and higher costs for services for Euro 22.1 million related to the higher number of matches played compared to the previous year and to higher technical and sports consultancy fees.

Value of production

The value of production for 2022/2023 amounted to Euro 313.4 million, an increase of 31% compared to the Euro 238.6 million for the previous year, as follows:

	2022/2023		2021/2022		Change
	Value	%	Value	%	
Income from broadcasting and media rights	174.9	55.8%	133.0	55.7%	41.9
Match day revenues	70.5	22.5%	31.9	13.4%	38.6
Income from players' registration rights	6.6	2.1%	10.5	4.4%	- 3.9
Sponsorship income	31.6	10.1%	31.0	13.0%	0.6
Commercial income and royalties	9.2	2.9%	8.7	3.6%	0.5
Other revenues and income	20.6	6.6%	23.6	9.9%	- 3.0
Total	313.4	100.0%	238.6	100.0%	74.8

Income from broadcasting and media rights amounting to Euro 174.9 million (+31.5% compared to the financial year 2021/2022), increased mainly due to higher fees paid with reference to the UEFA Champions League competition after reaching the semi-finals.

Match day revenues amounted to Euro 70.5 million (+121% compared to 2020/2021). The change derives from the complete reopening of stadiums, the possibility of resuming the season ticket campaign with reference to the Serie A Championship and the UEFA Champions League, and the higher number of matches played compared to the previous season.

Income from players' registration rights, amounting to Euro 6.6 million, decreased by Euro 3.9 million compared to the 2021/2022 financial year due to the combined effect of lower revenues from the temporary transfer of player registration rights (- Euro 1.6 million), lower gains from the disposal of player registration rights (- Euro 5.3 million) and higher miscellaneous income from player registration rights (+ Euro 3.0 million) mainly due to the consideration paid to the Company on the sell on of players.

Sponsorship income, commercial income and royalties amounted to Euro 40.8 million and went up by Euro 1.1 million compared to the 2021/2022 financial year.

The item "Other income and revenues", amounted to Euro 20,648 thousand (Euro 23,617 thousand in the 2021/2022 financial year) and comprised Euro 1,058 thousand (Euro 3,116 thousand in the 2021/2022 financial year) for the utilisation, for various reasons, of the provision for future charges accrued in previous years' financial statements, and Euro 3,584 thousand (Euro 6,650 thousand in the 2021/2022 financial year) for contingent assets and other residual revenues and income. This item also includes Euro 3,430 thousand (Euro 3,372 thousand in the 2021/2022 financial year) as income arising from the recharge of costs to Milan Entertainment S.r.l.–, in particular for the use of indoor spaces at Casa Milan and at the San Siro Stadium in Milan–, to Milan Real Estate S.p.A., of players and third parties, Euro 2,434 thousand (Euro 1,407 thousand in the 2021/2022 financial year) as consideration deriving from the invoicing to the associated company M-I Stadio S.r.l. for the use of some indoor and outdoor areas at the San Siro stadium in Milan, Euro 1,026 thousand (Euro 766 thousand in the 2021/2022 financial year) for insurance reimbursements following injuries sustained by Milan's first team players and Euro 285 thousand (Euro 383 thousand in the 2021/2022 financial year) as income for miscellaneous recharges.

Costs of production

Costs of production for the 2022/2023 financial year amounted to Euro 342.4 million, an increase of Euro 4.6 million (+ 1.4%) compared to Euro 337.9 million for the 2021/2022 financial year, and refer to the following items:

	2022/2023		2021/2022		Change	
	Value	%	Value	%		
Personnel costs	163.7	47.8%	161.9	47.9%	1.8	
Amortisation, depreciation and write-downs	60.5	17.7%	73.9	21.9%	-	13.4
Leases and rentals	99.8	29.1%	76.3	22.6%		23.4
Costs from player rights	4.1	1.2%	10.4	3.1%	-	6.3
Costs for consumables and goods	3.2	0.9%	3.0	0.9%		0.3
Other costs and charges	11.1	3.2%	12.4	3.7%	-	1.2
Total	342.4	100.0%	337.9	100.0%	4.6	

Personnel costs, equal to Euro 163.7 million, showed an overall increase of 1.1% (+ Euro 1.8 million up on the 2021/2022 financial year).

Amortisation, depreciation and write-downs amounted to Euro 60.5 million and decreased by Euro 13.4 million (-18.1% compared to 2021/2022) mainly as a result of: (i) lower amortisation of player registration rights for Euro 11.8 million as a consequence of the 2022/2023 transfer campaign, (ii) lower write-downs of the registration rights of certain players, due to the effect of disposals with a loss of value occurred during the 2023/2024 transfer campaign for Euro 4.2 million (Euro 8 million in the previous year) and (iii) higher amortisation of trademarks for Euro 1.7 million following the revaluation recognised in the previous year.

Leases and rentals, amounting to 99.8 million Euro, showed a net increase of Euro 23.4 million (+30.7% compared to the 2021/2022 financial year), mainly due to greater collaboration and sports consultancy costs (+ Euro 5.9 million), consultancy costs (+ Euro 5.6 million), travel and transfer expenses (+ Euro 3.6 million), expenses for sports agents (+ Euro 2.0 million), services provided by Group companies (+ Euro 0.9 million) and higher utility costs (+ Euro 0.5 million).

Costs from player rights amounted to Euro 4.1 million and decreased by Euro 6.3 million compared to the 2021/2022 financial year due to lower costs of temporary acquisition of players (- Euro 3.5 million) and lower losses from the sale of players (- Euro 2.4 million).

Costs of raw materials and goods were essentially in line with the previous financial year (+ Euro 0.2 million) and essentially refer to the costs incurred in buying training kit, the official strips supplied by the technical sponsor, and costs of buying medical items.

Other costs and charges, equal to Euro 11.1 million (Euro 12.4 million in the previous financial year), were essentially in line with the previous year and mainly includes Euro 6.3 million (Euro 7.4 million in the previous financial year) of provisions for future charges relative to sports and non-sporting personnel, Euro 1.4 million (Euro 2.1 million in the 2021/2022 financial year) relative to contingent liabilities, Euro 1.5 million for contributions to the Lega Nazionale Professionisti Serie A (Euro 1.3 million in the 2021/2022 financial year), as well as Euro 0.4 million (Euro 0.5 million in the 2021/2022 financial year) relative to costs arising from recharges to Milan Entertainment S.r.l., Milan Real Estate S.p.A. and players and third parties for their own fees.

Financial Income and Expenses

Financial income and expenses showed a positive balance of Euro 5.3 million (+ Euro 0.6 million) compared to the balance of Euro 4.8 million in the 2021/2022 financial year. Dividend income in the 2022/2023 financial year amounted to Euro 13.9 million.

Adjustments in value of financial assets

These amounted to Euro 0.02 million (Euro 1.0 million in the financial year 2021/2022) and are attributable to the write-down of the investment in the European Super League Company SL.

Income taxes for the year

The balance of taxes, amounting to Euro 6.0 million (Euro 3.2 million positive in the 2021/2022 financial year), mainly includes current taxes for Euro 5.9 million for allocations for regional business tax, as well as tax income from tax consolidation arising from the adjustment of relations exclusively within the sub-consolidation area of the Milan Group for Euro 11.9 million.

Player registration rights

On 30 June 2023, player registration rights totalled Euro 178.1 million compared to Euro 127.6 million at 30 June 2022.

The net increase of Euro 50.5 million derives from the investments (+ Euro 107.7 million) and net disinvestments (- Euro 2.2 million), amortisation for the year (- Euro 55.1 million) and write-downs of multi-year player registration rights in the period (- Euro 4.3 million).

For details of the players involved in these movements, please see the attachments section of the Notes.

Shareholders' Equity

Shareholders' equity at 30 June 2023 was positive for Euro 159.6 million, an increase compared to the balance of Euro 22.1 million at 30 June 2022, due to payments on account of the future share capital increase and/or loss coverage for a total of Euro 40 million and the loss for the period (- Euro 17.9 million).

At 30 June 2023, the Company's Shareholders' Equity was made up of the share capital, fully subscribed and paid, of Euro 113,443,200.00, composed of 218,160,000 shares, each with a nominal value of €0.52, the share premium reserve of Euro 31,020,000.00, fully subscribed and paid; the legal reserve of Euro 123,889.55; the revaluation reserve of Euro 33,156,000 thousand recognised during the previous year under Decree-Law 104/2020 (surplus fund) following the revaluation of the "AC Milan" trademark as permitted by Article 110 of Decree-Law 104/2020, converted into law by Law No. 126 of 13/10/2020, as amended; payments on account of future capital increases and/or to cover losses, of Euro 40 million; and losses carried forward of Euro 45,242,063.

For more details about the accounting revaluation of the “AC Milan” trademark during the financial year, please see the Notes to the financial statements.

Net Financial Position

On 30 June 2023 the consolidated net financial position of the Company showed net indebtedness of Euro 203.1 million, an improvement (+ Euro 15.6 million) compared to 2021/2022 (Euro 218.7 million). This improvement is mainly due to the increase in cash and cash equivalents of Euro 41.7 million. It should be noted that Euro 202.6 million (Euro 180.6 million in the previous year) refers to financial payables due to subsidiaries for centralised management of the Group treasury.

For more details about the composition and movements in Net Financial Position, please see the Notes to the financial statements.

Relationships with subsidiaries, associates and parent companies

It should be noted that the Company was not subject to management and coordination activities by the parent company ACM Bidco B.V. during the financial year.

With regard to the main relationships in place with subsidiaries, associates and parent companies:

- the Company has an agreement in place with the subsidiary Milan Real Estate S.p.A. regarding the use of the Milanello Training Centre and a number of rental units, which also includes maintenance services, for an annual fee of Euro 7.3 million, net of any adjustments and ISTAT revaluation;
- the Company has an agreement with its subsidiary Milan Entertainment S.r.l. for the provision of a whole series of services including commercial, marketing, sales, stadium and ticketing management, staff management and administration, fiscal and insurance services, financial and cash management, operations control and internal auditing, legal, compliance and security services, IT, social and new media, logistics and general services, as well as sports regulatory compliance, with a total annual value of Euro 13.8 million, not including the Istat revaluation;

- the Company has a contract with the subsidiary AC Milan (Shanghai) Sports Development Co. Ltd. for the development of commercial activities under the Milan brand in the Asian market, including the planning and organisation of sports events and the sale of sports material and merchandising in Asia against royalties to be paid to the subsidiary following the execution of the specific agreement;
- the Company has a non-interest-bearing loan with its subsidiary SportLifeCity S.r.l. in the amount of Euro 3 million maturing on 26 June 2026;
- the Company has a joint contract with F.C. Internazionale S.p.A., with M-I Stadio S.r.l. relating to the payments from invoices issued for the use of some internal and external spaces at the San Siro Stadium in Milan, under which the annual fee payable to the licensees is Euro 1.4 million in addition to an adjustment of Euro 1.0 million;
- the Company has a joint contract with F.C. Internazionale S.p.A., with M-I Stadio S.r.l. relating to operating costs to manage the San Siro Stadium, under which the annual fee payable by the licensees is Euro 9.1 million (plus any adjustments);
- the Company has an intercompany correspondence account with subsidiaries, which is regulated at arm's-length conditions;
- with effect from 1 January 2017, the Parent A.C. Milan S.p.A. exercised the option to join the tax consolidation scheme (Articles 117-129 of Presidential Decree 917/86), as the consolidating entity, jointly with Milan Entertainment S.r.l., Milan Real Estate S.p.A. and Casa Milan S.r.l. consolidated companies;
- the Company has in place with ACM FootballCo Intermediate Coöpertatief U.A. a consultancy service agreement under which ACM FootballCo Intermediate Coöpertatie U.A. has undertaken to provide AC Milan with certain consultancy services better detailed in the agreement to be provided on request to AC Milan. The services are rendered at prices to be agreed between the parties and in any event at market price (arm's length basis).

Details of all other intercompany relationships and the changes in equity investments, as well as related-party transactions, are provided in the summary tables in the Notes.

Potential liabilities and other information

Financial Fair Play

The club's participation in European competition is subject to compliance with the *UEFA Club Licensing and Financial Fair Play ("CL&FFP") Regulations – Edition 2018*. In this regard, on 18 June 2020 the Executive Committee of UEFA approved partial exemptions from the Financial Fair Play rules and the criteria for their monitoring, so that the negative effects of Covid-19 on the financial results of football clubs are taken into account for the issuing of the Licence. Furthermore, on 1 June 2022 the UEFA Club Licensing and Financial Sustainability Regulations - Edition 2022 came into force, which will take effect for the beginning the 2023/2024 season.

On 31 August 2022, the Company AC Milan S.p.A. reached a settlement agreement with UEFA. In addition *to settling the proceedings* initiated against the Company by UEFA for violating the CL&FFP regulations as regards compliance with the break-even parameters for the monitoring period during the 2021/2022 season, this agreement regulates the transition by the Company from the break-even parameters set forth in the CL&FFP to the new rules set forth in the UEFA Club Licensing and Financial Sustainability Regulations Edition 2022.

More information on the contents of the settlement agreement is provided in the following section.

UEFA Settlement

On 10 February 2022, the chairman of the First Chamber of the UEFA Club Financial Control Body ("**CFCB First Chamber**") opened a procedure with the Company under Article 12(1) of the Procedural rules governing the UEFA Club Financial Control Body ("**Procedural Rules**") – Edition 2021 to ascertain whether the Company complied with the UEFA Club Licensing and Financial Fair Play Regulation – Edition 2018 ("**CL&FFP**"). Specifically, the Company was notified that its deviation from the break-even

requirements set forth in Articles 58 to 64 and 68 of the CL&FFP exceeded the permitted deviation.

On 31 August, UEFA and the Company reached a **Settlement Agreement** through the CFCB First Chamber. Among other things, this agreement regulates the transition by the Company from the break-even parameters under the CL&FFP to the new rules (taking effect beginning the 2023/2024 season) set forth in the UEFA Club Licensing and Financial Sustainability Regulations Edition 2022, which came into force on 1 June 2022. The Settlement Agreement aims to govern the reporting periods (*reporting periods*) ending 2022, 2023, 2024 and 2025 and the following four football seasons: 2022/2023, 2023/2024, 2024/2025 and 2025/2026. The relevant provision has been recognised in accounts.

UEFA has published an excerpt of the Settlement Agreement online, pursuant to the Procedural Rules - Edition 2022, at the following address: [transitional_3-year_settlement_agreements_-_august_2022.pdf](https://www.uefa.com/transitional_3-year_settlement_agreements_-_august_2022.pdf) (uefa.com).

The CFCB First Chamber recently confirmed that the Company has met all the targets set for the financial year 2022, pursuant to the settlement agreement entered into in September 2022. As a result of the excellent financial performance in the 2022/2023 season, the Company expects to significantly exceed the targets set out in the Settlement Agreement for the 2023 reporting period, in view of the aleatory nature of sports results, which can have a significant impact on economic results, the Board of Directors has decided to maintain a provision in the financial statements to cover the risk that the results foreseen in the agreements will not be fully achieved.

Super League

On 17 April 2021, A.C. Milan and eleven other clubs (the "Founding Clubs") formalised an agreement (the "Original Agreement") to create, subject to the fulfilment of certain conditions precedent, a twenty-team European competition called the "Super League" (the "SL") in which the first team of AC Milan would take part permanently as a founding club.

On 18 April 2021, the Company, together with eight other Founding Clubs, became a member, through the subscription of a share issue and payment of an amount of Euro 200 thousand, of the European Super League Company S.L.U. (the "SL Company"), i.e. the company incorporated under Spanish law set up for the purpose of creating and managing

the proposed SL. Subsequently, as provided for in the agreements between the Founding Clubs, the Company made a further payment to Shareholders' Equity of the SL Company of Euro 1.8 million.

Following the public announcement of the planned creation of the SL, UEFA and other sports bodies affiliated to UEFA expressed their opposition to the creation of the SL and publicly announced the adoption of disciplinary sanctions against the Founding Clubs.

Following the termination, as provided for in the Original Agreement, of the SL project and the Original Agreement itself, the Company (together with certain other Founding Clubs) reached an amicable settlement with UEFA an amicable settlement of the matter (the "UEFA Agreement") and in this framework the Company has undertaken certain commitments towards UEFA including that of paying to the UEFA Foundation For Children, together with the other clubs that signed the agreement with UEFA, a total amount of Euro 15 million, divided among the various clubs pro rata, within 12 months of the signing of the agreement. On the basis of this agreement, the Company has also agreed that UEFA, in the next UEFA competition in which the Company qualifies (it being understood that the first season for this purpose will be the 2023/2024 season), shall retain 5% of the revenues due to the Company in relation to that season. The relevant provision has been recognised in accounts.

Following the achievement of the UEFA Agreement, the Company has learned from public sources that the Commercial Court of Madrid has issued an interim injunction, in the context of a case pending before that Court, ordering UEFA, inter alia, to annul certain aspects of the obligations undertaken towards it by the signatory clubs to the UEFA Agreement.

In a media statement dated 27 September 2021, UEFA informed the clubs that are signatories to the UEFA Agreement that it would not request payment of any of the amounts specified in the UEFA Agreement as long as the proceedings in the Madrid Commercial Court were pending.

The Company also learned from public sources that the court in Madrid had asked the European Court of Justice to decide whether some aspects of UEFA's and FIFA's conduct were in breach of EU law.

The Company also learned from public sources that, on 20 April 2022, the court in Madrid revoked the injunctions it had previously ordered against UEFA on 20 April 2021. However, the main case is still pending (as the Court of Justice of the European Union has not yet issued its decision).

Out-of-court copyright claims

On 8 and 24 August 2022, the Company received out-of-court claims for alleged copyright violations. The Company responded with a defence refuting the claims. The Company nonetheless activated the indemnity obligations assumed towards it by third parties in connection with these issues. The last communication from the counterparty to the Company is dated 28 July 2023. As a matter of prudence, the Company also made the relevant provision in accounts.

Change of Ownership

On 31 August 2022, 218,008,094 ordinary shares in the Company (representing approximately 99.93% of AC Milan's share capital) were transferred from Rossoneri Sport Investment Luxembourg to ACM Bidco B.V., a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, which has its registered office in Amsterdam (Netherlands) and is registered in the Dutch Commercial Register under number 86598244.

On the same date, those shares were pledged by ACM Bidco B.V. (as pledgor) in favour of Rossoneri Sport Investment Luxembourg S.à r.l. (as secured creditor) under a Pledge Agreement over Shares, which was entered into by correspondence between the parties on 31 August 2022 in their capacities mentioned above with the intervention of Intertrust Trustees Limited as collateral agent.

Information on the environment and personnel

In accordance with Article 2428(2) Italian Civil Code, the Company performs its activity in full accordance with the health and safety obligations provided for in Legislative Decree 81/2008, with regard to stadium security, the prevention and repression of football-related violence as provided for by Law number 41 of 4 April 2007 and by the Pisanu and Amato decrees.

Details of the number and composition of personnel are provided in the Notes.

Research and Development

The Company did not carry out any research and development during the 2022/2023 financial year.

Going concern

The company recorded a loss for the period of Euro 17.3 million, positive shareholders' equity of Euro 159.6 million and a negative Net Financial Position equal to Euro 203.1 million (of which Euro 202.6 million with subsidiaries).

During the year, the majority shareholder of the Company, ACM Bidco B.V., made a payment on account of a future capital increase in favour of the company in the amount of Euro 40 million.

On 13 September 2023, the Company's majority shareholder undertook to financially support the Company and the group for a period of no less than 12 months from the date of approval by AC Milan's Board of Directors of the financial statements for the year ended 30 June 2023.

Based on these considerations, the directors have prepared these financial statements on a going concern basis.

Main risks and uncertainties

The continuation of the global health crisis, which affected the previous football seasons, and the outbreak of the war in Ukraine in March 2022, have exacerbated the climate of economic, financial and sporting uncertainty.

Forecasts for the global economy – and more specific figures for the sports industry in general and the football sector in particular – point towards a significant deterioration in the economic situation, taking into account both the potential impact of the Covid-19 pandemic and impacts seen in previous seasons, as well as the climate of uncertainty brought about by the war in Ukraine. These could have an impact on the performance and financial position of the Company, which is currently in a period of rising investments, sporting and otherwise.

Furthermore, when assessing the outlook of operations, the uncertainties typical of the football business are still present. These derive, in particular, from the performance of the First Team in the competitions in which it is involved, from additional transfers of player registration rights that may be made in the financial year, from the revenues from commercial activities, and from the trend in the cost of registered personnel, also taking into account the variable component of the agreed remuneration.

The Company will continue to monitor the evolution of the Ukraine conflict and situation related to the spread of the Covid-19 pandemic, in view of both the global economic implications and the changing regulatory framework. This will allow it to assess whether to adopt further measures to protect the health and well-being of its registered players, employees and collaborators, and to protect its sources of income and assets.

In its late July 2023 update of the World Economic Outlook (WEO), the International Monetary Fund revised its growth forecast for 2023 downwards, but expects the major economic regions to avoid recession. The outlook for the world economy for this year has declined due to chronically high inflation, rising interest rates and uncertainties resulting from the failure of two major US banks, these are the main causes according to the IMF. The institute now forecasts global growth of 2.8% in 2023, down slightly from the previous January estimate (-0.1 percentage points), and 3.0% in 2024 (-0.1 percentage points). By contrast, the forecast for the two-year period is significantly better for the US, whose economy is expected to grow by 1.6% in 2023 (0.2 points) and 1.1% in 2024 (+0.1 point). However, considerable uncertainty remains in view of the multiplicity of exogenous phenomena with an impact on inflation trends. Consumers and businesses continue to face high energy costs and core inflation (overall inflation excluding energy products and unprocessed food) continued to rise in H1 2023, further eroding household purchasing power with a direct impact on short- and medium-

term consumption. The Company will continue to constantly monitor the development of the related situation and any impact on its business.

Business outlook

The 2023/2024 financial year began with a strong season ticket campaign, which saw an increase in revenue driven by the sporting results of the 2022/2023 season and renewed participation in the UEFA Champions League.

As of the 2023/2024 season, the sports area has been reorganised and Geoffery Moncada has been appointed as its head.

The Company Directors are pursuing a development plan aimed at maintaining a substantial revenue/cost balance, revenue growth through the development of various activities and new sponsorships, and the continued strengthening of the Club's teams through investments in player performance rights.

At the time of writing, the First Team has played 5 Serie A matches and is currently in third place in the Serie A standings. In addition, the first UEFA Champions League match was played, which was drawn against Newcastle.

In addition, as reported in the section entitled "Significant events during the period", the Company acquired a stake in Sport Life City S.r.l., a company that obtained from the Municipality of San Donato Milanese the approval of an integrated intervention programme for the development of a sports and entertainment district in the "San Francesco" area of the municipality of San Donato Milanese.

The Directors are developing a project for the construction of an owned stadium by appointing a leading industry consultant.

Financial risk management objectives and policies

The Milan Group has put in place specific policies outlining its financial risk management guidelines and objectives, with the aim of reducing its exposure to the exchange, credit and liquidity risks connected to its core business.

The existing financial instruments (which do not include derivatives) such as bank and postal deposits, cash, cheques and other valuables and accounts receivable do not carry any type of financial risk.

The main financial risks that the company is exposed to are described below.

Exchange rate risk

Exposure to exchange risk derives almost entirely from the acquisition of player registration rights in currencies other than the Euro (generally U.S. Dollars, Swiss Francs and Pound Sterling). However, the Company carries out the majority of its transactions (both purchases and sales) in Euro, and accordingly there are no significant risks connected to exchange rate fluctuations.

Interest rate risk

The interest rate risk mainly derives from the variable-rate payables that expose the Group to variable cash flow.

Credit risk

The Company does not have a significant concentration of credit risk and has suitable procedures in place to minimise exposure to that risk. In particular, receivables from domestic football clubs are guaranteed by the clearing house mechanism of the Lega Nazionale Professionisti. Receivables for fees resulting from the negotiation of contracts for TV rights are guaranteed by bank sureties issued by the clients. Lastly, receivables not backed by guarantees are regularly monitored to manage collection risk, with specific provisions for doubtful accounts made where necessary.

Liquidity risk

Liquidity risk is linked to the difficulty in raising funds to meet commitments. Furthermore, during the year, the majority shareholder of the company, ACM Bidco B.V., made a payment on account of a future capital increase in favour of the company in the amount of Euro 40 million.

On 13 September 2023, the Company's majority shareholder, ACM Bidco B.V., undertook to financially support the Company and the group for a period of no less than 12 months from the date of approval by AC Milan's Board of Directors of the financial statements for the year ended 30 June 2023.

Milan, 27 September 2023

for the **Board of Directors**

The Chief Executive Officer

Giorgio Furlani

FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

A.C. MILAN S.P.A.

Registered office: Via Aldo Rossi, 8 - 20149 Milan

Share Capital: Euro 113,443,200 fully subscribed and paid

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration No: 01073200154

FINANCIAL STATEMENTS AT 30 JUNE 2023

(in thousands of Euros)

BALANCE SHEET

ASSETS

	30.06.2023	30.06.2022	Change
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS DUE	—	—	—
B) FIXED ASSETS			
I INTANGIBLE FIXED ASSETS			
1 Start-up and expansion costs	—	—	—
2 Development costs	—	—	—
3 Industrial patent rights and use of intellectual property	—	—	—
4 Concessions, licences, trademarks and similar rights	182.034.906	184.022.619	(1.987.712)
5 goodwill	—	—	—
6 Assets in progress and advances	621.698	19.499	602.199
7 player registration rights	178.117.066	127.641.769	50.475.297
8 other	6.496.862	8.461.397	(1.964.535)
Total	367.270.532	320.145.284	47.125.249
II TANGIBLE FIXED ASSETS			
1 land and buildings	410	473	(63)
2 plant and machinery	500.308	333.701	166.607
3 industrial and commercial equipment	3.351.442	3.800.258	(448.816)
4 other assets	711.087	891.659	(180.572)
5 assets in progress and advances	260.000	9.720	250.280
Total	4.823.248	5.035.811	(212.563)
III FINANCIAL FIXED ASSETS			
1 equity investments in:			
a) subsidiaries	199.885.117	196.885.117	3.000.000
b) associates	1.326.918	1.326.918	—
e) other companies	800.000	1.000.000	(200.000)
Total	202.012.035	199.212.035	2.800.000
2 receivables:			
e) debts due to others			
- within 12 months	413.930	363.460	50.470
- after 12 months	—	—	—
Total	413.930	363.460	50.470
Total	202.425.965	199.575.495	2.850.470
TOTAL FIXED ASSETS (B)	574.519.745	524.756.590	49.763.155

A.C. MILAN S.P.A.

Registered office: Via Aldo Rossi, 8 - 20149 Milan

Share Capital: Euro 113,443,200 fully subscribed and paid

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration No: 01073200154

BILANCIO D'ESERCIZIO AL 30 GIUGNO 2023

(in thousands of Euros)

BALANCE SHEET

ASSETS

	30.06.2023	30.06.2022	Variazioni
C) WORKING CAPITAL:			
I INVENTORIES	—	—	—
Total	—	—	—
II RECEIVABLES			
1 from customers	34.772.084	49.715.100	(14.943.016)
2 from subsidiaries	16.693.647	8.194.669	8.498.978
3 from associates	1.027.369	—	1.027.369
4 from parent companies	—	—	—
5 from companies subject to parent companies' control	—	—	—
5 bis tax receivables			
a) within 12 months	93.433	126.089	(32.656)
b) beyond 12 months	350.669	418.879	(68.210)
5 ter deferred tax assets	514.851	944.326	(429.475)
5 quater from others	7.500.628	2.765.591	4.735.037
6 receivables from institutions - specific sector			
a) within 12 months	6.640.059	21.421.403	(14.781.343)
b) beyond 12 months	6.310.029	9.308.884	(2.998.855)
Total	73.902.768	92.894.941	(18.992.173)
III TOTAL FINANCIAL ASSETS (other than fixed assets)			
8 financial assets for the centralised Treasury management	14.200.630	8.584.757	5.615.873
Total	14.200.630	8.584.757	5.615.873
IV CASH AND CASH EQUIVALENTS			
1 bank and postal deposits	70.472.877	28.764.168	41.708.709
3 cash in hand	38.829	27.279	11.550
Total	70.511.706	28.791.447	41.720.259
TOTAL WORKING CAPITAL (C)	158.615.104	130.271.145	28.343.959
D) ACCRUALS AND DEFERRALS			
1 accruals	879.057	737.003	142.054
2 deferrals	5.315.064	3.448.943	1.866.121
TOTAL ACCRUALS AND DEFERRALS (D)	6.194.121	4.185.946	2.008.175
TOTAL ASSETS	739.328.970	659.213.681	80.115.289

FINANCIAL STATEMENTS

A.C. MILAN S.P.A.

Registered office: Via Aldo Rossi, 8 - 20149 Milan

Share Capital: Euro 113,443,200 fully subscribed and paid

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration No: 01073200154

BILANCIO D'ESERCIZIO AL 30 GIUGNO 2023

(in thousands of Euros)

BALANCE SHEET

EQUITY AND LIABILITIES

	30.06.2023	30.06.2022	Variazioni
A) SHAREHOLDERS' EQUITY			
I CAPITAL	113.443.200	113.443.200	—
II SHARE PREMIUM RESERVE	31.020.000	31.020.000	—
III REVALUATION RESERVES	33.156.203	125.454.000	(92.297.797)
IV LEGAL RESERVE	123.890	123.890	—
V STATUTORY RESERVES	—	—	—
VI OTHER RESERVES:			
a) capital contributions	45.000.000	5.000.000	40.000.000
VII RESERVE FOR HEDGING EXPECTED CASH FLOWS	—	—	—
VIII PROFIT (LOSS) CARRIED FORWARD	(45.242.063)	(45.242.063)	—
IX PROFIT (LOSS) FOR THE PERIOD	(17.878.615)	(92.297.797)	74.419.182
X NEGATIVE RESERVE FOR OWN SHARES IN PORTFOLIO	—	—	—
TOTAL SHAREHOLDERS' EQUITY (A)	159.622.614	137.501.229	22.121.385
B) PROVISIONS FOR RISKS AND CHARGES			
4 other	74.270.683	71.529.254	2.741.429
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	74.270.683	71.529.254	2.741.429
C) EMPLOYEE LEAVING ENTITLEMENTS	1.335.217	1.162.046	173.171
D) PAYABLES			
4 financial payables	51	51	—
5 payables to other financial institutions			
a) within 12 months	49.589.748	21.771.058	27.818.690
b) beyond 12 months	21.372.539	45.152.892	(23.780.353)
7 trade payables			
a) within 12 months	40.931.798	48.577.733	(7.645.935)
b) beyond 12 months	3.575.983	1.675.000	1.900.983
9 payables to subsidiaries	217.742.454	193.897.056	23.845.398
10 payables to associates	2.752.382	2.178.936	573.447
11 payables to parent companies	226.896	—	226.896
11 bis payables to companies subject to parent companies' control	—	—	—
12 tax payables	24.031.218	29.995.353	(5.964.135)
13 payables to pension funds and social security agencies	1.332.514	5.815.223	(4.482.709)
14 other payables	19.731.494	22.305.039	(2.573.545)
15 Payables to professional bodies			
a) within 12 months	41.468.124	32.939.517	8.528.606
b) beyond 12 months	30.360.530	17.598.223	12.762.307
TOTAL PAYABLES (D)	453.115.731	421.906.082	31.209.649
E) ACCRUALS AND DEFERRALS			
1 accruals	59.230	29.150	30.080
2 deferrals	50.925.495	27.085.919	23.839.576
TOTAL ACCRUALS AND DEFERRALS (E)	50.984.725	27.115.069	23.869.655
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	739.328.970	659.213.681	80.115.289

ANNUAL REPORT AND FINANCIAL STATEMENTS AT 30 JUNE 2023

A.C. MILAN S.P.A.

Registered office: Via Aldo Rossi, 8 - 20149 Milan

Share Capital: Euro 113,443,200 fully subscribed and paid

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration No: 01073200154

BILANCIO D'ESERCIZIO AL 30 GIUGNO 2023

(in thousands of Euros)

INCOME STATEMENT

	FY 2022/2023	FY 2021/2022	Variazioni
A) VALUE OF PRODUCTION			
1 Revenues from sales and services			
a) match revenues	52.162.862	31.625.810	20.537.052
b) season tickets	16.736.426	—	16.736.426
c) revenues from other competitions	1.587.429	235.000	1.352.429
Total	70.486.717	31.860.810	38.625.907
5 other revenues and income			
a) operating grants	119.117	173.265	(54.148)
b) sponsorship income	31.581.885	30.972.013	609.872
c) advertising income	—	—	—
d) commercial income and royalties	9.206.237	8.681.474	524.763
e) income from broadcasting and media rights:			
- audiovisual income from participation in national competitions	87.024.384	88.728.627	(1.704.243)
- audiovisual income from participation in other competitions	87.881.554	44.271.690	43.609.864
f) miscellaneous income	7.071.194	6.654.101	417.093
g) revenues from player loans	82.175	1.660.726	(1.578.551)
h) gains from the sale of player registration rights	268.000	5.569.920	(5.301.920)
i) other income from player management	6.242.793	3.226.641	3.016.152
l) other income and revenues	13.457.371	16.789.525	(3.332.154)
Total	242.934.710	206.727.982	36.206.728
TOTAL VALUE OF PRODUCTION (A)	313.421.427	238.588.792	74.832.635
B) COSTS OF PRODUCTION			
6 for raw materials, ancillary materials, consumables and goods	3.237.071	2.975.184	261.887
7 for services	86.658.178	64.554.912	22.103.266
8 for use of third-party assets	13.103.182	11.769.629	1.333.553
Total	102.998.431	79.299.725	23.698.706
9 for personnel:			
a) wages and salaries	154.344.548	153.602.175	742.373
b) social security charges	7.178.713	6.332.355	846.358
c) employee leaving entitlements	1.840.664	1.687.682	152.982
e) other costs	300.182	273.049	27.133
Total	163.664.107	161.895.261	1.768.846
10 amortisation, depreciation and write-downs			
a) amortisation of intangible assets	55.103.139	65.077.259	(9.974.120)
b) depreciation of tangible assets	1.028.359	826.759	201.600
c) other write-downs of fixed assets	4.263.301	8.006.816	(3.743.515)
d) write down of credits included under working capital and liquid assets.	123.634	—	123.634
Total	60.518.433	73.910.834	(13.392.401)
12 provisions for risks	6.293.113	7.419.557	(1.126.444)
14 sundry management expenses			
a) various match organisation expenses	312.982	216.931	96.051
b) match registration costs	10.020	20.020	(10.000)
c) percentage of gate receipts paid to visiting teams	—	—	—
d) costs for acquisition of players on loan	3.947.367	7.442.652	(3.495.285)
e) losses from the sale of player registration rights	41.657	2.456.085	(2.414.428)
f) other expenses from player management	149.185	499.605	(350.420)
g) other sundry management expenses	4.499.398	4.702.610	(203.212)
Total	15.253.722	22.757.460	(6.377.294)
TOTAL COSTS OF PRODUCTION (B)	342.434.693	337.863.280	4.571.413
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A - B)	(29.013.266)	(99.274.488)	70.261.222

FINANCIAL STATEMENTS

A.C. MILAN S.P.A.

Registered office: Via Aldo Rossi, 8 - 20149 Milan

Share Capital: Euro 113,443,200 fully subscribed and paid

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration No: 01073200154

BILANCIO D'ESERCIZIO AL 30 GIUGNO 2023

(in thousands of Euros)

INCOME STATEMENT

	Esercizio 2022/2023	FY 2021/2022	Variazioni
C) FINANCIAL INCOME AND (EXPENSES)			
15 income from equity investments			
a) subsidiaries	13.845.000	10.003.300	3.841.700
16 other financial income			
d) income different from the above:			
- other	2.571.879	97.011	2.474.868
Total	16.416.879	10.100.311	6.316.568
17 interest and other financial charges			
a) from subsidiaries	(5.962.591)	(1.661.509)	(4.301.082)
d) other financial expenses	(5.154.860)	(3.567.514)	(1.587.346)
Total	(11.117.451)	(5.229.023)	(5.888.428)
17 bis exchange-rate gains and losses:			
a) exchange rate gains	84.134	1.444	82.690
b) exchange rate losses	(49.864)	(104.521)	54.657
Total	34.270	(103.077)	137.347
TOTAL FINANCIAL INCOME AND (EXPENSES) (C)	5.333.698	4.768.211	565.487
D) ADJUSTMENTS IN VALUE OF FINANCIAL ASSETS AND LIABILITIES			
19 write-downs			
a) of equity investments	(200.000)	(1.000.000)	800.000
Total	(200.000)	(1.000.000)	800.000
TOTAL ADJUSTMENTS IN VALUE OF FINANCIAL ASSETS AND LIABILITIES (D)	(200.000)	(1.000.000)	800.000
RESULT BEFORE TAX	(23.879.568)	(95.506.277)	71.626.709
22 income taxes for the year (current, deferred tax assets and liabilities)			
a) current taxes	5.965.076	3.402.788	2.562.288
b) deferred tax assets and liabilities	35.877	(194.308)	230.185
Total	6.000.953	3.208.480	2.792.473
PROFIT (LOSS) FOR THE PERIOD	(17.878.615)	(92.297.797)	74.419.182

for the **Board of Directors**

The Chief Executive Officer

Giorgio Furlani

ANNUAL REPORT AND FINANCIAL STATEMENTS AT 30 JUNE 2023

A.C. MILAN S.P.A.

Registered office: Via Aldo Rossi, 8 - 20149 Milan

Share Capital: Euro 113,443,200 fully subscribed and paid

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration No: 01073200154

FINANCIAL STATEMENTS AT 30 JUNE 2023

(in thousands of Euros)

CASH FLOW STATEMENT	Amount at 30.06.2023	Amount at 30.06.2022
A. CASH FLOWS FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
Profit/(loss) for the year	- 17.878.615	92.297.797
Income taxes	- 6.000.953	3.208.520
Interest expense (interest income)	8.511.302	5.235.104
(Dividends)	- 13.845.000	10.003.300
(Gains) Losses on disposal of assets	- 226.343	200
1. Profit (loss) for the year before income taxes, interest, dividends and gains/losses on disposals	- 29.439.609	100.274.713
Adjustments for non-monetary items not offset in net working capital		
Provisions	8.132.600	9.107.239
Depreciation and amortisation expense	56.131.498	65.904.018
Impairment losses	4.063.301	8.006.816
Value adjustments to financial assets and liabilities of derivative financial instruments that do not involve cash flows		
Other adjustments for non-cash items	- 3.466.366	-
2. Cash flow before changes in NWC	35.421.424	17.256.640
Change in net working capital		
Decrease (Increase) in inventories		-
Decrease (Increase) in receivables from customers	14.819.382	1.755.789
Increase (Decrease) in payables to suppliers	- 5.744.952	3.819.440
Decrease (Increase) in accrued income and prepayments	- 2.008.175	1.203.830
Increase (Decrease) in accrued expenses and deferred income	23.869.655	2.141.256
Other changes in net working capital	7.471.598	35.563.843
3. Cash flow after changes in NWC	73.828.932	21.308.280
Other adjustments		
Interest received (paid)	- 8.511.302	5.235.104
(Income taxes paid)	- 3.626.806	-
Dividend income	13.845.000	10.003.300
(Use of provisions)	- 1.628.000	15.038.021
Other income/(payments)		
CASH FLOW FROM OPERATING ACTIVITIES (A)	73.907.824	11.038.455
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Tangible fixed assets		
(Investments)	- 815.796	4.114.000
Disinvestments	-	346.000
Player registration rights		
(Acquisitions) player registration rights	- 107.700.526	47.517.119
Disposals players' registration rights	2.397.499	11.130.222
Decrease/(Increase) in receivables due to disposals of players' registration rights	17.780.199	28.092.449
Decrease/(Increase) in payables due to disposals of players' registration rights	21.290.913	8.967.955
Other intangible fixed assets		
(Investments)	- 962.319	97.719
Disinvestments	-	-
Financial fixed assets		
(Investments)	- 2.600.000	20.619
Disinvestments	-	-
Current financial assets		
(Investments)	- 5.615.873	2.800.810
Disinvestments	-	-
(Acquisition of business units net of cash and cash equivalents)	-	-
Disposal of business units net of cash and cash equivalents	-	-
CASH FLOW FROM INVESTING ACTIVITIES (B)	- 76.225.903	16.372.313
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Third-party financing		
Increase (Decrease) in short-term payables to banks		-
New financing	4.038.337	28.562.805
Loan repayments	-	16.918.604
Shareholder loan		
New financing		
(Loan repayments)		
Own funds		
Paid capital increase	40.000.000	5.000.000
(Repayment of capital)		
Sale (Buyback) of own shares		
(Dividends and interim dividends paid)		
Other income (expenditure) from financing activities		
CASH FLOW FROM FINANCING ACTIVITIES (C)	44.038.337	16.644.201
Increase (Decrease) in cash and cash equivalents	41.720.258	11.310.343
Exchange rate effect on cash and cash equivalents		
Cash and cash equivalents - opening balance		
Bank and postal deposits	28.764.168	17.448.345
Cheques		
cash in hand	27.279	32.759
Total cash and cash equivalents - opening balance		
<i>Of which not freely usable</i>		
Cash and cash equivalents - closing balance		
Bank and postal deposits	70.472.877	28.764.168
Cheques		
cash in hand	38.829	27.279
Total cash and cash equivalents - closing balance		
<i>Of which not freely usable</i>		
Rounding difference	-	-

for the Board of Directors

The Chief Executive Officer

Giorgio Furlani

NOTES



A.C. MILAN S.P.A.

Registered office: Via Aldo Rossi, 8 - 20149 Milan

Secondary offices: Via Milanello, 25 - 21040 Carnago (VA)

Via dei Missaglia, 17 - 20142 Milan — Via dei Fontanili, 61/63 - 20017 Rho (MI)

Share Capital: Euro 113,443,200.00 fully subscribed and paid
comprising 218,160,000 shares, each with a nominal value of Euro 0.52.

Tax ID and Milan, Monza and Brianza e Lodi Companies' Registry Registration: 01073200154

FINANCIAL STATEMENTS AT 30 JUNE 2023

NOTES

GENERAL INFORMATION

A.C. Milan S.p.A. ("the Company") is a joint stock company incorporated in Italy and entered in the Milan Companies Register. Its registered office is located in 8 Via Aldo Rossi, 20149 Milan. The Company's sole purpose is the pursuit of sporting activities and, in particular, the training, the preparation and management of football teams and the promotion and organisation of competitions, tournaments and all other football activities in general, for the purposes and in compliance with the rules and guidelines of the Italian Football Federation and its Bodies (the "FIGC").

To realise the corporate purpose, the Company may engage in the following directly or indirectly related and/or instrumental activities: a) act as a concessionaire for the booking and sale of tickets and season tickets for admission to sports facilities; b) promote and publicise its activity and image by using and exploiting models, designs, distinctive signs and emblems, directly or through third parties. By way of example only, the company, in order to promote and publicise its activity and image may: (i) organise events of other connotations such as, but not limited to, musical events, promotional and advertising events, performances and shows, conventions and congresses, participation in trade fairs, television, radio and digital events; (ii) operate sports museums, bars, restaurants, cafeterias, serving to the public, retailing food and beverages, confectionery and other consumer goods by using, in whatever form or manner, the distinctive signs and emblems of the company to distinguish these activities; (iii) manage sales outlets and trade, including import and export trade, both wholesale and retail, in the various forms in use (including by means of e-commerce), also under the trademarks of sports associations and clubs and also through commercial affiliation contracts, of any kind of product distinguished, in whatever form, by the distinctive signs and/or emblems of the company; (iv) research and implement promotional campaigns and to carry out the concessionary and/or sales and/or intermediation activities of advertising to be broadcast through radio and television systems and any means, even today unknown, of communication and diffusion, including advertising, as well as artistic assistance in the realisation of advertising services relating to the Company's sports activities and those accessory, connected or instrumental thereto; (v) carry out publishing activities in all their forms and modalities as well as graphic and printing activities and the trade of any product deriving therefrom, together with all activities pertaining to information by any digital and/or physical means available from time to time in connection with the club's sports activities and those ancillary, connected or instrumental thereto; (vi) exploit the image of sportsmen and sportswomen through the use and dissemination, including through the medium of advertising, of the name and image of persons engaged in sporting activities and acquiring sports rights in general and, in particular, acquiring and exercising rights of economic exploitation relating to

sporting events; and (vii) to carry out all activities related to the travel and tourism sector in connection with sports and promotional events; c) carry out any securities, real estate and financial transactions that are deemed useful, necessary and relevant.

The company may also hold equity investments in service and commercial companies that are in any way connected with its corporate purpose.

STRUCTURE AND CONTENT

These financial statements have been prepared in accordance with the provisions of the Italian Civil Code as amended by legislative decree 139/2015 (the “**Decree**”), interpreted and amended by the Italian accounting standards as issued by the National Accounting Body (“**OIC**”) which were updated following the enactment into Italian law of Directive 2013/34/EU (the “**Accounting Directive**”).

The financial statements comprise the Balance Sheet (prepared in accordance with the model contained in Articles 2424 and 2424bis Italian Civil Code), the Income Statement (prepared in accordance with the model in Articles 2425 and 2425a Italian Civil Code), and the Cash Flow Statement (the content of which, in accordance with Article 2425ter Italian Civil Code, has been presented in accordance with national accounting standard OIC 10) and these Notes (which provide the information required by Article 2427 Italian Civil Code).

In compliance with the provisions of Article 2423 of the Italian Civil Code, the Financial Statements for the year were prepared in a clear manner that provides a truthful and correct representation of the asset and financial situation of the Company and the performance for the financial year.

The recognition, assessment, presentation and disclosure of the items may differ from the provisions of statutory regulations on financial statements in the event that their non-compliance has negligible effects on the truthful and correct representation of the company's asset and financial situation and the economic results for the financial year. To this end, information is considered relevant, from a qualitative and/or quantitative viewpoint, when its omission or incorrect indication may reasonably influence the decisions made by users on the basis of the company's Financial Statements. Further specific criteria used to explain the concept of non-materiality are detailed for individual financial statement items when they apply. The materiality of individual items is assessed in the context of other similar items.

Moreover, the principles provided for by Article 2423-bis of the Italian Civil Code were complied with as detailed below.

The valuation of the items was carried out in accordance with the general principles of prudence and the going concern assumption, for the reasons outlined in the specific paragraph of these notes, as well as taking into account the economic substance of the transaction or arrangement. Therefore, the economic substance of each transaction or event and, in any case, of each company event, was identified – notwithstanding its origin – and the interdependency of several agreements that refer to complex transactions was assessed.

The profits indicated on the financial statements for the financial year are only those earned on the closing date.

Revenues and charges recorded refer to the financial year, notwithstanding their collection or payment date.

The risks and losses pertaining to the year were accounted for, even if they became known after year end.

Heterogeneous elements included in individual items were valued separately.

Additional information considered necessary to give a true and fair view has also been provided, even if not specifically required by law.

The numbering used in the models contained in Articles 2424 and 2425 Italian Civil Code, has been faithfully reproduced. Consecutive numbering has not been used for items identified by Arabic numerals

with no value. As a result, each individual item will always be allocated the same number, making it easy to compare the financial and income statement positions for different years.

The Balance Sheet and Income Statement indicate the changes in the various items. The Notes provide comments limited to the main items.

The “Attachments” section which forms an integral part of these Notes contains the schedules of the mandatory information required by the regulations, and other information considered useful in providing a clear, comprehensive picture of these financial statements at 30 June 2023.

MEASUREMENT CRITERIA AND ACCOUNTING PRINCIPLES

The financial statements at 30 June 2023 were prepared on the basis of the principles of clarity, accurate and truthful representation of the financial situation of the Company and of the profit or loss for the year, in accordance with Article 2423, second paragraph, of the Italian Civil Code.

The financial statements to 30 June 2023 were prepared in accordance with the general principles of prudence, accrual, and on a going-concern basis, and also took into account the economic function of the asset and liability items.

The valuation criteria of various financial statement items comply with the provisions of Article 2426 of the Italian Civil Code and the reference accounting principles. Budget assumptions include continuity with the previous financial year with respect to the application of the valuation criteria adopted to prepare the Financial Statements.

As also required by the first paragraph of Article 2423-ter of the Italian Civil Code, in view of the nature of the Company's business, the instructions issued by the Italian Football Federation (FIGC) and the Committee for the Supervision of Italian Football Clubs (“Covisoc”) have also been taken into consideration.

There were no derogations (Article 2423 (4) Italian Civil Code) in the drafting of the financial statements to 30 June 2023.

The most significant valuation criteria and first-implementation rules adopted are detailed below.

Intangible fixed assets

Intangible assets are recognised as assets when they can be individually identified, and their cost can be estimated in a sufficiently reliable way. They are recognised at purchase or production cost, including ancillary charges net of amortisation and write-downs. Fixed assets are systematically amortised on the basis of their estimated future life.

Multi-year charges were registered as assets because:

- their future useful life is demonstrated;
- there is an objective link with the relevant future benefits that the Company shall enjoy;
- their recovery can be estimated with reasonable certainty.

Player registration rights

These are intangible assets with a defined useful life equal to the term of the sports contracts signed with players.

Multi-year player registration rights are recorded at their historic purchase price inclusive of any directly attributable ancillary charges and, where appropriate, time-discounted to take into account the deferral of payments over more than one financial period.

The amounts were stated net of amortisation charges, calculated on a straight-line basis in relation of the duration of the contracts signed with individual professional players.

With regard to the recognition in accounts fees for services rendered to the Club by sports agents, in

accordance with the industry regulations connected to the transfer of player registration rights or contract renewals:

- in the absence of conditions precedent (for example the player remaining registered with the Club), these fees are capitalised because they constitute a transaction cost for the purchase of the registration rights;
- if they are conditional on the player remaining registered with the Club or relate to services performed for the temporary acquisition or transfer (definitive or temporary) of the right, the fees are instead recognised each time in the income statement.

Player registration rights are recognised on the date when the contract is signed. That date, pursuant to Article 1360 Italian Civil Code, becomes the retroactive date of effectiveness of the ratification by the Lega Nazionale Professionisti Serie A of national transfers, or the issuance of the international transfer certificate (I.T.C.) by the Italian Football Federation (FIGC) for international transfers, through the FIFA "T.M.S." system.

Amortisation starts from the year when the player is registered. For rights acquired during the year, amortisation starts from the date when the player is available, on a time accrual basis.

The original amortisation schedule is amended if a contract is extended due to its early renewal. The new amortisation schedule takes account, on a straight-line basis, of the net book value of the rights at the date of extension of the contract and of the new duration of that contract.

If there is no contractual provision regarding the effective date of the contract, the date for the accounting recognition is the date on which the Lega Nazionale Professionisti Serie A ratifies the contract for national transfers, or from the effectiveness of the issuance of the international transfer certificate by the Italian Football Federation (FIGC) for international transfers, through the FIFA "T.M.S." system.

The item Player registration rights also include the costs incurred by the Company for the registration of players from amateur football clubs, or foreign clubs that have contributed to the technical training of the players. In particular, the following are recognised:

- technical training and coaching bonuses, pursuant to Article 99 NOIF, paid to amateur football clubs following the signing of the first "professional" contract by players from those clubs. These costs are amortised on a straight-line basis over the duration of the contracts signed with the individual players;
- the training compensation and/or solidarity mechanism payments made, pursuant to FIFA regulations, to football clubs following definitive or temporary transfers of players registered with foreign clubs. These costs are amortised on a straight-line basis over the duration of the contracts signed with the individual players.

Concessions, licences, trademarks and similar rights

These are recognised at acquisition cost and relate to the user rights to the historical archive of television images of the Company, which have a finite useful life as they have a period of economic use, in addition to the expenses for the creation and registration of company trademarks and the acquisition of software licenses, which are amortised on a straight-line basis over their estimated future useful life. This item also includes the "A.C. Milan" trademark, which was revalued at 30 June 2022 in compliance with Decree-Law 104/2020.

The accounting treatment of trademarks, where there is a distinction between ownership and right of exploitation or right of use, provides for the application of the component-based amortisation method aimed at reflecting the different period of usefulness and the different residual possibility of use of the distinct components.

The trademark and its various components are amortised on the basis of their remaining useful life and, in any case, with a maximum limit of twenty years.

Components temporarily not yet in use or function in the current year are not amortised.

Other intangible fixed assets

Leasehold improvements are capitalised and entered under "other intangible fixed assets" if they are not separable from the assets themselves (otherwise they are entered under "tangible assets" in the specific item to which they belong), they are systematically amortised at the lower of the period of expected future usefulness and the residual term of the lease, taking into account the renewal period, if any, if dependent on the Company.

Tangible fixed assets

They are recorded at the purchase cost effectively paid to acquire the asset and are recognised on the date on which the transfer of risks and benefits takes place, which usually coincides with the transfer of title. This cost includes the purchase cost, ancillary purchase costs and all costs incurred to bring the asset to the location and in the conditions required for it to be a long-term asset for the Company.

Tangible fixed assets with a limited useful life are systematically depreciated on a straight-line basis based on their residual useful life.

The depreciation charge for each financial year refers to the distribution of the cost incurred over the entire duration of use.

For assets purchased during the financial year, the depreciation charge is reduced by 50%.

The basis for depreciation, initially estimated upon drafting the depreciation schedule based on the prices achievable on the market through the disposal of similar assets both in terms of technical features and the type of use to which they have been subject, is periodically reviewed in order to verify that the initial estimate is still valid. This amount is considered net of presumable removal costs.

If the tangible asset includes components or accessories with a useful life other than that of the principal asset, the depreciation of such components is calculated separately from that of the principal asset, unless this is not material or feasible.

The annual depreciation rates used, unchanged from the previous year, are shown in the table below:

Asset	Rate
Plant and machinery	7.5% - 25.0% - 30.0%
Industrial and commercial equipment	15.5%
Furniture and fittings	12.0%
Electrical office equipment	20.0%
Vehicles	25.0%

Ordinary maintenance costs are charged in full to the income statement. Improvement-related maintenance costs are allocated to the related assets and depreciated over their remaining useful life.

Impairment losses for intangible and tangible assets

Impairment losses for intangible and tangible assets are posted pursuant to the provisions of the OIC 9 Accounting Standard.

The Company assesses at each financial statements date whether objective evidence exists that an asset has incurred an impairment loss. If such evidence exists, it estimates the recoverable value of the asset. In particular, if the recoverable value of an asset (that is the greater out of its use value and fair value) is lower than its book value, the asset is posted at such lower value. The difference is recognised in the income statement as an impairment loss under item B10c). If, in the subsequent financial years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation/amortisation, and recognised in the income statement under item A5).

In absence of evidence of potential impairment losses, the recoverable amount is not determined.

The write-back is made if the reasons for the impairment losses no longer exist and takes place to the extent of the value that the asset would have had, had the value adjustment not been performed. The impairment of goodwill cannot be restored.

With specific reference to player registration rights, if there are indications of value impairments (for example serious injuries or significant losses from post year-end sales, and contractual market conditions that prohibit the sales of players who are surplus to requirements) the depreciation (“impairment”) of the residual book value is made.

Financial fixed assets

Equity investments in subsidiaries, associates, parent companies and other companies

Equity investments are recognised as financial assets if they are expected to be part of the Company’s long-term investment portfolio, otherwise they are recognised in Working capital.

Equity investments are recognised at purchase or establishment cost, including any ancillary costs. The cost incurred when purchasing an investment booked as a fixed asset is maintained in the financial statements of the subsequent financial years, unless an impairment loss occurs. The Company assesses at each financial statements date whether objective evidence exists that an asset has incurred an impairment loss. The impairment loss is determined by comparing the value the equity investment was recorded at in the financial statements with the relevant recoverable value, calculated on the basis of the future benefits expected for the investor. The impairment loss is not maintained if the reasons for the adjustment made no longer apply.

In the event that the long-term investment is acquired at the time of incorporation of the company, or at the time the company commences operations, and the company incurs losses, even substantial ones, during the start-up phase of the first financial year, it is possible not to write down the investment, as the loss is not to be considered permanent, provided that the subsequent financial year shows positive indications of a change that would allow the previous losses to be offset and, in any case, the results and development of the business confirm the company's plans and programmes.

Receivables

Receivables are carried at the amortised costs, time-adjusted, to the extent of their expected realisable value and, therefore, they are shown in the balance sheet net of the relevant provisions for doubtful accounts deemed adequate to cover reasonably predictable losses due to uncollectability.

If the transaction's interest rate is not markedly different from the market rate, the receivable is initially recognised at a value equal to the nominal value net of all premiums, discounts, allowances and inclusive of any costs directly attributable to the transaction that generated the receivable. The aforementioned transaction costs, any commission income and expenses and any difference between the initial value and the nominal value at maturity are distributed along the life of the receivable using the effective interest method.

When, on the other hand, the interest rate for the transaction that can be inferred from contractual conditions is markedly different from the market rate, the receivable (and the relevant income in the case of commercial transactions) is initially posted at a value equal to the present value of estimated future cash flows plus any transactions costs. The rate used to discount future cash flows is the market rate.

In the case of receivables from commercial transactions, the difference between the thus determined initial recognition value of the receivable and the value upon maturity is posted to the income statement as financial income throughout the life of the loan, using the effective interest rate method. In the case of financial receivables, the difference between the liquidity disbursed and the current value of future financial flows, always determined using the market interest rate, is recognised in financial expenses or income in the income statement upon their initial recognition, unless the substance of the transaction or of the agreement attribute a different nature to this component. Subsequently, the active interest accruing on the transaction is calculated at the effective interest rate and posted to the income statement with the value of the receivable as a contra-entry.

The value of the receivables is then subsequently reduced by the amounts received both as capital and as interest, as well as by any write-downs effected to readjust the receivables to their expected realisable value or due to losses.

The Company assumes that effects resulting from the implementation of the amortised costs and the discounting are not material when receivables are due within 12 months, taking into account that all contractual and substantial considerations that apply upon recognition of the receivable, as well as all transaction costs and any difference between the initial value and the nominal value at maturity are also negligible. In this case, discounting can be omitted, the interest can be calculated on the capital and transaction costs registered as deferred expenses and amortised on a straight-line basis over the duration of the receivable to adjust nominal interest income.

It should be noted that the Company took advantage of the option – provided for by Article 12 of Legislative Decree 139/2015 – to apply the amortised cost only to receivables that have arisen after 1 January 2016.

Write-off of receivables

A receivable is written off from the Financial Statements when:

- the contractual rights on the financial flows arising from the receivable are extinguished; or
- the ownership of the contractual rights arising from the receivable is transferred and, with it, the risks linked to the receivable area also essentially transferred.

For the purposes of the valuation of the transfer of risks, all contractual clauses are taken into account, such as repurchase obligations at the occurrence of certain events or the presence of commissions, excesses or penalties due for non-payment.

When the receivable is written off from the financial statements as a result of a disposal transaction that entails the substantial transfer of all risks, the difference between the price and the value the receivable was recognised at the time of disposal is recognised as disposal loss to be posted under item B14) of the income statement, unless the contract does not allow the identification of other economic components of different nature, including financial.

When the sale agreement does not include the transfer of all risks (e.g. agreements with total recourse), the account receivable is kept on the financial statements. If part of the consideration agreed by the transferee is paid in advance, a financial receivable is recorded as counterparty of the advance received. Cost elements, such as interest and commission, to be paid to the transferee, are recorded in the income statement depending on their nature.

When, also by virtue of a disposal contract that can substantially transfer all risks linked to the receivable, minimal risks for the Company can be identified, the presence of the conditions required to affect a relevant provision to the risk provision is assessed.

Cash and cash equivalents

Bank deposits, post office deposits, and cheques (current account, bank drafts and similar), and are measured according to the general principle of the estimated realisable value, unless the collection of such receivables is very doubtful.

Cash and revenue stamps, measured at their nominal amount.

Cash pooling, consisting in the centralised treasury management by one company within a Group, enables the optimisation of financial resources and is characterised by receivable and payable items towards the company managing the aforementioned cash pooling, respectively for collections from and deposits to the joint current account. Individual companies that participate in centralised treasury management recognise the receivables generated in the item “Financial assets for centralised treasury management” with an indication of the counterparty, which can be the subsidiary of the parent company, in Financial assets that do not constitute long-term investments. If the receivables are not due within one year, they are classified as financial fixed assets. Any such revaluations and write-downs are posted to the income statement under “Write-down of financial assets due to centralised treasury management” and “Revaluation of financial assets due to centralised treasury management”, indicating the counterparty. Any debt position arising from centralised treasury management shall be classified based on the provision of OIC 19 “Debts”.

Accruals and deferrals

The items include the portions of costs and revenues that are common to two or more financial years, based on the accruals principle. This principle provides that an accrual or a deferral is recognised when the following conditions are met:

- the contract starts in one financial year and ends in a subsequent one;
- the consideration for the services provided is contractually due in advance or in arrears compared to performance common to two or more subsequent financial years;
- the size of accruals and deferrals varies over time.

Accruals and deferrals do not include costs and revenues that accrued in full in the financial year to which the Financial Statements refer or in subsequent ones.

At the end of each financial year, the Company assesses whether the conditions that determined the initial recognition of the accrual or the deferral still apply; if necessary, the required value adjustments are affected. This assessment takes into account not only the passage of time, but also the estimated recoverability of the amount posted to the Financial Statements.

Shareholders' Equity

This item recognises all capital transactions effected between the Company and the individuals who exercise their rights and duties as Shareholders. The share capital increase may only be recognised in the accounts after the transaction has been recorded in the companies' registry, as provided for by Article 2444, paragraph 2, Italian Civil Code. This condition entails, from an accounting viewpoint, the need to use a Shareholders' equity item other than "Equity" in order to recognise the capital contributions subscribed by the Shareholders, which are only reclassified under that item after the transaction has been registered in the companies registry.

Any decrease in the share capital due to the withdrawal of a Shareholder entails an obligation for the Company to purchase his/her shares in order to reimburse him/her, if they are not acquired by other Shareholders; from an accounting viewpoint, a negative provision is registered under the item AX) "Negative reserve for treasury shares in the portfolio". The difference between the reduction in Shareholders' equity and the claim against the outgoing shareholder is channelled to a provision.

If a shareholder defaults, the share capital is reduced by an amount corresponding to the cancelled shares, which from an accounting point of view reverses the amount due from the outgoing shareholder (as to the tenths still payable by him), and the difference between the reduction in shareholders' equity and the claim against the outgoing shareholder is paid into a reserve.

Provisions for risks and charges

Provisions for risks are recognised for specific liabilities that are probable and whose values are estimated. Therefore, they are contingent liabilities linked to conditions that already existed at the date of the Financial Statements, but that were characterised by a degree of uncertainty, whose outcome depends on the occurrence of one or more future events.

Provisions for charges are recognised for liabilities of a specific nature and certain existence, estimated as to their amount or date of occurrence, linked to obligations already assumed at the Financial Statements' date, but which will be collected in subsequent financial years.

Provisions are quantified based on estimates that take into account all available information, in compliance with the principles of accruals and prudence. These elements can also include the time horizon when at the Financial Statements' date there is a known commitment, on the basis of a contractual or legal obligation, whose disbursement can be reliably estimated and whose occurrence can be reasonably determined, that is sufficiently distant in time so as to make its current value at the date of the Financial Statements significantly different from the one estimated at the time of disbursement.

No generic risk funds without economic justification were set up.

Potential liabilities, if any, are posted to the Financial Statements and registered in the provisions only if they are deemed probably and if the amount of the relevant expense can be reasonably estimated. As a result, remote risks were not taken into account, whereas for contingent liabilities that are deemed possible, even if unlikely, information about the uncertainty situation, where relevant, that the loss would cause, as well as the estimated amount or the indication that such amount cannot be estimated, other possible effects, if not apparent, the indication of the management's opinion and that of its legal and other advisers, where available.

With respect to classification, the provisions for risks and charges are initially registered in the income statement items of the relevant classes Per (B, C or D), depending on their nature. If the link between the nature of the provision and one of the aforementioned classes is not immediately apparent, provisions for risks and charges are posted to items B12) and B13) of the income statement.

Employee leaving entitlements

Italian Law no. 296 of 27 December 2006, (2007 Finance Act) introduced new rules for employee leaving entitlements accruing from 1 January 2007. As a result of the Supplementary Pension Reform:

- employee leaving entitlements accrued up to 31 December 2006 remain in the company;
- employee leaving entitlements accruing from 1 January 2007, at the employee's discretion, either through explicit or tacit agreement, have been:
 - allocated to supplementary pension schemes;
 - remained with the company, which transferred the employee leaving entitlements to the I.N.P.S.'s Treasury Fund.

The amounts accrued from 1 January 2007 are still shown in the income statement item B9c) "Employee leaving entitlements". In the balance sheet, item C) "Employee leaving entitlements" represents the remainder of the provision outstanding at 31 December 2006, while item D13) "Payables to pension funds and social security agencies" shows the payable accrued at 30 June 2023 for the employee leaving entitlements still to be paid to the pension funds and social security agencies.

Payables

Payables are recorded in the Financial Statements using the amortised cost method, on a time-adjusted basis.

If the transaction's interest rate is not markedly different from the market rate, the payable is initially recognised at a value equal to the nominal value net of all premiums, discounts, allowances and inclusive of any costs directly attributable to the transaction that generated the debt. The aforementioned transaction costs, such as accessory costs to obtain loans, any commission income and expenses and any difference between the initial value and the nominal value at maturity are distributed along the life of the payable using the effective interest method.

When, on the other hand, the interest rate for the transaction that can be inferred from contractual conditions is markedly different from the market rate, the payable (and the relevant cost in the case of commercial transactions) is initially posted at a value equal to the present value of estimated future cash flows plus and considering any transactions costs. The rate used to discount future cash flows is the market rate.

In the case of payables from commercial transactions, the difference between the thus determined initial recognition value of the payable and the value upon maturity is posted to the income statement as borrowing costs throughout the life of the loan, using the effective interest rate method. In the case of financial payables, the difference between the liquidity disbursed and the current value of future financial flows, always determined using the market interest rate, is recognised in financial income or expenses in the income statement upon their initial recognition, unless the substance of the transaction or of the agreement attribute a different nature to this component. Subsequently, the interest expense accruing on the transaction is calculated at the effective interest rate and posted to the income statement with the value of the payable as a contra-entry.

The value of the payables is then subsequently reduced by the amounts paid both as capital and as interest, as well as by any write-downs effected to readjust the receivables to their expected realisable value or due to losses.

The Company assumes that effects resulting from the implementation of the amortised costs and the discounting are not material when payables are due within 12 months, taking into account that all contractual and substantial considerations that apply upon recognition of the payable, as well as all transaction costs and any difference between the initial value and the nominal value at maturity are also negligible. In this case, discounting can be omitted, the interest can be calculated on the capital and

transaction costs registered as deferred expenses and amortised on a straight-line basis over the duration of the receivable to adjust nominal interest expense.

Payables towards Group companies

Items D9), D10) and D11) include respectively payables to subsidiaries, associates and parent companies, as defined by Article 2359 of the Italian Civil Code. These payables are shown separately in the balance sheet.

Item D11 bis) includes payables to companies subject to parent companies' control.

Revenues

Match revenues are recognised at the actual time of performance (when each match is played); Season pass sales, if collected at the end of the previous football season, are recognised on an accrual basis using the same rule (i.e. when each match is played).

Revenues from sponsorship are allocated pro rata according to the related contracts, which are signed on the basis of the FIGC football seasons. Sponsor premiums are recognised in the income statement on an accruals basis, depending on when the sports event to which they refer takes place.

Revenues from broadcasting license rights and subsequent use of images relating to home league matches are recognised on an accrual basis according to the football season to which they relate.

Revenues from service provision and expenses for their purchase are recognised on the date on which provision ended, or, for those governed by contracts with periodical payments, on the date such payments are due.

The revenues from the sale are recognised net of returns, discounts, allowances and premiums, as well as any taxes directly linked to the sale of the products and the provision of the services, and any adjustments to the revenues accrued during the year directly reduce the item "Revenues".

The item "Other revenues and income" includes non-financial positive income components solely due to additional management. This item includes any grants related to income.

Cost

Acquisition costs are recognised on an accruals basis.

The costs for raw materials, ancillaries, consumables and goods are inclusive of ancillary purchase costs (transport, insurance, loading and downloading, etc.) if included by the supplier in the purchase price, otherwise they are separately posted to service costs depending on their nature.

The costs include not only those whose amount is certain, but also those that are not yet documented, which have been specifically recognised in the Financial Statements.

Costs for bonuses due to players, coaches and technical personnel, for the achievement of pre-established sports results, and bonuses from sponsors are allocated to the income statement on an accrual basis, when the sporting event they relate to takes place.

Financial Income and Expenses

They include the positive and negative components of the economic result for the year linked to the Company's financial activity, and are recognised based on the accruals principle.

All revenues, with suitable indication of the relevant sub-items, are recognised on an accruals basis.

Dividends

Dividends are recognised at the time when, as a result of the Resolution adopted by the shareholders' general meeting of the subsidiary to distribute the profit, or the provisions, a collection right arises for the investor company. The dividend is recognised as financial income, independently from the nature of the reserves distributed. The investee company verifies that, following the distribution, the recoverable value of the equity investment has not diminished to such an extent as to require the recognition of an impairment loss.

Gains and losses

Gains and losses arising from the sale of multi-year player registration rights are classified under revenues and costs from the core business.

Gains and/or losses are calculated as the difference between the price agreed and the net carrying amount at the date of sale.

Current and deferred taxes and national tax consolidation

Taxes for the year are recognised in the income statement in the item "Current income taxes".

Direct taxes accrued for the year are recognised based on the estimate of taxable income, in line with legal provisions and current tax rates and considering any applicable exemptions.

Moreover, the analysis of the presence of any time difference between the asset and liability values and the corresponding values relevant for tax purposes and/or between the income components posted in the income statement and those taxable or deductible for the purposes of the calculation of tax for the financial year, as provided for by OIC 25.

In presence of taxable temporary differences, deferred tax liabilities are registered in the Financial Statements, with the exceptions detailed below and provided by OIC 25.

In presence of deductible timing differences, taxes are registered in the Financial Statements only if their future recoverability is reasonably certain.

If tax liabilities have occurred, deferred tax assets are calculated and registered against the future tax benefit linked to them and to the extent of the taxable result achievable in line with tax projections within a reasonable time scale.

Deferred tax assets and liabilities are calculated on the amount of all the timing differences for the financial year, applying the tax rates applicable during the financial year in which the timing differences will be taxed, as provided for by the tax regulations that apply at the date of the Financial Statements. If tax regulations do not set out the tax rates applicable to the year in which the timing differences shall be taxed, the Company calculates deferred taxes based on the rates applicable at the date of the Financial Statements.

Deferred tax assets and liabilities are not discounted.

For the purposes of classification in the Financial Statements, tax receivables and payables are offset against each other only if there is a legal right to pay the amounts recognised based on tax legislation and if there the intention to net financial receivables and payables with a single payment.

The remuneration of the tax losses of the companies in the consolidation area is recognised at the time that the losses are effectively utilised in the consolidation area (and are not subject to the taxation of future profits by the individual consolidated company), at the IRES rate applicable during the tax year in which the tax loss is carried forward to reduce the consolidated taxable income. The economic benefits arising from consolidation adjustments effected by the consolidating company, but relating to the consolidated company, are remunerated in favour of the aforementioned consolidated company.

The consolidation adjustments that generated benefits in the consolidated tax return are recognised on the income statement under "Tax income from tax consolidation", which is classified under "Current income taxes" with a contra-entry in the balance sheet, under "Receivables from subsidiaries".

Change of accounting principles

Below is a description of the standards used when there are changes to voluntary accounting standards, and also to mandatory standards if different rules are not specifically required.

The change to an accounting standard is registered in the financial year in which it is adopted and the relevant events and transactions are treated in compliance with the new standard, which is applied with retroactive effect. This entails the accounting recognition of such effects on the opening balance of the Shareholders' equity for the year.

For comparison purposes only the opening balance of the Shareholders' equity of the previous year is adjusted and the comparative figures for the previous financial year are considered as if the new accounting standard had always been applied. However, when, after all reasonable efforts, it is not possible to determine the effect pertaining to the previous financial year, or when this calculation is excessively onerous, the Company does not restate figures.

Ultimately, when it is not possible to calculate the cumulative effect of the change of accounting standard of such calculation is too onerous, the Company applies the new accounting principle starting from the first possible date. When this date coincides with the start of the current financial year, the new accounting standard is applied on a forward-looking basis.

The effects resulting from the adoption of new accounting principles on the balance sheet, income statement and cash flow statement, where available, have been highlighted and commented in these notes in correspondence of the explanatory notes pertaining to the items in the Financial Statements that were impacted in a specific way.

This standard did not have significant effects on the financial statements for the year ended 30 June 2023.

Error correction

An error is registered at the time in which an incorrect qualitative and/or quantitative representation of a Financial Statement figure and/or an information provided in a note and, at the same time, information and data for its correct management is available. Correction of relevant errors is performed by rectifying the balance sheet item that was affected by the error at the time, charging the error's correction to the opening statement of the Shareholders' equity of the financial year in which the error is identified.

For comparison purposes only, when feasible, the Company corrects a material error for the previous year by restating comparable figures, whilst if an error relates to previous financial years, it is corrected by restating the opening balances of the previous financial year. When the cumulative effect of a material error cannot be restated for all previous financial years, the Company must recalculate comparable figures to correct the material error starting from the first feasible date.

Non-material errors committed in previous years are recognised in the income statement of the financial year in which the error is detected.

This standard did not have significant effects on the financial statements for the year ended 30 June 2023.

Conversion criteria for items in foreign currency

Pursuant to Article 2426, paragraph 1, no. 8 bis of the Italian Civil Code, monetary assets and liabilities in currencies other than the functional currency in which the Financial Statements are presented (the so-called "accounting currency"), subsequently to initial recognition, are recognised at the spot exchange on the date of the end of the financial year. The resulting exchange-rate gains or losses are posted to the income statement at the items C17-bis) "Exchange-rate gains and losses" and any net profit, which contributes to the result for the financial year, is allocated to the dedicated reserve that cannot be distributed until realisation.

Non-monetary assets and liabilities in currencies other than the accounting one are recognised at the exchange rate applicable at the time of their purchase. When the exchange rate at the closing date of the financial year is markedly different from that at the purchase date, the exchange rate variance is one of the elements considered in the assessment process to determine the value that can be recognised in the financial statements for individual non-monetary assets. In this case, therefore, any (positive or negative) exchange rate differences contribute to the calculation of the recoverable value.

Exchange rates

The exchange rates used to translate the main items in foreign currency are:

		<i>Spot rate</i> 30.06.2023 (*)	<i>Average rate</i> 2022/2023 (*)
U.S. dollar.	USD	1.0866	1.084
Japanese Yen	JPY	157.16	153.1486
GB Pound	GBP	0.85828	0.85861
Swiss franc	CHF	0.9788	0.9764
Chinese Yuan	CNY	7.8983	7.7653

(*) Source: Bank of Italy Eurosystem.

OTHER INFORMATION**Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the values of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on experience and other factors considered relevant. The results to be achieved may therefore differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes made to them are reflected in the income statement in the year in which the estimate is revised if the revision affects only that year, or in subsequent years if the revision affects both the current year and future years.

Estimates are used to recognise loan loss provisions, to determine impairment of equity investments and to determine provisions for risks and charges.

With reference to the estimation of the provisions for risks and bad debts, the annual financial statements reflect an estimate of liabilities based on the best knowledge of the state of solvency of the counterparties and the progress of litigation, in this using the information provided by the legal and tax advisers assisting the Company and taking into account existing contacts with the counterparties. The estimate of risks is subject to the risk of uncertainty inherent in any estimate of future events and the outcome of litigation proceedings, and it cannot be excluded that in future years there may be charges that cannot be estimated at present due to a worsening of the state of litigation and the level of solvency of the counterparties, also in consideration of the general deterioration of the solvency of the markets.

Tax consolidation

The Company exercised the option to join the tax consolidation scheme (Articles 117-129 of Presidential Decree 917/86), as the consolidating entity, jointly with Milan Entertainment S.r.l., Milan Real Estate S.p.A. and Casa Milan S.r.l., as consolidated companies.

Consolidated Financial Statements

The Company has prepared its consolidated financial statements at 30 June 2023 in compliance with the law and the provisions introduced by UEFA Club Licensing Manual 2020 edition, part II, title V, Article 14.4.4, which require football clubs that exercise control over one or more companies, as in the case of A.C. Milan S.p.A., to produce consolidated financial statements subject to an independent audit.

Statutory audit of the accounts

The financial statements for the year ending 30 June 2023 were audited by the independent auditors Deloitte & Touche S.p.A..

Statement of amounts

In accordance with Article 2423, fifth paragraph, of the Italian Civil Code, the financial statements to 30 June 2023 were prepared in Euros, with no decimal places, apart from these Notes which show the values and related comments in thousands of Euros, unless indicated otherwise. It should be noted, however, that the Report on Operations is prepared in millions of Euro with one decimal place shown.

Disclosure on commitments, guarantees and contingent liabilities not included in the balance sheet

The note must detail the overall amount of the commitments, guarantees and contingent liabilities not included in the balance sheet, specifying the nature of any collateral provided, itemised in: a) existing

pension and similar commitments; b) commitments towards subsidiaries, associates, as well as parent companies and companies subject to the latter's control.

Public funds - Information pursuant to Article 1, paragraphs 125-129 of law no. 124/2017

With reference to obligations on transparency and the disclosure of public funding regulated by article 1, paragraphs 125-129 of law no. 124/2017 as amended by the "security" decree law (no. 113/2018) and "simplification" decree law (no. 135/2018), introducing a number of disclosure and transparency obligations, starting from the 2018 financial reporting year, for entities that have economic relations with the Public Administration, in view of Assonime's interpretation in Circular no. 5 of 22 February 2019, which considers the regulation as non-applicable in the following cases:

- grants, contributions and economic benefits of any kind, of which the advantages are accessible to all enterprises that meet certain conditions, based on general, previously established criteria (for example: measures of ministerial decrees aimed at specific industrial sectors and at funding activities related to research and development projects);
- general measures that may benefit all enterprises and which come under the general structure of the reference system defined by the State (for example the mechanism to promote the reinvestment of profit, as provided for by A.C.E);
- public European/foreign resources;
- contributions from trade associations;
- interprofessional funds for training courses, considering that the Funds are provided through contributions made by the beneficiary companies, that are required to meet specific management criteria based on transparency.

The Company declares that on 28 March 2023 it received a contribution of Euro 1,445,880 as compensation for healthcare expenses incurred between 1 February 2020 and 31 March 2022, in accordance with the provisions of the Prime Ministerial Decree of 3 October 2022.

Going concern

The Company recorded a loss for the period of Euro 17.9 million, positive shareholders' equity of Euro 159.6 million. The Net Financial Position for the year was a negative Euro 203.1 million (of which Euro 202.6 million to subsidiaries).

During the year, the majority shareholder of the Company, ACM Bidco B.V., made a payment on account of a future capital increase in favour of the company in the amount of Euro 40 million. On 13 September 2023, the Company's majority shareholder undertook to financially support the Company and the group for a period of no less than 12 months from the date of approval by AC Milan's Board of Directors of the financial statements for the year ended 30 June 2023.

Based on these considerations, the directors have prepared these financial statements on a going concern basis.

Significant events during the period

Change of control and appointment of new Board of Directors

On 31 August 2022, 218,008,094 ordinary shares in the Company (representing approximately 99.93% of the share capital) were transferred from Rossoneri Sport Investment Luxembourg to ACM Bidco B.V., a limited liability company (besloten vennootschap met beperkte aansprakelijkheid) incorporated under Dutch law, which has its registered office in Amsterdam (Netherlands) and is registered in the Dutch Commercial Register under number 86598244. On the same date, those shares were pledged by ACM Bidco B.V. (as pledgor) in favour of Rossoneri Sport Investment Luxembourg S.à r.l. (as secured creditor) under a Pledge Agreement over Shares, which was entered into by correspondence between the parties on 31 August 2022 in their capacities mentioned above with the intervention of Intertrust Trustees Limited as collateral agent.

In addition, following the resignation of the majority of the members of the Board of Directors and the consequent dissolution of the Company's entire Board of Directors on 14 September 2022, the Company's general meeting appointed new members of the Board of Directors who will remain in office for three years, which is to say up to the general meeting convened to approve the financial statements for the financial year ending 30 June 2025. The composition of the Board of Directors as appointed at the general meeting of 14 September 2022 subsequently changed as described in more detail in the following paragraph (*Appointment of a new Chief Executive Officer, appointment of a Chief Financial Officer, increase in the number of directors and co-option of new directors*)

Appointment of a new Chief Executive Officer, appointment of a Chief Financial Officer, increase in the number of directors and co-option of new directors

With effect from 6 December 2022, Mr Ivan Gazidis ceased to be CEO of the parent company AC Milan S.p.A. (as well as its subsidiaries) as a result of the resignation by the latter in concomitance with the natural expiry of the contract he held with A.C. Milan; consequently, on 17 January 2023, the Company's Board of Directors appointed Mr. Randy Lewis Levine by co-optation pursuant to Article 2386 of the Italian Civil Code. Also on 17 January 2023, Mr Giorgio Furlani, who had already been a director of A.C. Milan since 2018, was appointed as the new CEO of the parent company A.C. Milan S.p.A.. At the same time as the appointment of Mr Giorgio Furlani as the new CEO of the parent company A.C. Milan S.p.A., the Company's Board of Directors appointed Mr Stefano Cocirio, who has also been a director of A.C. Milan since 2018, as CFO of the parent company A.C. Milan S.p.A.. Subsequently, on 16 March 2023, following the resignation of Mr Domenico Barile from his position as director, Mr Giorgio Furlani and Mr Stefano Cocirio were appointed at the respective general meetings of Milan Entertainment S.r.l. and Milan Real Estate S.p.A., by the sole shareholder A.C. Milan S.p.A., as directors until the expiry date of the current Boards of Directors and therefore until the general meeting for the approval of the financial statements as of 30 June 2023. On the same date, the Boards of Directors of Milan Entertainment S.r.l. and Milan Real Estate S.p.A. appointed Mr Giorgio Furlani and Mr Stefano Cocirio respectively CEO and CFO of the companies.

The shareholders of AC Milan, during the shareholders' meeting held on 11 May 2023, resolved to confirm Mr Randy Lewis as director until the date of the Company's general meeting to approve the financial statements as at 30 June 2025. At the same general meeting, the shareholders also resolved to increase the number of members of the Board of Directors from nine to eleven and simultaneously appointed Mark Michael Dowley and Riccardo Stefanelli as new members of the Board of Directors.

Following the resignation of Alec John Scheiner, Isaac John Halyard and Niraj Narendra Shah, effective as of 12 June 2023, the AC Milan Board of Directors resolved to co-opt Robert Jay Klein and Kevin Craig LaForce as directors - until the date of the next general meeting

UEFA Settlement Agreement

On 10 February 2022, the chairman of the First Chamber of the UEFA Club Financial Control Body ("CFCB First Chamber") opened a procedure with the Company AC Milan S.p.A. under Article 12(1) of the Procedural rules governing the UEFA Club Financial Control Body ("Procedural Rules") – Edition 2021 to ascertain whether AC Milan S.p.A. complied with the UEFA Club Licensing and Financial Fair Play Regulation – Edition 2018 ("CL&FFP"). Specifically, AC Milan S.p.A. was notified that its deviation from the break-even requirements set forth in Articles 58 to 64 and 68 of the CL&FFP exceeded the permitted deviation.

On 31 August 2022, UEFA and AC Milan S.p.A. reached a settlement agreement (the "Settlement Agreement") through the CFCB First Chamber. This agreement regulates the transition by the Company from the break-even parameters under the CL&FFP to the new rules (taking effect beginning the 2023/2024 season) set forth in the UEFA Club Licensing and Financial Sustainability Regulations Edition 2022 ("CL&FSR"), which came into force on 1 June 2022.

The Settlement Agreement aims to govern the reporting periods (reporting periods) ending 2022, 2023, 2024 and 2025 and the following four football seasons: 2022/2023, 2023/2024, 2024/2025 and 2025/2026. The relevant provision has been recognised in interim balance sheet.

UEFA has published an excerpt of the Settlement Agreement online, pursuant to the Procedural Rules - Edition 2022, at the following address: [transitional_3-year_settlement_agreements_-_august_2022.pdf](https://www.uefa.com/transitional_3-year_settlement_agreements_-_august_2022.pdf) (uefa.com).

The CFCB First Chamber recently confirmed that the Company has met all the targets set for the financial year 2022, pursuant to the settlement agreement entered into in September 2022. As a result of the excellent financial performance in the 2022/2023 season, the Company expects to significantly exceed the targets set out in the Settlement Agreement for the 2023 reporting period, in view of the aleatory nature of sports results, which can have a significant impact on economic results, the Board of Directors has decided to maintain a provision in the financial statements to cover the risk that the results foreseen in the agreements will not be fully achieved.

Capital payments

During the year 2022/2023, the Company's majority shareholder, ACM Bidco B.V., made a payment on account of a future capital increase of Euro 40 million, necessary to cover expenses and investments related to the "New Stadium" project and to strengthen the Company's equity.

Sport Life City S.r.l.

In June 2023, AC Milan acquired 90% of the share capital of SportlifeCity S.r.l., the latter company having obtained from the Municipal Council of San Donato Milanese, with reference to the area called "San Francesco" located in the Municipality of San Donato Milanese, the approval of an integrated intervention programme for the development of a sports and entertainment district on the aforementioned area.

Transfer Campaign 2022/2023

The transactions finalised during the 2022/2023 Transfer Campaign resulted in a net increase in invested capital of Euro 50.5 million, deriving from additions of Euro 107.7 million, disposals of Euro 2.2 million (net book value of the rights sold) and write-downs of Euro 4.3 million. Amortisation for the year amounted to Euro 50.8 million

Profit on disposal of player registration rights amounted to Euro 0.3 million, while loss on disposal amounted to Euro 0.04 million.

With regard to the player transfer transactions finalised in the summer session of the 2022/2023 Transfer Campaign, which took place from 1 July to 1 September 2022, among others, the definitive or temporary purchases of the following players were made, Alessandro Florenzi, Junior Walter Messias, Divock Origi, De Ketelaere Charles Marc, Thiaw Malick, Dest Sergino, Vranckx Aster Jan, D'Alessio Leonardo, Cuenca Martinez Hugo Francisco, Simic Jan-Carlo, Stalmach Dariusz Piotr. For the player transfer transactions finalised in the winter session of the 2022/2023 Transfer Campaign, which ran from 2 January to 31 January 2023, we report that there was only the outright purchase of the player Vasquez Llach Devis Estiven for the men's first team. It should also be noted that during the month of May 2023, the Company and Lesc Lille reached an agreement to renegotiate the terms of the Sell on Fee in favour of Lille relating to the possible future sale of the player Rafael Leao. The agreement is to be considered an amendment and supplement to that signed in the summer of 2019 between the two clubs in relation to the acquisition of the player Leao (see Attachment No. 2 of these Notes to the Financial Statements). It should also be noted that on 29 June 2023, a contract was signed for the definitive purchase of the player Loftus-Cheek Ruben.

The permanent and/or temporary disposals of player registration rights included those of Leonardo Campos Duarte Da Silva, Samuel Castillejo Azuaga, Frank Tsadjout, Lorenzo Colombo and Daniel Maldini. It bears noting that in July 2022, the employment contracts of players Lenny Alexander Borges and Leroyil Abanda Mfono were terminated by mutual consent and the economic effect of the termination has already been recognised in the financial statements at 30 June 2023.

We also note that there were no consensual terminations with players in the winter session of the 2022/2023 Transfer Campaign.

UEFA Licence

On 10 May 2023, the UEFA First Instance Licensing Committee, having examined the documentation produced by the Company in the framework of the UEFA Licensing process for the 2023/2024 football season, decided to grant the Licence on the basis of the requirements provided for by the UEFA Licensing Manual.

National licence

On 30 June 2023, Co.Vi.So.C./F.I.G.C., having examined the documents submitted by the Club, found that the conditions required for the National Licence for the 2023/2024 professional championship had been met, in accordance with Title I) of Official Communication no. 65/A of 9 November 2022.

Football Season

On 4 June 2023, the Serie A Championship ended with AC Milan finishing in fourth place, which guaranteed access to the group stage of the UEFA Champions League 2023/2024.

Super League

On 17 April 2021, the Company and eleven other clubs (the "**Founding Clubs**") formalised an agreement (the "**Original Agreement**") to create, subject to the fulfilment of certain conditions precedent, a twenty-team European competition called the "Super League" (the "**SL Company**") in which the first team of AC Milan would take part permanently as a founding club.

On 18 April 2021, the Company, together with eight other Founding Clubs, became a member, through the subscription of a share issue and payment of an amount of Euro 200 thousand, of the European Super League Company S.L.U. (the "SL Company"), i.e. the company incorporated under Spanish law set up for the purpose of creating and managing the proposed SL. Subsequently, as provided for in the agreements between the Founding Clubs, the Company made a further payment to Shareholders' Equity of the SL Company of Euro 1.8 million.

Following the public announcement of the planned creation of the SL, UEFA and other sports bodies affiliated to UEFA expressed their opposition to the creation of the SL and publicly announced the adoption of disciplinary sanctions against the Founding Clubs.

Following the termination, as provided for in the Original Agreement, of the SL project and the Original Agreement itself, the Company (together with certain other Founding Clubs) reached an amicable settlement with UEFA an amicable settlement of the matter (the "**UEFA Agreement**") and in this framework the Company has undertaken certain commitments towards UEFA including that of paying to the UEFA Foundation For Children, together with the other clubs that signed the agreement with UEFA, a total amount of Euro 15 million, divided among the various clubs pro rata, within 12 months of the signing of the agreement. On the basis of this agreement, the Company has also agreed that UEFA, in the next UEFA competition in which the Company qualifies (it being understood that the first season for this purpose will be the 2023/2024 season), shall retain 5% of the revenues due to the Company in relation to that season. The relevant provision has been recognised in accounts.

Following the achievement of the UEFA Agreement, the Company has learned from public sources that the Commercial Court of Madrid has issued an interim injunction, in the context of a case pending before that Court, ordering UEFA, inter alia, to annul certain aspects of the obligations undertaken towards it by the signatory clubs to the UEFA Agreement.

In a media statement dated 27 September 2021, UEFA informed the clubs that are signatories to the UEFA Agreement that it would not request payment of any of the amounts specified in the UEFA Agreement as long as the proceedings in the Madrid Commercial Court were pending.

The Company also learned from public sources that the court in Madrid had asked the European Court of Justice to decide whether some aspects of UEFA's and FIFA's conduct were in breach of EU law.

The Company also learned from public sources that, on 20 April 2022, the court in Madrid revoked the injunctions it had previously ordered against on 20 April 2021 while the main case remained still pending. However, the main case is still pending (as the Court of Justice of the European Union has not yet issued its decision).

Taking into account the time elapsed since the incorporation of the SL company, the current pendency of the litigation and the other information available to AC Milan S.p.A., the Company has prudently decided to write down the investment in the financial statements by an additional Euro 200,000.

Out-of-court copyright claims

On 8 and 24 August 2022, the Company received out-of-court claims for alleged copyright violations. The Company responded with a defence refuting the claims. The last communication from the counterparty to the Company is dated 28 July 2023. The Company nonetheless activated the indemnity obligations assumed towards it by third parties in connection with these issues. As a matter of prudence, the Company also made the relevant provision in accounts.

Significant events after the reporting period

Merger

On 1 August 2023, the merger by incorporation of Milan Entertainment S.r.l. and Casa Milan S.r.l. into AC Milan S.p.A., as resolved by the extraordinary general meetings of AC Milan S.p.A., Milan Entertainment S.r.l. and Casa Milan S.r.l. on 11 May 2023, took legal effect.

This merger was finalised in order to rationalise and simplify the Milan group's corporate structure in order to achieve a more efficient management. Given that AC Milan directly or indirectly held the entire share capital of both Milan Entertainment S.r.l. and Casa Milan S.r.l., the merger was carried out in accordance with the provisions of Article 2505 of the Italian Civil Code and no exchange of shares between the Company's shares and the shares of the companies being merged took place; therefore, the shares representing the entire share capital of AC Milan remained assigned to the current shareholders of AC Milan S.p.A. without any change in the relative shareholding structure.

The effective date of the merger for accounting and tax purposes was, as allowed by Article 2504-bis, paragraph 3 of the Italian Civil Code and Article 172, paragraph 9 of Presidential Decree No. 917 of 22 December 1986, backdated to 1 July 2023.

Municipality of Milan

On 7 July 2023, the Municipality of Milan issued the decision closing the activities relating to the payment of the instalment for the ten-year period 2010/2020 pursuant to Article 4b of the Convention for the concession for the use and management of the Meazza Stadium and related services to the Companies F.C. Internazionale Milano S.p.A. and A.C. Milan S.p.A., for the period 01/07/2000-30/06/2030.

AC Milan Management Middle East

On 13 July 2023, the company AC Milan Management Middle East, a wholly owned subsidiary of A.C. Milan S.p.A., was incorporated and registered with the Dubai Companies Registry, with the corporate purpose of representing and managing the commercial activities of A.C. Milan S.p.A. in UAE.

Vismara ground lease

On 25 July 2023, the ground lease was renewed with Opera Diocesana per la Preservazione e Diffusione della fede, for the duration of 10 (ten) years, starting from 4 June 2023 until 4 June 2033, without interruption, for the complex known as the P. Vismara centre - Puma House of Football, located in Milan, via dei Missaglia 117.

Transfer Campaign 2023/2024

The transactions finalised during July and August of the 2023/2024 Transfer Campaign resulted in a net increase in invested capital of Euro 91.3 million, deriving from additions of Euro 103.7 million, disposals of Euro 12.4 million (net book value of the rights sold). Gains of Euro 48.5 million were also realised.

NOTES ON THE MAIN ASSET ITEMS

(in thousands of Euros)

FIXED ASSETS

Specific tables have been prepared for each class of fixed assets (intangible assets, tangible assets and financial fixed assets), shown in the attachments, which indicate for each item: the historical cost, the accumulated depreciation, any write-backs and write-downs, movements during the year and the final balance.

INTANGIBLE FIXED ASSETS

This item amounts to Euro 367,271 thousand (Euro 320,145 thousand at 30 June 2022). The breakdown is as follows:

	30.06.2023	30.06.2022	Change
Player registration rights	178,117	127,642	50,475
Concessions, licences, trademarks and similar rights	182,035	184,023	-1,988
Assets in progress and advances	622	19	602
Other intangible fixed assets	6,497	8,461	-1,965
Total	367,271	320,145	47,125

The change in intangible fixed assets is shown in attachment 1, which is an integral part of these Notes.

Player registration rights, of Euro 178,117 thousand (Euro 127,642 thousand at 30 June 2022), also include the costs of direct allocation which are amortised according to the players' contract expiry dates, taking into account any contract extensions agreed before the financial statements are approved. The main changes resulting from investments, disposals and write-downs during the year are detailed in attachment 2, which is an integral part of these Notes.

The item Concessions, licences, trademarks and similar rights, which amounted to Euro 182,035 thousand (Euro 184,023 thousand as of 30 June 2022), mainly related to the "AC Milan" trademark for Euro 172,332 thousand.

The trademark, following the revaluation carried out in the financial statements as of 30 June 2022 pursuant to Article 110 of Legislative Decree No. 104/2020, converted with amendments by Italian Law No. 126/2020, is recognised at a total value of Euro 174 million, representing both the value attributable to the ownership thereof and the value referable to the right of exploitation.

Also in consideration of the fact that the trademark exploitation right is granted on an exclusive basis to the subsidiary Milan Entertainment S.r.l. until 30 September 2025, the Directors - taking into account the book values of the rights connected to the trademark recorded in the financial statements of AC Milan S.p.A. and Milan Entertainment S.r.l. and supported by technical considerations expressed and documented by leading professionals - have determined the value attributable to the ownership component, equal to Euro 33.36 million, and that attributable to the exploitation right equal to Euro 140.64 million.

For the purpose of depreciation of these assets, the so-called "component approach", which is explicitly provided for in OIC No. 16 for tangible fixed assets, has been applied by analogy. The two components have therefore been considered, for depreciation purposes, each for its different multi-year usefulness and residual possibility of utilisation.

Therefore, the ownership of the trademark, which immediately belongs to AC Milan S.p.A., has been amortised pro-rata temporis on the basis of the residual possibility of use estimated at 20 years, while the right to exploit the trademark, which currently and until 30 September 2025 belongs to Milan Entertainment S.r.l., will be amortised on a straight-line basis starting from 1 October 2025, over the residual period of use equal to 17 years. In other words, the amortisation of the representative value of the right of exploitation has been suspended until 30 September 2025, the date on which the period of exclusive concession of the exploitation of the trademark to the subsidiary Milan Entertainment S.r.l. (and therefore also the amortisation of the same in the hands of the same subsidiary) has expired".

In addition, the item includes Euro 9,219 thousand (Euro 9,548 thousand at 30 June 2022) for the rights to use the television archive of home matches of A.C. Milan S.p.A. ("Milan Library") bought by Gruppo R.A.I. and R.T.I. S.p.A. (Mediaset Group) during 2009. This archive is supposed to be self-sustaining over time depending on the matches played by the team from time to time.

The item Assets in progress and advances, amounting to Euro 622 thousand (Euro 19 thousand as of 30 June 2022), mainly refers to works being carried out at the "Casa Milan" headquarters and various software programmes.

Other intangible assets, amounting to Euro 6,497 thousand (Euro 8,461 thousand on 30 June 2022), relate in particular to the following:

- Euro 1,544 thousand (Euro 1,684 thousand at 30 June 2022) for investments which were made in the "Casa Milan" headquarters, amortised according to the duration of the rental agreement for the technical and commercial areas;
- Euro 4,953 thousand (Euro 5,512 thousand on 30 June 2022), being the incremental costs incurred for the San Siro Stadium in Milan, amortised according to the duration of the agreement with the Municipality of Milan;

In relation to intangible fixed assets, amounting to Euro 367,271 thousand at 30 June 2023, it should be noted that write-downs of Euro 4,263 thousand were included under the item Player registration rights deriving from losses from definite sales, which took place in July and August 2023. Details of write-downs can be found in attachment 2, which forms an integral part of these Notes.

TANGIBLE FIXED ASSETS

This item amounts to Euro 4,823 thousand (Euro 5,036 thousand at 30 June 2022). The breakdown is as follows:

	30.06.2023	30.06.2022	Change
Land and buildings	0	0	0
Plant and machinery	500	334	167
Industrial and commercial equipment	3,351	3,800	-449
Other assets	711	892	-181
Assets in progress and advances	260	10	250
Total	4,823	5,036	-213

The change in tangible fixed assets is shown in attachment 3, which is an integral part of these Notes.

Plant and machinery, amounting to Euro 500 thousand (Euro 334 thousand at 30 June 2022), relates in particular to the following. The change compared to the previous year, amounting to Euro 167 thousand, mainly concerns the upgrading of the air conditioning system at the Vismara training centre.

Industrial and commercial equipment, amounting to Euro 3,351 thousand (Euro 3,800 thousand at 30 June 2022), mainly related to commercial equipment. The change mainly relates to the purchase of commercial equipment.

Other tangible assets, of Euro 711 thousand (Euro 892 thousand at 30 June 2022), which mainly includes electronic office equipment, furniture, office supplies and vehicles owned by the Milan Group.

Assets in progress and advances of Euro 260 thousand (Euro 10 thousand as of 30 June 2022), mainly comprise electronic office equipment not yet ready for use.

FINANCIAL FIXED ASSETS**Equity investments**

The breakdown of equity investments in subsidiaries, associates and other companies is as follows:

	30.06.2023	30.06.2022	Change
Subsidiaries	199,885	196,885	3,000
Associates	1,327	1,327	0
Other companies	800	1,000	- 200.00
Total	202,012	199,212	2,800

With regard to changes during the year relating to financial assets, please see Attachment 4 (Statement of changes in equity investments) and Attachment 7 (List of equity investments in subsidiaries and associates (ex Article 2427 (5) Italian Civil Code), the latter gives a comparison of the book value and the corresponding share of shareholders' equity, and they form an integral part of these Notes.

Equity investments in subsidiaries

This item, equal to Euro 199,885 thousand (Euro 196,885 thousand at 30 June 2022) includes:

- Euro 183,756 thousand (unchanged compared to 30 June 2022), for 100% of the share capital of Milan Entertainment S.r.l., based in Milan, Via Aldo Rossi no. 8, whose main object is the management and commercial promotion of brands owned by or available to A.C. Milan S.p.A.;
- Euro 12,825 thousand (unchanged compared to 30 June 2022), relating to 100% of the share capital of Milan Real Estate S.p.A., headquartered in Carnago (Varese) – Via Milanello no. 25. The company's purpose is the development of projects in the real estate sector, in the area of sports facilities, through any activities or operations aimed at and connected to the construction or acquisition of property complexes and infrastructure;
- for Euro 3,000 thousand (not present at 30 June 2022) to the acquisition of 90% of the share capital of Sportlifecity S.r.l. As already reported in the section "Significant events during the period", the Company was acquired in June 2023 and is currently at the beginning of its activity. The loss for the year of Euro 32 thousand is not considered permanent and is deemed recoverable based on the Directors' development plan. The Company acquired a stake in Sport Life City S.r.l., a company that obtained from the Municipality of San Donato Milanese the approval of an integrated intervention programme for the development of a sports and entertainment district in the "San Francesco" area of the municipality of San Donato Milanese. On the basis of these factors, no write-down was made;
- Euro 104 thousand (unchanged compared to 30 June 2022) relating to 100% of the share capital of the non-profit Milan Foundation, which was set up in 2003 with the aim of meeting basic individual needs and freedoms, of diffusing a culture of sport as a tool for mental and physical well-being, social integration, improving quality of life, and to support and organise charitable projects

- Euro 0.1 thousand (unchanged compared to 30 June 2022) relating to 1% of the share capital of Casa Milan S.r.l., incorporated in November 2020 with the corporate purpose of buying and selling, exchanging, renting and administering real estate.
- Euro 200 thousand (unchanged compared to 30 June 2022) relating to 100% of the share capital of the company AC Milan (Shanghai) Sports Development Co. Ltd. incorporated in February 2021 and having as its corporate purpose the development of commercial activities under the Milan brand in the Asian market, including the planning and organisation of sports events and the sale of sports material and merchandising.

Equity investments in associates

At 30 June 2023, this item amounted to Euro 1,327 thousand (unchanged compared to 30 June 2022) and refers to the 50% holding in the company M-I Stadio S.r.l., established with F.C. Internazionale Milano S.p.A. for the technical and commercial management of the San Siro Stadium in Milan.

Shareholdings in other companies

This item amounted to Euro 800 thousand at 30 June 2023 (Euro 1,000 thousand at 30 June 2022) and related to the investment held in European Super League Company S.L.U. ("SL Company"), a company incorporated under Spanish law created to create and manage the competition called "Super League".

For any events not described here, please refer to the relevant paragraph in "Significant events during the period".

Long-term receivables

Other receivables

This item is equal to Euro 414 thousand (Euro 363 thousand at 30 June 2022), mainly comprising security deposits.

WORKING CAPITAL

RECEIVABLES

	30.06.2023	30.06.2022	Change
Trade receivables	34,772	49,715	-14,943
Receivables from subsidiaries	16,694	8,195	8,499
Receivables from associates	1,027	–	1,027
Tax receivables	444	545	-101
Deferred tax assets	515	944	-429
Other receivables	7,501	2,766	4,735
Receivables from bodies – specific sector	12,950	30,730	-17,780
Total	73,903	92,895	-18,992

Receivables due beyond the next financial year amounted to Euro 6,666 thousand; there were no receivables with a remaining duration of more than five years.

Trade receivables

At the end of the period this item was composed as follows:

	30.06.2023	30.06.2022	Change
Trade receivables	37,041	51,867	-14,826
Provision for doubtful trade receivables	-2,269	-2,152	-117
Net value	34,772	49,715	-14,943

Trade receivables, net of the provision for doubtful accounts, amounted to Euro 34,772 thousand (Euro 49,715 thousand at 30 June 2022) and are of a commercial nature. The decrease is mainly due to the end of the 2010/2020 decade of the agreement with the Municipality of Milan for the San Siro stadium offset by an increase in receivables from customers for advance billing of television rights.

The provision for doubtful accounts shown above reflects the value adjustment to the receivables to align them to their estimated realisable value; during the year, the allowance for bad debts was increased by Euro 117 thousand.

Receivables from subsidiaries, associate, parent companies and companies subject to parent companies' control

The item was composed as follows:

	30.06.2023	30.06.2022	Change
Receivables from subsidiaries:			
· trade receivables	18	561	-543
· other receivables	16,676	7,635	9,041
Total receivables from subsidiaries	16,694	8,195	8,498
Receivables from associates:			
· trade receivables	1,027	0	1,027
· other receivables	-	-	-
Total receivables from associates	1,027	-	1,027

Receivables from subsidiaries of a commercial nature include Euro 18 thousand (Euro 561 thousand at 30 June 2022) as trade receivables from Milan Entertainment S.r.l. and Milan Real Estate S.p.A..

"Other receivables" from subsidiaries includes Euro 16,676 thousand (Euro 7,635 thousand at 30 June 2022) arising from the execution of the "Agreement on the exercise of the option for the national tax consolidation scheme" and are due from Milan Entertainment S.r.l., Milan Real Estate S.p.A. and Casa Milan S.r.l.. The increase mainly relates to the share of IRES recognised at 30 June 2023 in respect of the same subsidiaries.

Receivables from associates, amounting to Euro 1,027 thousand (nil at 30 June 2022), referred to the trade receivables from M-I Stadio S.r.l. and primarily related to charges for using internal and external facilities at the San Siro stadium under an agreement between A.C. Milan S.p.A., F.C. Internazionale S.p.A. and M-I Stadio S.r.l..

Tax receivables

At end of the year this item was composed as follows:

	30.06.2023	30.06.2022	Change
Regional business tax (IRAP) receivables	0	89	-89
Other tax receivables	444	456	-11
Total	444	545	-101

As of 30 June 2023, the Company has a VAT and IRAP liability, the balances of which are therefore recorded in the balance sheet liabilities.

Deferred tax assets

The amount of Euro 515 thousand (Euro 944 thousand at 30 June 2022) relates to the recognition of deferred tax assets on the provisions over the years, and in the current year to the provision for doubtful accounts, as to the non-tax-deductible part.

Other receivables

This item, amounting to Euro 7,501 thousand (Euro 2,766 thousand as of 30 June 2022), mainly included Euro 4,449 thousand (Euro 798 thousand as of 30 June 2022) for advances paid to suppliers, professionals.

Receivables from bodies – specific sector

Net of the provision for doubtful accounts and amortised cost, this item amounts to Euro 12,950 thousand (Euro 30,730 thousand at 30 June 2022). The amount is due from various football clubs, for payments relating to the current and/or past transfer seasons, and in connection with international trips by teams taking part in the training of players sold by those clubs, in accordance with the F.I.F.A. Solidarity mechanism.

Specifically, the item consists of:

- Euro 5,000 thousand (Euro 8,576 at 30 June 2022) for amounts due from the club Eintracht Frankfurt Fussball AG for the temporary sale of the player Jens Petter Hauge;
- Euro 2,781 thousand (not present at 30 June 2022) related to the sell on fee and a performance bonus of the player Lucas Tolentino Coehlo De Lima “Paquetà”;
- Euro 1,600 thousand (not present at 30 June 2022) related to the sell on fee of the player Matteo Pessina;
- Euro 1,108 thousand (not present at 30 June 2022) to receivables from Istanbul Basaksehir FK for the definitive sale of the football player Leonardo Campos Duarte da Silva;
- Euro 1,050 thousand (Euro 5,158 thousand at 30 June 2022) for amounts due from the Lega Nazionale Professionisti, in respect of various transfer seasons;
- Euro 952 thousand (Euro 1,905 at 30 June 2022) for amounts due from the club F.K. Dinamo Moskva

for the definitive sale of the player Diego Sebastián Laxalt Suárez;

- Euro 36 thousand (not present as at 30 June 2022) for amounts due from ACF Fiorentina for the definitive sale of the player Miriam Longo;
- Euro 421 thousand (Euro 64 thousand at 30 June 2022) for amounts due from various football clubs under the “solidarity mechanism”.

TOTAL FINANCIAL ASSETS OTHER THAN FIXED ASSETS

Financial assets for centralised cash management, of Euro 14,201 thousand (Euro 8,585 thousand at 30 June 2022) relate to the cash management services performed by A.C. Milan S.p.A. for Milan Real Estate S.p.A., under an infra-group current account contract.

CASH AND CASH EQUIVALENTS

This item consists of the funds in the restricted and ordinary current accounts, totalling Euro 70,473 thousand (Euro 28,764 thousand at 30 June 2022). It should be noted that there are no restricted amounts at the interim financial statement date.

Cash and valuables on hand amounted to Euro 38 thousand (Euro 27 thousand at 30 June 2022).

Please refer to the Cash Flow Statement, which forms an integral part of these Notes, for a more detailed analysis of liquidity trends.

ACCRUED INCOME AND PREPAYMENTS

At end of the year this item was composed as follows:

	30.06.2023	30.06.2022	Change
Accrued income	879	737	142
Prepaid expenses:			
- prepaid insurance premiums	66	653	-587
- other prepayments	5,249	2,796	2,453
Total prepaid expenses	5,315	3,449	1,866
Total accruals and deferrals	6,194	4,186	2,008

Accrued income increased due to insurance reimbursement for first team player injury.

Other Deferred Charges, amounting to Euro 5,249 thousand (Euro 2,796 thousand as of 30 June 2022), refer in particular to Euro 947 thousand for costs related to the men's first team tour in the United States, Euro 212 thousand related to F24 for interest and accrual surcharge, Euro 1,312 thousand related to the advance invoicing of clothing and technical sponsor supplies, Euro 540 thousand related to the renovation of the F playing field at the Vismara Training Centre and Euro 1,268 thousand related to the Milan Municipality fee.

NET FINANCIAL POSITION

As a supplement to the reporting of financial payables and financial receivables in the financial statements, the Net Financial Position is also provided in this section.

	30.06.2023	30.06.2022	Change
Total financial assets other than fixed assets	14,201	8,585	5,616
Cash and cash equivalents	70,512	28,791	41,720
Total financial assets	84,712	37,376	47,336
Payables to other financial institutions	-70,962	-66,924	-4,038
Financial payables to subsidiaries, associates, parent companies and other financial liabilities	-216,862	-189,183	-27,679
Total financial liabilities	-287,824	-256,107	-31,718
Net financial position	-203,112	-218,730	15,618

A breakdown of changes in the individual items making up the net financial position is provided in the specific sections of these Notes.

NOTES ON MAIN SHAREHOLDERS' EQUITY AND LIABILITY ITEMS

(in thousands of Euros)

SHAREHOLDERS' EQUITY

The changes in the items of shareholders' equity are provided in attachment 5, which is an integral part of these Notes.

Comments are provided on those changes below.

SHARE CAPITAL

Share capital at 30 June 2023, amounted to Euro 113,443,200 (unchanged compared to 30 June 2022), which was fully subscribed and paid up, consisting of 218,160,000 ordinary shares with a nominal value of Euro 0.52 each.

SHARE PREMIUM RESERVE

At 30 June 2023, the Share premium reserve amounted to Euro 31,020,000 (unchanged compared to 30 June 2022) and relates to the premium paid to cover 170,160,000 shares.

REVALUATION RESERVE

At 30 June 2023, the Revaluation Reserve amounted to Euro 33,156 thousand (Euro 125,454 thousand at 30 June 2022). The reserve was recognised by the Company in the previous financial year following the revaluation of the "AC Milan" trademark carried out by availing itself of the option set forth in Article 110 of Legislative Decree No. 104/2020, converted into Law No. 126 of 13/10/2020 and its subsequent amendments. The change from the previous year is determined by the utilisation to cover the loss emerging from the financial statements as at 30 June 2022 in the amount of Euro 92,298 thousand.

LEGAL RESERVE

At 30 June 2023, the legal reserve amounted to Euro 124 thousand and was unchanged from the previous year.

OTHER RESERVES

The balance of Euro 45,000 thousand (Euro 5 thousand on 30 June 2022) relates to capital contributions and/or payments to cover losses. The change compared to 30 June 2022 is attributable to the capital contributions made by the shareholder ACM Bidco B.V. for a total of Euro 40 million, necessary to cover expenses and investments related to the "New Stadium" project and to strengthen the Company's equity.

PROFIT (LOSS) CARRIED FORWARD

At 30 June 2023, this item amounted to a loss of Euro 45,242 thousand (no change compared to 30 June 2022) and includes the effects of changes arising from the first-time adoption of the new OIC accounting standards.

PROFIT/(LOSS) FOR THE YEAR

A loss of Euro 17,878,615 was recorded for the 2022/2023 financial year (a loss of Euro 92,298 thousand for the year ending 30 June 2022).

PROVISIONS FOR RISKS AND CHARGES

Provisions estimated on the basis of specific losses that are certain or likely are detailed below:

	Balance at 01.07.2022	Allocations	(Uses)	Other changes	Balance at 30.06.2023
Provision for deferred tax liabilities	48,546	- -	465	-	48,081
Other provisions for risks and charges	22,983	6,293	-1,086	- 2,000	26,190
Total	71,529	6,293	-1,551	- 2,000	74,271

Provision for deferred tax liabilities

As of 30 June 2023 it amounted to Euro 48,081 thousand (Euro 48,546 thousand as of 30 June 2022) and included the deferred tax liabilities recognised in the previous year following the revaluation of the "AC Milan" trademark carried out by the Parent Company availing itself of the option set forth in Article 110 of Legislative Decree 104/2020, converted into Law No. 126 of 13/10/2020 and its subsequent amendments. The change is related to trademark amortisation.

Other provisions for risks and charges

At 30 June 2023 this amounted to Euro 26,190 thousand (Euro 22,983 thousand at 30 June 2022). The utilisations for the year refer to transactions concluded with sports personnel whose employment contracts were terminated early during the previous season. During the financial year, Euro 2 million was also released and transferred to other payables as the amount that, pursuant to the agreement concluded with UEFA (on this, see the section "Significant events during the period"), was withheld by UEFA on the prize money due to the Club in relation to the 2022/2023 football season. It should also be noted that provisions for out-of-court claims are also included.

EMPLOYEE LEAVING ENTITLEMENTS

The changes in this item are shown in the following table; The balance is fully sufficient to cover contractual and legal obligations.

	EMPLOYEE LEAVING ENTITLEMENTS.	End of career entitlements	Total
Balance at 01.07.2022	1,110	52	1,162
Provisions	1,181	659	1,840
Uses for employment terminations/prepayments	-77	0	- 77
Transfers	0	0	-
Payments	0	-777	- 777
Other changes	-947	134	-813
Balance at 30.06.2023	1,267	68	1,335

The item Provisions includes revaluation of the pre-existing amount calculated in accordance with legal requirements and the "white semester" amount which represents (solely for the year 2007) the employee leaving entitlements accrued from 1 January 2007 up to the date of selection of allocation to the company supplementary pension fund (closed) or a contractual pension fund (open) or individual pension plan (IPP).

PAYABLES

	30.06.2023	30.06.2022	Change
Payables to other financial institutions	70,962	66,924	4,038
Trade payables	44,508	50,253	-5,745
Payables to subsidiaries	217,742	193,897	23,845
Payables to associates	2,752	2,179	573
Payables to parent companies	227	-	227
Tax payables	24,031	29,995	-5,964
Payables to pension funds and social security agencies	1,333	5,815	-4,483
Payables to third parties	19,731	22,305	-2,574
Payables to bodies – specific sector	71,829	50,538	21,291
Total	453,116	421,906	31,210

Payables due beyond the next financial year amounted to Euro 60,416 thousand; there were no payables with a remaining duration of more than five years.

Payables to other financial institutions

This amount, of Euro 70,962 thousand (Euro 66,924 thousand at 30 June 2022) relates to amounts payable to factoring companies for advances on future accounts receivable as follows:

- Euro 32,510 thousand (Euro 40,250 thousand as of 30 June 2022) to a factoring contract signed with Unicredit Factoring S.p.A. concerning the sale with recourse to Unicredit Factoring S.p.A. of receivables accrued/matured deriving from the marketing of broadcasting rights of the Serie A championship;
- Euro 38,452 thousand (Euro 13,219 thousand as of 30 June 2022) to a "confirming" financing line signed with Factorit S.p.A., which provides for the possibility for the Company to request, within the limits of the granted plafond, the payment of maturing debts by the factoring institute,

in the name and on behalf of the Company, with repayment of the amounts in instalments over time.

We also note the complete extinguishment of the factoring contract with Banca Ifis S.p.A in the amount of Euro 13,455 thousand as of 30 June 2022.

Trade payables

These are broken down in the table below:

	30.06.2023	30.06.2022	Change
Suppliers	23,377	35,728	-12,351
Suppliers for invoices to be received	21,162	14,628	6,534
Credit notes to be received	-31	-103	73
Total	44,508	50,253	-5,745

The item Trade payables includes payables to football agents for a total of Euro 10,884 thousand (Euro 6,953 thousand at 30 June 2022), of which Euro 3,576 thousand maturing after the following year.

The decrease is mainly due to the end of the 2010/2020 decade of the agreement with the Municipality of Milan for the San Siro stadium offset by an increase in trade payables.

Payables to subsidiaries, associate, parent companies and companies subject to parent companies' control

The item was composed as follows:

	30.06.2023	30.06.2022	Change
Payables to subsidiaries:			
· trade and other payables	880	4,714	-3,834
· financial payables	216,862	189,183	27,679
Total payables from subsidiaries	217,742	193,897	23,845
Payables to associates:			
· trade and other payables	2,752	2,179	573
· financial payables	-	-	-
Total payables to associates	2,752	2,179	573
Payables to parent companies:			
· trade and other payables	227	-	227
· financial payables	-	-	-
Total payables to parent companies	227	-	227

Trade and other payables to subsidiaries refer to Milan Real Estate S.r.l. for Euro 880 thousand (Euro 411 thousand as of 30 June 2022). It should also be noted that the payable to Casa Milan amounting to

Euro 3,840 thousand as of 30 June 2022 was entirely paid during the year.

Financial payables to subsidiaries, of Euro 216,862 thousand (Euro 189,183 thousand at 30 June 2022) relate exclusively to Milan Entertainment S.r.l. and derive from cash management services performed by the company under an inter-company current account agreement.

Payables to associates relate to the company M-I Stadio S.r.l. for the coverage of operating costs for the management of the San Siro Stadium in Milan, under an agreement in place between A.C. Milan S.p.A., F.C. Internazionale S.p.A. and M-I Stadio S.r.l., which provides for an annual fee in favour of the concessionaires of Euro 9,100 thousand (plus any adjustments).

Payables to parent companies, amounting to Euro 227 thousand (not present as at 30 June 2022), relate to consultancy services provided by ACM FootballCo Intermediate Coöperatief U.A. (as better detailed in the section "Transactions with subsidiary, associated and controlling companies")

Tax payables

	30.06.2023	30.06.2022	Change
Payables for current taxes	2,762	539	2,223
Payable to Treasury for VAT	3,859	2,096	1,763
Payables withholding tax on income from work:			0
· registered players and employees	16,149	26,236	-10,087
freelance workers and consultants	1,261	1,124	136
Other tax payables and withholdings		-	-
Total	24,031	29,995	-5,964

It should be noted that in the context of Payables for current taxes, the I.R.A.P. payable refers to the IRAP portion recognised as of 30 June 2023, amounting to Euro 2,762 thousand.

At 30 June 2023, the Company had a VAT payable position of Euro 3,859 thousand (payable of Euro 2,096 thousand at 30 June 2022).

Payables on withholdings on income from work related to the withholdings made on registered players, employees and freelance workers. The Company benefited from the suspension of contributions and social security payments due in April-June 2020 pursuant to Decree Law 34/2020 and the suspension of payments due in January-February 2021 pursuant to Article 1, paragraphs 36 and 37 of the 2021 Finance Act. The aforesaid payments resumed from 16 September 2020 and from May 2021 according to the instalment plan granted by Decree Law 104/2020 (so-called "August Decree"). In addition, withholding taxes for the months of December 2021 and January/March 2022 were not paid for registered players in accordance with paragraphs 923 and 924 of Article 1 of Law No. 234/2021 (Budget Law 2022).

However, these payments resumed from 26 May 2022. It should also be noted that the withholding taxes of December 2021 and January/March 2022 on members were further accrued in 57 instalments as per the Budget Law 2023. It should be noted, therefore, that in connection with the application of the Budget Law 2023, there are tax payables in the amount of Euro 5,107 thousand due beyond the next financial year.

Payables to pension funds and social security agencies

The amount of this item was broken down as follows:

	30.06.2023	30.06.2022	Change
Payables to I.N.P.S.	1,371	5,824	-4,452
Payables/(Receivables) to/from other pension institutions	-39	-9	-30
Total	1,333	5,815	-4,483

This item also includes the payables for contributions to supplementary pension funds and/or to the Treasury Fund at the INPS. The changes were in line with the trend in the cost of labour. The change from the previous year is related to the use in the previous year of the suspension of contributions and social security payments due in April-June 2020 pursuant to Decree Law 34/2020 and the suspension of payments due in January-February 2021 pursuant to Article 1, paragraphs 36 and 37 of the 2021 Finance Act. The aforesaid payments resumed from 16 September 2020 and from May 2021 according to the instalment plan granted by Decree Law 104/2020 (so-called “August Decree”). In addition, contributions and social security payments for the months of December 2021 and January/March 2022 were not paid for registered players in accordance with paragraphs 923 and 924 of Article 1 of Law No. 234/2021 (Budget Law 2022). However, these payments resumed from 26 May 2022 and have been paid in full to date.

Other payables

These consisted of the following:

	30.06.2023	30.06.2022	Change
Payables to registered players and employees	16,237	19,676	-3,440
Payables to directors, statutory auditors and the Supervisory Body.	40	47	-7
Other payables	3,455	2,582	873
Total	19,731	22,305	-2,574

Payables to registered players and employees relate in particular to the additional month salaries and bonuses to registered players, duly paid on the established deadlines.

The item Other Payables refers mainly to payables for holidays, reduced working hours and additional monthly payments.

Payables to bodies – specific sector

These amount, net of the amortised cost, to Euro 71,829 thousand (Euro 50,538 thousand at 30 June 2022) and are composed of payables to the Lega Nazionale Professionisti and payables to foreign and national football clubs.

Payables to the Lega Nazionale Professionisti, of Euro 6,745 thousand (Euro 10,375 thousand of 30 June 2022) are the balance of the 2022/2023 transfer campaign.

Payables to foreign and Italian football clubs, amounting to Euro 65,084 thousand (Euro 40,163 thousand at 30 June 2022), net of amortised cost adjustments of Euro 1,486 thousand, related to:

- Euro 25,500 thousand (not present at 30 June 2022) for the payable to Club Brugge NV for the definitive purchase of the player Charles De Ketelaere;
- Euro 17,543 thousand (not present at 30 June 2022) for the payable to Chelsea Football Club for the definitive purchase of the player Loftus Cheek Rubem;
- Euro 10,589 thousand (Euro 21,659 thousand at 30 June 2022) for the payable to Chelsea Football Club for the definitive purchase and other performance bonuses of the player Tomori Oluwafikayomi;
- Euro 4,066 thousand (Euro 8,359 thousand at 30 June 2022) for the payable to Lille Olympique Sporting Club for the definitive purchase and other performance bonuses of the player Mike Petterson Maignan;
- Euro 3,018 thousand (not present at 30 June 2022) to the payable to FC Gelsenkirchen-Schalke 04 EV for the definitive purchase of the player Malick Thiaw;
- Euro 1,300 thousand (not present at 30 June 2022) to the payable to U.S. Lecce for the performance bonus and counter-option of the player Lorenzo Colombo;
- Euro 1,000 thousand (not present at 30 June 2022) to the payable to Brescia Calcio for the performance bonus to football player Sandro Tonali;
- Euro 750 thousand (not present at 30 June 2022) to the payable to F.C.Crotone for the performance bonus of the player Walter Junior Messias;
- Euro 600 thousand (not present at 30 June 2022) to the payable to Spezia Calcio for the performance bonus of the player Daniel Maldini;
- Euro 248 thousand (not present at 30 June 2022) to the payable to Bordeaux for bonuses related to the player Yacine Adli;
- Euro 247 thousand (not present at 30 June 2022) to the payable to Real Madrid for bonuses related to the player Abdeldader Diaz Brahim;
- Euro 216 thousand (Euro 330 thousand at 30 June 2022) for the payable to FK Bodo/Glimt for the sell-on fee for the player Hauge Jens Petter;

- Euro 160 thousand (not present at 30 June 2022) to the payable to Cosenza Calcio for performance bonuses of the players Brescianini and Nasti;
- Euro 144 thousand (not present at 30 June 2022) to payables to Fiorentina, Atletico Madrid and Bayer Munich respectively for the players Mascarello, Staskova, Laurent;
- Euro 100 thousand (not present at 30 June 2022) to the payable to FC Gornik Zabre SA for the definitive purchase of the player Dariusz Piotr Stalmach;
- Euro 78 thousand (not present at 30 June 2022) to payables to other minor football clubs for youth sector players;
- Euro 47 thousand (not present at 30 June 2022) for the payable to Manchester United for reimbursement of the world championship participation of the player Dalot;
- Euro 878 thousand (Euro 738 thousand at 30 June 2022) for the payable to various clubs for the fees payable in connection with international transfers to the teams who contributed to the players' training, in accordance with the FIFA solidarity mechanism. Specifically, it mainly derives from the purchase and performance bonuses of players Mike Petterson Maignan, Oluwafikayomi Oluwadamilola Tomori, Malik Thiaw, Rafael Leao, Olivier Giroud, Boakye, Eletu, Lazetic and Vasquez.

ACCRUED EXPENSES AND DEFERRED INCOME

At end of the year this item was composed as follows:

	30.06.2023	30.06.2022	Change
Accrued expenses	59	29	30
Deferred income:			
• deferred broadcasting rights	13.859	0	13,859
• deferred season tickets	14,242	10,455	3,787
• other prepayments	22.824	16.631	6,194
Total deferred income	50,925	27,086	23,840
Total accruals and deferrals	50,985	27,115	23,870

The item Deferred income, equal to Euro 50,925 thousand (Euro 27,086 thousand on 30 June 2022) includes:

- Euro 14,242 thousand (Euro 10,455 thousand at 30 June 2022) relating to advance invoicing for season ticket sales valid for the 2023/2024 Serie A Championship for the period 1 January - 30 June 2024;

- Euro 13,859 thousand (not present at 30 June 2022) related to the advance billing of broadcasting rights for the 2023/2024 Serie A championship;
- Euro 11,649 thousand (Euro 4,876 thousand at 30 June 2022) relating to advance invoicing for sponsorships and kit;
- Euro 9,126 thousand (Euro 9,450 thousand at 30 June 2022) relating to royalties from rights to use images of Milan's home games in specific seasons ("Milan Library");
- Euro 1,670 thousand (Euro 1,353 thousand at 30 June 2022) relating to advance invoicing for royalties;
- Euro 379 thousand (Euro 952 thousand as at 30 June 2022) related to the advance invoicing of merchandise exchange, football schools, car parks and other archive rights.

COMMITMENTS, RISKS AND POTENTIAL LIABILITIES**COMMITMENTS AND GUARANTEES****Bank guarantees, endorsements and other personal guarantees**

These are guarantees issued by banks and/or insurers, totalling Euro 18,336 thousand (Euro 12,484 thousand at 30 June 2022), mainly in favour of:

- Lega Calcio, for the transfer season, for Euro 7,241 thousand (Euro 5,376 thousand at 30 June 2022);
- The Municipality of Milan, for the use of the San Siro Stadium, for Euro 2,379 thousand (Euro 2,348 thousand at 30 June 2022);
- The Italian Revenue Agency (Agenzia delle Entrate) for Euro 1,497 thousand (Euro 1,497 thousand at 30 June 2022) for a VAT receivable relative to the 2018 VAT return 2017 tax period, requested as a reimbursement;
- Ministry for Economic Development, for Euro 32 thousand (unchanged compared to 30 June 2022), for prize contests related to the "MILAN120" and "Derby Together" initiatives;
- Fabrica Immobiliare SGR S.p.A., for Euro 3,200 thousand (unchanged compared to 30 June 2022) for the lease on the "Casa Milan" property;
- Municipality of Milan for the freezing of fees Euro 3,877 thousand (not present as at 30 June 2022)
- FIGC for women's team registration Euro 80 thousand (not present as at 30 June 2022).

NOTES ON THE MAIN INCOME STATEMENT ITEMS

(in thousands of Euros)

Introduction

Before analysing the individual items, we remind you that the comments on the general changes in costs and revenues are provided in the Report on Operations, as required by Article 2428 paragraph 1 Italian Civil Code. We also remind you that the income statement items have been classified according to the financial statement structure established for professional football clubs, in compliance with the provisions of the F.I.G.C. Official Notice no. 58, published on 5 September 2006.

VALUE OF PRODUCTION

The total value of production in the 2022/2023 financial year amounted to Euro 313,421 thousand (Euro 238,589 thousand in the first half of the 2021/2022 financial year). The breakdown of this item is shown below.

Revenues from sales and services

These related to the sale of tickets and season tickets to attend first team matches. They include, in particular:

	FY 2022/2023	FY 2021/2022	Change
Home match revenues:			
• League matches	23.300	21,019	2,281
• Tim Cup matches	178	2.879	-2,701
• European and international matches	28.684	7,728	20,956
• other matches	-	-	-
Away matches revenues:			
• Tim Cup matches	-	-	-
Season tickets	16.736	0	16,736
Revenues from other competitions	1.587	235	1,352
Total	70,487	31,861	38,626

The change, and concomitant increase, in match revenues stems from revenues related to the season ticket campaign due to the reopening of stadiums as well as higher revenues related to European competitions with the reaching of the semi-finals of the UEFA Champions League.

For more details on the revenue trend, please refer to the Report on Operations.

Other revenues and income

This income consisted of:

	FY 2022/2023	FY 2021/2022	Change
Operating grants	119	173	-54
Sponsorship income	31,582	30,972	610
Commercial income and royalties	9,206	8,681	525
Income from broadcasting and media rights:			
• Broadcasting income	87,024	88,729	-1,704

NOTES

• Broadcasting income from participation in UEFA competitions	87,882	44,272	43,610
Sundry income:			
• Income from archive rights licensing	6,338	6,422	-84
• Publishing income		-	-
• Sundry income	733	232	501
Revenues from player loans	82	1,661	-1,579
gains from the sale of player registration rights	268	5,570	-5,302
Other income from player management	6,243	3,227	3,016
Other sundry revenues	13,457	16,790	-3,332
Total	242,935	206,728	36,207

Sponsorship income, of Euro 31,582 thousand (Euro 30,972 thousand in the 2021/2022 financial year) mainly relate to the following:

- Euro 16,200 thousand (Euro 15,000 thousand in the 2021/2022 financial year) in fees paid by the Official Sponsor Emirates;
- Euro 14,565 thousand (Euro 15,541 thousand in the 2021/2022 financial year) in fees paid by the Official Kit Partner Puma International Sports Marketing B.V. for the purchase of the right to place their branding on the club's official kit;
- Euro 817 thousand (Euro 431 thousand in FY 2021/2022) being payments from contracts with the corporate sponsors, official and technical suppliers, and commercial partners under which the club allows sponsors to use the titles of "Official Supplier", "Official Partner" and "Institutional Sponsor" for advertising and publicity.

Commercial income and royalties, amounting to Euro 9,206 thousand (Euro 8,681 thousand in the 2021/2022 financial year), mainly relate to the revenues from merchandising and licensing and in particular to the agreement with Puma International Sports Marketing B.V..

Income from broadcasting and media rights, of Euro 174,906 thousand (Euro 133,000 thousand in the 2021/2022 financial year):

- Euro 87,024 thousand (Euro 88,729 thousand in the 2021/2022 financial year) from the centralised licence of broadcasting rights for the 2022/2023 season of various packages assigned to broadcasters, including in particular Sky Italia S.r.l., RAI IMG Media and Perform Investment Ltd (Dazn). The negative change is mainly related to the lower placing in the Serie A championship;
- Euro 87,882 thousand (Euro 44,272 thousand in the 2021/2022 financial year) relating to the amount paid to the Company as a result of the trading and utilisation of television and radio broadcasting rights for participation in the 2022/2023 UEFA Champions League.

Income from archive rights licensing, amounting to Euro 6,338 thousand (Euro 6,422 thousand in the 2021/2022 financial year), relating to the fees resulting from the granting of the users right for the images of the A.C. Milan home matches for specific football seasons (the "*Milan Library*").

Revenues from player loans, amounting to Euro 82 thousand (Euro 1,660 thousand in the 2021/2022 financial year), relate to the following players loaned out by the Club:

Player	Selling club	Amount
Andreas Kristoffer Jungdal	SCR Altach Spielbet	35
Marko Lazetic	SCR Altach Spielbet	47
Total		82

Gains from the sale of player registration rights, realised in the year 2022/2023, are listed below with details of the name of the player and the selling club:

Player	Selling club	Net carrying amount (*)	Sale amount	Gain
Frank Tsadjout	U.S. Cremonese	167	400	233
Linda Tucceri Cimini	ACF Fiorentina	0	5	5
Miriam Chiara Longo	ACF Fiorentina	0	30	30
Gains				268

(*) *Net of the effect of the implementation of the “amortised cost” method as provided for by Article 2426, paragraph 1, no. 8 of the Italian Civil Code.*

Other income from player management, of Euro 6,243 thousand (Euro 3,227 thousand in the 2021/2022 financial year) relates to:

- Euro 1,600 thousand (not present in the 2021/2022 financial year) sell on fee paid by Atalanta Bergamasca Calcio on the resale of the player Matteo Pessina;
- Euro 3,068 thousand (not present in the 2021/2022 financial year) sell on fee paid by Olympique Lyonnais on the resale of the player Lucas Paquetà;
- Euro 300 thousand (not present in the 2021/2022 financial year) sell on fee paid by Crotona on the resale of the player Giovanni Crociata;
- Euro 200 thousand (not present in the 2021/2022 financial year) sell on fee paid by Bologna Calcio on the resale of the player Simone Verdi;
- Euro 214 thousand (not present in the 2021/2022 financial year) to the variable compensation paid by Olympique Lyonnais for the player Lucas Paquetà reaching the contractual targets;
- Euro 235 thousand (not present in the 2021/2022 financial year) to the variable compensation paid by AZ NV Alkmaar for the player Milos Kerkez reaching the contractual target;
- Euro 120 thousand (not present in the 2021/2022 financial year) to the variable compensation paid by Istanbul Basaksehir for the player Leonardo Campos Duarte Da Silva reaching the contractual target;
- Euro 505 thousand (Euro 792 thousand in the 2021/2022 financial year) to the solidarity contribution recognised by various football clubs for the transfer of certain players who played for Milan teams in the financial year between the ages of 12 and 23.

The item "Other income and revenues", equal to Euro 13,457 thousand (Euro 16,790 thousand in the 2021/2022 financial year) and comprised Euro 1,058 thousand (Euro 3,116 thousand in the 2021/2022 financial year) for the utilisation, for various reasons, of the provision for future charges accrued in previous years' financial statements, and Euro 3,584 thousand (Euro 6,650 thousand in the 2021/2022 financial year) for contingent assets and other residual revenues and income. This item also includes Euro 3,430 thousand (Euro 3,372 thousand in the 2021/2022 financial year) as income arising from the recharge of costs to Milan Entertainment S.r.l., in particular for the use of indoor spaces at Casa Milan and at the San Siro Stadium in Milan, to Milan Real Estate S.p.A., of players and third parties, as well as Euro 2,434 thousand (Euro 1,407 thousand in the 2021/2022 financial year) as consideration deriving from the invoicing to the associated company M-I Stadio S.r.l. for the use of some indoor and outdoor areas at the San Siro stadium in Milan, Euro 1,026 thousand (Euro 766 thousand in the 2021/2022 financial year) for insurance reimbursements following injuries sustained by Milan's first team players and Euro 285 thousand (Euro 383 thousand in the 2021/2022 financial year) as income for miscellaneous recharges.

COSTS OF PRODUCTION

Costs of production in the 2022/2023 financial year amounted to Euro 342,435 thousand (Euro 337,863 thousand in the 2021/2022 financial year).

Costs for consumables and goods

Costs for the purchase of consumables and goods, of Euro 3,237 thousand (Euro 2,975 thousand in the 2021/2022 financial year) essentially relate to the costs of purchasing sports kit for training, the official kits supplied by the Official Kit Partner, and medical supplies.

Cost for services

Were broken down as follows:

	FY 2022/2023	FY 2021/2022	Change
Costs for registered players	4,497	3,906	590
Costs for sporting activities	1,999	1,823	176
Specific technical costs	20,345	12,164	8,181
Lodging, accommodation, and match transport costs	6,251	2,623	3,628
Player insurance	2,622	2,516	106
Other consultancy and collaboration	10,665	4,734	5,931
Advertising expenses	3,271	2,039	1,233
Miscellaneous services from subsidiaries	21,683	20,759	924
Administrative and general expenses	15,326	13,992	1,334
Total	86,658	64,555	22,103

Costs for registered players, amounting to Euro 4,497 thousand (Euro 3,906 thousand in the 2021/2022 financial year), relate to the expenses incurred for health and schooling assistance and for training and camp sessions of the first team and the youth sector.

Costs of sporting activities of Euro 1,999 thousand (Euro 1,823 thousand in 2021/2022) are fees payable to medical and healthcare professionals, and other related costs.

Specific technical costs, amounting to Euro 20,345 thousand (Euro 12,164 thousand in the 2021/2022 financial year), are mainly composed of consultancy and technical/sports collaboration fees for Euro 8,196 thousand (Euro 6,860 thousand in the 2021/2022 financial year), costs for sports agents and auxiliary costs for the transfer campaign for Euro 5,447 thousand (Euro 3,376 thousand in the 2021/2022 financial year), the increase of which is mainly connected to the higher number of transactions and higher value of the 2022/2023 transfer campaign, and costs for monitoring players for Euro 1,683 thousand (Euro 1,234 thousand in the 2021/2022 financial year).

Lodging, accommodation, and match transport costs, amounting to Euro 6,251 thousand (Euro 2,623 thousand in the 2021/2022 financial year), consist of expenses incurred for the away matches of the first team and the minor teams. The increase in costs is due to the higher number of away trips, due to the better results in the UEFA Champions League;

Player insurance of Euro 2,622 thousand (Euro 2,516 thousand in the 2021/2022 financial year), relates to the premiums paid to insure the players of the first team and youth sector, and have increased as a result of further insurance items being included in the cover.

Other consultancy and collaboration of Euro 10,289 thousand (Euro 4,734 thousand in the 2021/2022 financial year) includes the amounts payable for management and strategic consulting, legal and notarial fees, and administration, organisation and tax, communication, technical and other costs.

Advertising expenses, which amounted to Euro 3,271 thousand (Euro 2,039 thousand in the 2021/2022 financial year), mainly included posters and other advertising expenses.

Miscellaneous services from subsidiaries amount to Euro 21,683 thousand (Euro 20,759 thousand in the 2021/2022 financial year) and refer to:

- Euro 14,993 thousand (Euro 14,309 thousand in the 2021/2022 financial year), for the service agreement between A.C. Milan S.p.A. and Milan Entertainment S.r.l., under which the latter provides the Parent A.C. Milan S.p.A. with commercial, marketing, sales, personnel management, stadium management, administration, IT, logistics and general services;
- Euro 6,690 thousand (Euro 6,450 thousand in the 2021/2022 financial year) to the agreement renewed on 1 July 2020, under which the subsidiary Milan Real Estate S.p.A. provides A.C. Milan S.p.A. with a series of management services for the Milanello Training Centre.

Administrative and general expenses, amounting to Euro 15,326 thousand (Euro 13,992 thousand in the 2021/2022 financial year) mainly include costs arising from the management of the San Siro Stadium in Milan related to technical and maintenance, commercial, administrative and other services charged by the company M-I Stadio S.r.l., under a specific contract, for Euro 4,550 thousand (unchanged with respect to the 2021/2022 financial year), as well as fees to Directors for Euro 3,822 thousand (Euro 3,774 thousand in the 2021/2022 financial year), to Statutory Auditors for Euro 40 thousand (Euro 36 thousand in the 2021/2022 financial year) and to the Supervisory Board for Euro 23 thousand

(unchanged with respect to the 2021/2022 financial year). This item also includes the costs for the production and audiovisual distribution of the images of the Serie A Championship 2022/2023 edition for Euro 307 thousand (Euro 339 thousand in the 2021/2022 financial year), the costs for information systems for Euro 971 thousand (Euro 881 thousand in the 2021/2022 financial year), miscellaneous utilities for Euro 1,720 thousand (Euro 1,236 thousand in the 2021/2022 financial year), maintenance of playing fields, venues and miscellaneous for Euro 673 thousand (Euro 673 thousand in the 2021/2022 financial year), insurance for miscellaneous risks for Euro 904 thousand (Euro 613 thousand in the 2021/2022 financial year), travel expenses, expense accounts and other employee costs of Euro 750 thousand (Euro 540 thousand in the 2021/2022 financial year), cleaning costs of Euro 263 thousand (Euro 260 thousand in the 2021/2022 financial year) and bank fees and commissions of Euro 590 thousand (Euro 432 thousand in the 2021/2022 financial year).

Leases and rentals

This item totalled Euro 13,103 thousand (Euro 11,770 thousand in the 2021/2022 financial year) and mainly consisted of:

- costs of Euro 5,170 thousand (Euro 4,749 thousand in the 2021/2022 financial year) resulting from the use of the San Siro Stadium in Milan under the agreement reached with the Municipality of Milan involving the joint management of the stadium together with F.C. Internazionale Milano S.p.A. from 1 July 2000 up to 30 June 2030, of which Euro 2,411 thousand (Euro 2,222 thousand in the 2021/2022 financial year) will be subsequently deducted from the rental payments upon completion of the modernisation work carried out each year on the San Siro Stadium in Milan;
- lease expenses of Euro 3,753 thousand (Euro 3,512 thousand in the 2021/2022 financial year), including transaction costs, for the new “Casa Milan” premises;
- the costs of property rentals and service charges of Euro 995 thousand (Euro 820 thousand in the 2021/2022 financial year) relating to an agreement with the subsidiary Milan Real Estate S.p.A., concerning the provision by that company, to A.C. Milan S.p.A. of real estate services consisting of the provision of various types of property;
- the hiring of corporate transport and other equipment, of Euro 3,185 thousand (Euro 2,678 thousand in the 2021/2022 financial year).

Personnel costs

Personnel costs were broken down as follows:

	2022/2023			2021/2022		
	Registered players	Other employees	Total	Registered players	Other employees	Total
Wages and salaries	143,372	10,972	154,345	143,364	10,239	153,602
Social security charges	4,458	2,721	7,179	3,832	2,500	6,332
End of career entitlements/Employee leaving entitlements	1,054	787	1,841	878	810	1,688
Other costs	116	184	300	108	165	273
Total	149,000	14,664	163,664	148,182	13,713	161,895

The item employee leaving entitlements consists of Euro 299 thousand for the allocation of employee leaving entitlements, including substitute tax, and Euro 882 thousand for the employee leaving entitlements that, in accordance with the pensions reform, have been allocated to the supplementary pensions schemes of transferred to the Treasury fund established at the Italian National Social Security

Institute (INPS), and Euro 659 thousand to the I.F.C. provision.

The cost for registered personnel is broken down as follows:

	2022/2023	2021/2022	Change
Players contractual remuneration	107,294	104,781	2,513
Variable remuneration linked to sports results	15,066	20,243	-5,177
Team managers contractual remuneration	10,467	7,869	2,599
Variable remuneration linked to sports results	2,918	3,368	-451
Contractual remuneration for instructors, technicians and others	5,809	5,091	718
Variable remuneration linked to sports results	404	660	-255
Contractual payments to medical staff	1,394	1,353	41
Variable remuneration linked to sports results	20	0	20
Total	143,372	143,364	9

Details of the average numbers of personnel employed by the company in the 2021/2022 financial year are provided below:

	2022/2023	2021/2022	Change
Players	82.83	55.16	27.67
Team managers/other technicians	179.92	166.67	13.25
Directors	16.92	15.08	1.84
Journalists	7	7	-
Office workers and middle managers	89.25	80.5	8.75
Workers	1	1	-
Total	376.92	325.41	51.51

Amortisation, depreciation and write-downs

Amortisation of intangible fixed assets, amounting to Euro 65,077 thousand (Euro 65,077 thousand in the 2021/2022 financial year) consisted of the following:

- Euro 50,791 thousand (Euro 62,555 thousand in the 2021/2022 financial year) being the amortisation of player registration rights, calculated in proportion to the duration of their contracts, the decrease of which is linked to the transfer season in 2022/2023;
- Euro 4,312 thousand (Euro 2,522 thousand in the 2021/2022 financial year) for the amortisation of the other intangible fixed assets detailed below:

	FY 2022/2023	FY 2021/2022	Change
Software	88	104	-16
Trademarks	1,769	98	1,671
Television images historical archive (<i>Milan Library</i>)	329	329	0
Vismara Training Centre long-term lease and related improvements	1,281	1,194	88
Improvement San Siro Stadium in Milan	697	681	16
Leasehold improvements	147	116	31
Total	4,312	2,522	1,791

Depreciation of tangible fixed assets amounted to Euro 1,028 thousand (Euro 827 thousand in the 2021/2022 financial year) and consisted of:

- Euro 87 thousand (Euro 69 thousand in the 2021/2022 financial year) for plant and machinery;
- Euro 718 thousand (Euro 473 thousand in the 2021/2022 financial year) for equipment;
- Euro 223 thousand (Euro 285 thousand in the 2021/2022 financial year) for other tangible assets.

The item Other write-downs of fixed assets, equal to Euro 4,263 thousand (Euro 8,007 thousand in the 2021/2022 financial year), relates to the write-down of the Player registration rights of some players, due to the effect of losses of some players in July and August 2023.

Provisions for risks

This item amounted to Euro 6,293 thousand (Euro 7,420 thousand in the 2021/2022 financial year) and includes, among others, the provision for future charges related to sports and non-sports personnel.

Sundry management expenses

Sundry management expenses consisted of:

	FY 2022/2023	FY 2021/2022	Change
Various match organisation expenses	313	217	96
Match registration costs	10	20	-10
Costs for acquisition of player services on loan	3,947	7,443	-3,495
Costs for players sell on fees	0	380	-380
Losses from the sale of multi-year player registration rights	42	2,456	-2,414
Other expenses from player management:			
• Solidarity mechanism	-	4	4
• Training indemnity and development costs	149	116	33
Other management expenses:			0
• Contributions to Lega Nazionale Professionisti / other bodies	1,711	1,285	426
• Match penalties and fines	201	92	109
• Losses on receivables	0	0	0
• Other duties and taxes	657	602	55
• Other	1,930	2,723	-793
Total	8,961	15,338	-6,377

Costs for acquisition of player services on loan, amounting to Euro 3,947 thousand (Euro 7,443 thousand in the 2021/2022 financial year), refer to the following players purchased by the club:

Player	Selling club	Amount
Abdelkader Diaz	Real Madrid	1,731
Vranckx Aster	VfL Wolfsburg - Fussball GMBH	1331
Tiémoué Bakayoko	Chelsea FC	815
Vechiu Christian Mihai	Vicenza calcio S.p.A.	30
Lontani Simone	Cesena FC Srl	30
Bashi Ervin	Aurora Pro Patria 1919 Srl	5
Rana Vincenzo	SSC Bari Spa	5
Total		3,947

Losses from the sale of multi-year player registration rights, equal to Euro 42 thousand (Euro 2,456 thousand in the 2021/2022 financial year), realised during the 2022/2023 financial year, concern the following players.

Player	Selling club	Net book value	Sale amount	Loss
Mundula Ciro	US Salernitana 1919	27	–	-27
Marshage Wilgot	Torino FC	12		-12
Dubcova Michaela	Termination	3	–	-3
Total		2,456	–	-42

Other management expenses, amounting to Euro 4,499 thousand (Euro 4,703 thousand in the 2021/2022 financial year), mainly refer for Euro 1,438 thousand (Euro 2,142 thousand in the 2021/2022 financial year) to contingent liabilities, for Euro 1,468 thousand to Lega Nazionale Professionisti Serie A contributions (Euro 1,285 thousand in the 2021/2022 financial year) and for Euro 407 thousand (Euro 467 thousand in the 2021/2022 financial year) to costs arising from recharges to Milan Entertainment S.r.l., Milan Real Estate S.p.A. and to players and third parties for their own expenses.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses show an income of Euro 5,334 thousand (expenses of Euro 4,768 thousand in the 2021/2022 financial year) and were broken down as follows:

	FY 2022/2023	FY 2021/2022	Change
Income from equity investments from subsidiaries	13,845	10,003	3,842
Total income from equity investments	13,845	10,003	3,842
Bank interest income	0	0	0
Interest income from subsidiaries	423	73	350
Interest on other receivables	2,149	24	2,125
Total financial income	2,572	97	2,475
Bank interest expenses	0	0	0
Interest expense on other loans	-2,803	-1,724	-1,079
Interest expense from subsidiaries	-5,963	-1,662	-4,301

NOTES

Interest expense on other debts	-24	-24	0
Other interest and financial charges	-2,328	-1,819	-508
Total financial expenses	-11,117	-5,229	-5,888
Exchange rate gains	84	1	83
Exchange rate losses	-50	-105	55
Total exchange rate gains (losses)	34	-103	137
Total	5,334	4,768	566

Income from equity investments, equal to Euro 13,845 thousand, relates respectively for Euro 13,500 thousand and Euro 300 thousand for the dividends of the subsidiaries Milan Entertainment S.r.l. and Milan Real Estate SpA, as well as Euro 45 thousand from Casa Milan S.r.l., as per the resolution of the Shareholders' meeting of 26 October 2022, relating to the approval of the financial statements for the year ended 30 June 2022.

The item Interest on other receivables includes the positive effect of Euro 2,149 thousand (Euro 24 thousand in the 2021/2022 financial year), from the adoption of the amortised cost criterion on receivables from the player transfer campaign.

The item Other interest and financial charges includes Euro 568 thousand (Euro 638 thousand in the 2021/2022 financial year) being the commission payable on guarantees issued by banks and/or insurers, mainly used as partial coverage for the player transfer season, and Euro 1,053 thousand (Euro 716 thousand in the 2021/2022 financial year), being the effects of applying the amortised cost principle to the bonds and liabilities arising from the player transfers.

VALUE ADJUSTMENTS OF FINANCIAL ASSETS

Write-downs

Euro 200 thousand refers to the write-down of the investment in SL Company.

INCOME TAXES FOR THE YEAR

Current taxes

	FY 2022/2023	FY 2021/2022	Change
IRAP (regional business tax)	-5,939	-3,088	-2,851
Tax income from tax consolidation	11,904	6,490	5,414
Direct taxes from previous financial years	36	-194	230
Total	6,001	3,208	2,792

The item Transferred tax income from tax consolidation shows the income for 2021/2022 linked to the tax benefits resulting from disciplining relations exclusively as part of the Milan Group's sub-consolidation, in implementation of the agreement for the exercises of the option of the national tax consolidation signed with the subsidiaries Milan Entertainment S.r.l. and Milan Real Estate S.p.A. and Casa Milan S.r.l..

Deferred tax assets and liabilities

The item Deferred tax assets and liabilities shows net assets of Euro 36 thousand (Euro -194 thousand in the 2021/2022 financial year).

PROFIT/(LOSS) FOR THE YEAR

The period 2022/2023 resulted in a loss of Euro 17,878,615 (loss of Euro 92,297,797 in the 2021/2022 financial year).

Remuneration of the Directors, Statutory Auditors and the Supervisory and Control Body

Details are provided below of the remuneration for the 2022/2023 financial year due to the Directors, Statutory Auditors and the Supervisory and Control Body for the positions held in the Company and in its subsidiaries.

	Directors	Statutory Auditors	Auditing firm	Supervisory Body
Remuneration	3,761	40	109	23

Proposals of the Board of Directors to the Shareholders' Meeting

Dear Shareholders

The financial statements at 30 June 2023 of your company closed with a loss of Euro 17,878,615.24, a share capital of Euro 113,443,200.00, fully subscribed and paid up, a share premium reserve of Euro 31,020,000.00, fully subscribed and paid up, a legal reserve of 123,889.55, a revaluation reserve of Euro 33,156,203.66 (pursuant to Italian Decree-Law 104/2020) and payments on account of future capital increases and/or to cover losses of Euro 45,000,000.00 and retained losses of Euro 45,242,062.95.

We therefore propose to cover the loss for the year of Euro 17,878,615.24 by utilising the available reserves.

We trust in your agreement with the configuration and criteria used in preparing the financial statements at 30 June 2023, which we request you to approve.

Milan, 27 September 2023

for the **Board of Directors**
The Chief Executive Officer
Giorgio Furlani

ATTACHMENTS



ATTACHMENTS

These attachments contain additional information to that reported in the Notes, of which they are an integral part.

This information is contained in the following attachments:

- statement of changes in intangible fixed assets;
- statement of changes in player registration rights;
- statement of changes in tangible fixed assets;
- statement of changes in equity investments;
- statement of changes in shareholders' equity;
- breakdown statement of Shareholders' equity reserves;
- List of equity investments and key figures from the latest financial statements of subsidiaries and associates as per Article 2427(5) of the Italian Civil Code.

1

Statement of changes in intangible fixed assets

(in thousands of Euros)

Costo Storico	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Amm.ti)	(Svalutazioni)/ Rivalutazioni	30.06.2023
Costi di impianto e ampliamento	—	—	—	—	—	—	—
Diritti di brevetto industriale e utilizzo opere dell'ingegno	—	—	—	—	—	—	—
Concessioni, licenze, marchi e diritti simili	218.647	189	—	11	—	—	218.847
Immobilitazioni in corso ed acconti	19	613	—	(11)	—	—	621
Diritti pluriennali alle prestazione dei calciatori	322.694	107.700	(93.856)	—	—	—	336.538
Altre immobilizzazioni immateriali	28.442	161	—	—	—	—	28.603
Totale	569.805	108.663	(93.856)	—	—	—	584.481

Fondo Ammortamento e Fondo Svalutazione	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Amm.ti)	(Svalutazioni)/ Rivalutazioni	30.06.2023
Costi di impianto e ampliamento	—	—	—	—	—	—	—
Diritti di brevetto industriale e utilizzo opere dell'ingegno	—	—	—	—	—	—	—
Concessioni, licenze, marchi e diritti simili	(34.625)	—	—	—	(2.188)	—	(36.813)
Diritti pluriennali alle prestazione dei calciatori	(195.052)	—	91.685	—	(50.791)	(4.263)	(158.421)
Altre immobilizzazioni immateriali	(19.982)	—	—	—	(2.124)	—	(22.106)
Totale	(249.661)	—	91.685	—	(55.103)	(4.263)	(215.182)

Valore Netto	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Amm.ti)	(Svalutazioni)/ Rivalutazioni	30.06.2023
Costi di impianto e ampliamento	—	—	—	—	—	—	—
Diritti di brevetto industriale e utilizzo opere dell'ingegno	—	—	—	—	—	—	—
Concessioni, licenze, marchi e diritti simili	184.022	189	—	11	(2.187)	—	182.035
Avviamento e Differenza da consolidamento	—	—	—	—	—	—	—
Immobilitazioni in corso ed acconti	19	613	—	(11)	—	—	622
Diritti pluriennali alle prestazione dei calciatori	127.642	107.700	(2.171)	—	(50.791)	(4.263)	178.117
Altre immobilizzazioni immateriali	8.460	161	—	—	(2.124)	—	6.497
Totale	320.145	108.663	(2.171)	—	(55.102)	(4.263)	367.271

Statement of changes in player registration rights

1st team players	Date of purchase	Origin Club	Date of sale	Destination Club	Historical cost		Accumulated amortisation and provision for football accounts		Value Netto 30/06/2023	Historical cost at 30/06/2023			Age	Contract term (years)	Value Netto 30/06/2023 (Netto)	
					Increases	Decreases	Increases	Decreases		Amortisation	Provision	Amortisation				Provision
Dimitris Salpingidis	02/08/2018	Verona	—	—	487,000	—	100,171	97,142	389,829	—	—	—	36	3	191,386	
Mario Calafiori	01/07/2022	A.S. Roma	—	—	377,000,000	—	271,622,936	5,288,857	100,099,063	—	—	—	28	10	622,190	
Alessandro Piovara	13/10/2021	Released	—	—	2,650,000	—	888,333	70,000	1,761,667	—	—	—	31	20	433,333	
Mattia Destro	30/06/2023	A.S. Roma	—	—	140,000	—	25,200,000	0	114,800	—	—	—	22	10	60,000	
Mattia Destro	07/07/2021	Released	—	—	252,500,000	—	2,811,111	2,503,889	16,600,000	—	—	—	35	20	600,000	
Tommaso Soriano	—	Released	—	—	14,500,000	—	20,926	—	14,500,000	—	—	—	22	40	1,800,000	
Women's	—	—	—	—	45,525	—	20,926	—	24,626	—	—	—	—	—	24,626	
Total 1st team Italian					772,714,000		454,135,868	8,864,148	13,804,486						3,124,851	
Total 1st team foreign																
Adil Yanez	31/08/2021	Genoa	—	—	830,000	—	1,655,556	1,766,557	3,421,113	—	—	—	22	30	300,000	
Badr Pedja	17/07/2021	A.S. Monaco	—	—	5,405,956	—	1,307,399	1,366,063	2,792,124	—	—	—	23	20	584,000	
Ismael Fernandez	03/08/2019	Empoli F.C.	—	—	17,200,000	—	21,365,280	1,403,143	5,612,571	—	—	—	25	40	2,800,000	
Charles Martinich	02/08/2022	Chievo Verona	—	—	21,365,280	—	0	7,211,111	20,298,889	—	—	—	21	40	675,586	
Grand Olivier	16/07/2021	Chievo Verona	—	—	2,849,475	—	949,825	1,020,534	1,970,339	—	—	—	36	20	833,333	
Théo Bernardin	26/07/2019	Real Madrid	—	—	22,809,674	—	11,549,919	2,864,939	8,391,816	—	—	—	25	30	489,000	
Théo Bernardin	03/06/2017	Atletico Madrid	—	—	32,200,000	—	32,480,679	181,276	64,832	—	—	—	22	40	489,000	
Théo Bernardin	14/07/2020	Empoli F.C.	—	—	100,000	—	6,140,035	1,193,333	3,070,175	—	—	—	33	10	235,333	
Rick Kruit	07/07/2019	Empoli F.C.	—	—	8,600,000	—	5,160,000	1,009,249	1,009,249	—	—	—	41	00	150,667	
Henrikh Mkhitaryan	02/01/2020	Released	—	—	800,000	—	800,000	298,334	800,000	—	—	—	26	40	925,000	
Leonardo Camano	29/07/2019	Chievo Verona	—	—	10,625,000	—	8,861,300	1,009,249	17,122,000	—	—	—	26	40	828,165	
Ruben Loftus-Cheek	29/06/2023	Chievo Verona	—	—	15,377,479	—	0	0	18,467,644	—	—	—	26	40	925,000	
Mauro Volz	26/05/2021	Levski Sofia	—	—	1,016,575	—	0	4,759,232	1,480,200	—	—	—	31	10	125,000	
Mauro Volz	06/07/2022	P.C. Concordia	—	—	6,522,433	—	0	4,759,232	4,759,232	—	—	—	23	50	1,818,382	
Riccardo Alessandrini	30/07/2019	Levski Sofia	—	—	29,544,013	—	17,226,408	3,767,792	26,029,913	—	—	—	23	50	880,000	
Riccardo Alessandrini	11/09/2020	Hellas Verona	—	—	6,700,000	—	2,680,000	3,545,000	6,235,000	—	—	—	29	20	880,000	
Riccardo Alessandrini	19/06/2020	Real Madrid	—	—	7,650,535	—	2,641,286	1,288,629	3,866,705	—	—	—	30	50	880,000	
Enrico Sestini	29/08/2021	Released	—	—	1,026,315	—	684,210	1,242,075	1,026,315	—	—	—	26	40	400,000	
Enrico Sestini	30/06/2021	Chievo Verona	—	—	31,666,718	—	7,278,132	5,208,716	21,729,474	—	—	—	25	40	577,749	
Diego Fabiani	02/07/2021	Chievo Verona	—	—	334,924	—	0	810,327	118,827	—	—	—	24	30	267,429	
Total 1st team foreign					211,850,281		63,995,570	126,627,240	153,887,283						12,983,851	
Total 1st team Italian and foreign					984,564,281		518,131,438	10,931,388	29,691,769						24,108,702	
Total Youth and Women's Sector					125,635,888		4,891,405	1,118,616	8,307,274	3,012,357	(4,484,471)	7,230,240			5,884,296	
Total Player rights					1,110,200,169		(641,013,733)	12,050,002	39,003,805						30,524,092	
Total Player registration rights					322,629,449		107,700,526	(94,155,937)	35,297,458	(95,052,671)	54,054,073	(91,984,351)	158,122,939			178,117,065
															50,790,771	
															426,330	
															41,657	
															268,000	
															213,000	

3

Statement of changes in tangible fixed assets

(in thousands of Euros)

Costo Storico	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Amm.ti)	(Svalutazioni) / Rivalutazioni	30.06.2023
Terreni e Fabbricati	34	—	—	—	—	—	34
Impianti e macchinari	737	245	—	8	—	—	990
Attrezzature industriali e commerciali	6.469	269	—	—	—	—	6.738
Altre immobilizzazioni materiali	3.513	42	(1)	—	—	—	3.554
Immobilizzazioni materiali in corso	10	258	—	(8)	—	—	260
Totale	10.763	814	—	—	—	—	11.535

Fondo Ammortamento e Fondo Svalutazione	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Amm.ti)	(Svalutazioni) / Rivalutazioni	30.06.2023
Terreni e Fabbricati	(34)	—	—	—	(0)	—	(34)
Impianti e macchinari	(403)	—	—	—	(87)	—	(490)
Attrezzature industriali e commerciali	(2.669)	—	—	—	(718)	—	(3.387)
Altre immobilizzazioni materiali	(2.621)	—	—	—	(223)	—	(2.621)
Totale	(5.727)	—	—	—	(805)	—	(6.532)

Valore netto	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Amm.ti)	(Svalutazioni) / Rivalutazioni	30.06.2023
Terreni e Fabbricati	—	—	—	—	—	—	—
Impianti e macchinari	334	245	—	8	(87)	—	500
Attrezzature industriali e commerciali	3.800	269	—	—	(718)	—	3.351
Altre immobilizzazioni materiali	892	42	(1)	—	(223)	—	711
Immobilizzazioni materiali in corso	10	258	—	(8)	—	—	260
Totale	5.036	814	(1)	—	(1.028)	—	4.822

Statement of changes in equity investments

(in thousands of Euros)

Costo Storico	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Svalutazioni) / Rivalutazioni	30.06.2023
Imprese controllate:						
- Milan Entertainment S.r.l.	183.756	—	—	—	—	183.756
- Milan Real Estate S.p.A.	12.825	—	—	—	—	12.825
- AC Milan (Shanghai) Sports Development Co. Ltd.	200	—	—	—	—	200
- Fondazione Milan - Onlus	104	—	—	—	—	104
- Casa Milan S.r.l.	—	0	—	—	—	0
- Sportlife City S.r.l.	—	3.000	—	—	—	3.000
Imprese collegate:						
- M-I Stadio S.r.l.	1.327	—	—	—	—	1.327
Other companies						
- European Super League Company	2.000	—	—	—	—	2.000
Total	200.212	3.000	—	—	—	203.212

Fondo Svalutazione	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Svalutazioni) / Rivalutazioni	30.06.2023
Imprese controllate:						
- Milan Entertainment S.r.l.	—	—	—	—	—	—
- Milan Real Estate S.p.A.	—	—	—	—	—	—
- AC Milan (Shanghai) Sports Development Co. Ltd.	—	—	—	—	—	—
- Fondazione Milan - Onlus	—	—	—	—	—	—
- Casa Milan S.r.l.	—	—	—	—	—	—
- Sportlife City S.r.l.	—	—	—	—	—	—
Imprese collegate:						
- M-I Stadio S.r.l.	—	—	—	—	—	—
Other companies						
- European Super League Company	(1.000)	—	—	—	(200)	(1.200)
Totale	(1.000)	—	—	—	(200)	(1.200)

Valore netto	01.07.2022	Investimenti	(Disinvestimenti)	Altri movimenti	(Svalutazioni) / Rivalutazioni	30.06.2023
Imprese controllate:						
- Milan Entertainment S.r.l.	183.756	—	—	—	—	183.756
- Milan Real Estate S.p.A.	12.825	—	—	—	—	12.825
- AC Milan (Shanghai) Sports Development Co. Ltd.	200	—	—	—	—	200
- Fondazione Milan - Onlus	104	—	—	—	—	104
- Casa Milan S.r.l.	—	0	—	—	—	0
- Sportlife City S.r.l.	—	3.000	—	—	—	3.000
Imprese collegate:						
- M-I Stadio S.r.l.	1.327	—	—	—	—	1.327
Other companies						
- European Super League Company	1.000	—	—	—	(200)	800
Totale	199.212	3.000	—	—	(200)	202.012

Statement of changes in shareholders' equity;

(in thousands of Euros)

Changes in shareholders' equity	Share Capital	Share premium reserve	Revaluation reserves	Legal reserve	Statutory reserves	Other reserves	Retained earnings (losses)	Profit (Loss) for the period	Total Shareholders' Equity
Balance at 30.06.2019	113.443	31.020	0	124	0	169.380	(34.250)	(155.869)	123.848
Resolution of 28.10.2019:									
- covering of losses							(155.869)	155.869	0
- capital increase									0
Capital contributions and/or contributions to cover losses						145.000			145.000
Other									0
Result for the period								(201.061)	(201.061)
Balance at 30.06.2020	113.443	31.020	0	124	0	158.511	(34.250)	(201.061)	67.787
Resolution of 28.10.2020:									
- covering of losses							(201.061)	201.061	0
- capital increase									0
Capital contributions and/or contributions to cover losses						129.500			129.500
Other									0
Result for the period								(97.943)	(97.943)
Balance at 30.06.2021	113.443	31.020	0	124	0	86.950	(34.250)	(97.943)	99.344
Resolution of 26.10.2021:									
- covering of losses							(86.950)	(10.992)	97.943
- capital increase									0
Capital contributions and/or contributions to cover losses						5.000			5.000
Other			125.454						125.454
Result for the period								(92.298)	(92.298)
Balance at 30.06.2022	113.443	31.020	125.454	124	0	5.000	(45.242)	(92.298)	137.501
Resolution of 26.10.2022:									
- covering of losses			(92.298)					92.298	0
- aumento capitale sociale						40.000		(17.879)	40.000
Result for the period								(17.879)	(17.879)
Balance at 30.06.2023	113.443	31.020	33.156	124	0	45.000	(45.242)	(17.879)	159.622

6

Breakdown statement of Shareholders' equity reserves

(in thousands of Euros)

Nature/Description	Amount	Possible use	Available amount	Summary of uses in the three previous years	
				to cover losses	for other reasons
Share capital	113.443				
Capital reserves:					
Capital contributions	45.000	A, B, C	45.000	547.171	
Share premium reserve	31.020	A, B	31.020		
Revaluation reserve	33.156	A, B, C	33.156		
Earnings reserve:					
Legal reserve	124	B	124		
Statutory reserves	0	A, B, C	0		
Profits carried forward	(45.242)	A, B, C	0		
Total	64.058		109.300		
Non-distributable amount			76.144		
Remaining distributable amount			0		

Key

A: for capital increases

B: to cover losses

C: for distribution to shareholders

List of equity investments and key figures from the latest financial statements of subsidiaries and associates as per Article 2427(5) of the Italian Civil Code.

(in thousands of Euros)

Name of the Company Share capital	Headquarters	Share held on 30.06.2023	Result for the period	Patrimonio netto al 30.06.23		Book value on 30.06.2023
				Amount total	Amount pro-rata	
Subsidiaries						
Milan Entertainment S.r.l. Share Capital: € 20,000,000	Milan Via Aldo Rossi no. 8	100%	38.347	226.277	226.277	183.756
Milan Real Estate S.p.A. Share Capital: € 5,000,000	Carnago (VA) Via Milanello no. 25	100%	92	13.989	13.989	12.825
AC Milan (Shanghai) Sports Development Co. Ltd. Share Capital: € 200,000	Shanghai (PRC) Room 05, Floor 7, No. 989, Changle Road, Xuhui District, Shanghai	100%	69	661	661	200
Casa Milan S.r.l. Share Capital: € 10,000	Milan Via Aldo Rossi no. 8	1%	(37)	1.016	10	0
- Fondazione Milan - Onlus Endowment fund: € 104,000	Milan Via Aldo Rossi no. 8	100%	0	105	105	104
Sporlife City S.r.l. Share Capital: €	Milan Via Aldo Rossi no. 8	90%	(32)	62	56	3.000
Associates						
M-I Stadio S.r.l. Share Capital: € 1,000,000	Milan Via Piccolomini no. 25	50%	3.614	7.340	3.670	1.327
Other companies						
European Super League Company (*)	Madrid c/José Ortega y Gasset, número 29, quinta planta, Madrid 28006	9%	0	0	0	800

(*) It should be noted that the Company was incorporated on 17 April 2021 and as of the date of these financial statements, information relating to its Balance Sheet (in particular Shareholders' Equity and Share Capital) and Income Statement was not available.

BOARD OF STATUTORY AUDITORS' REPORT



BOARD OF STATUTORY AUDITORS REPORT TO THE SHAREHOLDERS' MEETING FOR
THE APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
PREPARED PURSUANT TO ART. 2429 PARAGRAPH 2 OF THE ITALIAN CIVIL CODE.

To the Meeting of Shareholders of
A.C. MILAN S.P.A.

During the year ended 30 June 2023, our activities are based in accordance with the provisions of the law and the Rules of Conduct for the Board of Statutory Auditors of Unlisted Companies issued by the National Council of Chartered Accountants, published in December 2020 and effective from 1 January 2021.

This report informs you of these activities and the results. The financial statements as at 30 June 2023 of the company AC Milan S.p.A. (hereinafter the "Company") drawn up in compliance with Italian regulations governing the preparation of financial statements, have been submitted for your examination and show an operating loss of Euro 17,878,615.24.

The financial statements were made available to us on 27 September 2023.

The Board of Statutory Auditors, not being entrusted with the legal audit, carried out the supervisory activities on the financial statements provided for by Rule 3.8. of the "Rules of conduct for the Board of Statutory Auditors of non-listed companies" consisting of an overall summary control aimed at verifying that the financial statements have been correctly drawn up. Verification of compliance with the accounting data is, in fact, the responsibility of the independent auditor. The independent auditor Deloitte & Touche S.p.A. provided us with its report dated 6 October 2023, containing an unmodified opinion. According to the independent auditor's report, the financial statements as at 30 June 2023 give a true and fair view of the financial report, business results and cash flows of your Company and have been prepared in accordance with Italian law. The Board of Statutory Auditors ascertained that each member of the board continued to meet the professionalism requirements under Article 2397 of the Civil Code and had not met the cases of cancellation under Article 2399 of the Civil Code.

1) SUPERVISORY ACTIVITIES PURSUANT TO ARTICLES 2403 AND FOLLOWING OF THE ITALIAN CIVIL CODE.

We have supervised compliance with the law, the By-laws of association and the principles of correct administration and, in particular, the adequacy of the organisational structure, the administrative and accounting system and their actual functioning.

We have attended the Shareholders' Meetings and Board of Directors meetings and, on the basis of the information available, we have no particular findings to report.

We have obtained from the Board of Directors information on the general performance of operations and outlook, as well as on the most significant transactions, due to their size or characteristics, including relations with sector institutional bodies, carried out by the Company and its subsidiaries and, based on the information obtained, we have no particular observations to report.

Significant events during the year included the following:

- on 31 August 2022, 218,008,094 ordinary shares in the Company were transferred from Rossoneri Sport Investment Luxembourg S.à.r.l. to ACM Bidco B.V. Following the resignation of the majority of the members of the Board of Directors and the consequent termination of the entire Board of Directors on 14 September 2022, the Shareholders' Meeting appointed new members of the Board of Directors who will remain in office for three years;

- on 17 January 2023, Mr. Levine was appointed by co-optation and on the same date, Mr. Furlani was appointed as CEO and Mr. Cocirio as CFO.
On 11 May 2023, the Shareholders' Meeting changed the number of directors from 9 to 11, appointing two new directors.
On 12 June 2023, directors Shah, Halyard and Scheiner resigned and Mr. La Force and Mr. Klein were appointed by co-optation;
- on 31 August 2022, the settlement agreement with U.E.F.A. was finalised through the CFCB First Chamber;
- during the year, the merger of Casa Milan Srl and Milan Entertainment Srl into the Company was executed;
- in June 2023, the Company acquired a stake representing 90% of the share capital of Sportlifecycle Srl.

The typical activities carried out by the Company did not change during the year under review and are consistent with the corporate purpose. As of the 2023/2024 season, the sports area has been reorganised.

It should be noted that the Company obtained the National License for the purpose of admission to the 2023/2024 championship on 30 June 2023 and the UEFA License for the 2023/2024 season on 10 May 2023.

We exchanged data and information relevant to the performance of our supervisory activities with the independent auditor in a timely manner.

We have met with the members of the Supervisory Board and no critical issues arose from the meetings with regard to the proper implementation of the organisational model that need to be highlighted in this report.

We have acquired knowledge of and supervised, to the extent of our competence, the adequacy and functioning of the administrative-accounting system, as well as the reliability of the latter in correctly representing management events, by obtaining information from the heads of functions and examining company documents, and in this regard, we have no particular observations to report.

No complaints have been received from shareholders pursuant to Articles 2408 or 2409 of the Italian Civil Code.

We have not made any reports to the Board of Directors pursuant to Article 15 of Legislative Decree No. 118/2021 or pursuant to Article 25-octies of Legislative Decree No. 14 of 12 January 2019. We have not received any reports from public creditors pursuant to and for the purposes of Article 25-novies of Legislative Decree No. 14 of 12 January 2019 or pursuant to and for the purposes of Art. 30-sexies of Decree-Law No. 152 of 6 November 2021, converted by Law No 233 of 29 December 2021, as amended.

During the financial year, the Board of Statutory Auditors issued the following opinions:

- on 14 September 2022, on the remuneration of directors vested with special offices;
- on 6 October 2022, a reasoned proposal for the external audit engagement;
- on 17 January 2023, an opinion was issued on the remuneration of directors vested with special offices and in relation to the co-optation of director Mr. Levine;
- on 23 June 2023, the opinion on the co-optation of Mr Klein and Mr La Force was issued.

Please refer to the description in the Management Report of the effects on the Company of the uncertainty surrounding the war in Ukraine and the macroeconomic context. During the course of the supervisory activity, as described above, no other significant facts emerged that would require mention in this report.

2) OBSERVATIONS ON THE FINANCIAL STATEMENTS

The net loss ascertained by the Board of Directors for the financial year ended 30 June 2023 is Euro 17,878,615.

According to the independent auditors report, dated 6 October 2023, "the financial statements as at 30 June 2023 give a true and fair view of the financial report, business results and cash flows of the Company for the year then ended and have been prepared in accordance with Italian law". This report includes an emphasis of matter to going concern, to which reference is made.

It should be noted that the directors considered the requirement of going concern to be fulfilled also on the basis of the support letter sent by the current majority shareholder, ACM Bidco B.V., on 13 September 2023 to financially assist the Group for a period of not less than 12 months from the date of approval of the draft financial statements as at 30 June 2023 by the Company's Board of Directors.

The notes to the financial statements show the payments made by the former majority shareholder during the year totalling Euro 5 million and the payments made by ACM Bidco B.V. in June 2023 for Euro 40 million.

In view of the particular activity carried out by the Company, the provisions issued by the Federazione Italiana Giuoco Calcio (Italian Football Federation) and by the Commissione di Vigilanza per le Società di Calcio Professionistiche (Supervisory Commission for Professional Football Clubs) were also taken into account.

To the best of our knowledge, the directors, in preparing the financial statements, have not derogated from the law pursuant to Art. 2423, paragraph 5, of the Italian Civil Code.

During the financial year ended 30 June 2022, the Company has reassessed the value of the trademark, carried out pursuant to and for the purposes of Article 110 of Legislative Decree 104/2020 converted into Law 126/2020, as amended.

The disclosure required in Article 1, paragraphs 125-129 of Law 124/2017 is set out in the notes to the financial statements. The company received a contribution of €1,445,880 as compensation for medical expenses.

The financial statements have been checked for consistency with the facts and information gathered from the meetings held, and no further observations are noted in this respect.

Compliance with the legal provisions relating to the preparation of the management report has been verified and there are no observations to be made in this report. According to the report of the independent auditor, "the management report is consistent with the separate financial statements of A.C. Milan S.p.A. as at 30 June 2023 and is prepared in accordance with the law".

We did not detect any atypical and/or unusual transactions with Group companies, third parties or related parties.

3) OBSERVATIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors has prepared the consolidated financial statements on the basis of national accounting principles, in accordance with the law and in compliance with the current provisions issued by the F.I.G.C. and Co.Vi.Soc., which show a group profit of Euro 6,070 thousand and a group net equity of Euro 177,219 thousand.

On 6 October 2023, the independent auditors Deloitte & Touche S.p.A. issued their report on the consolidated financial statements as at 30 June 2023. According to the independent auditors report, "the consolidated financial statements as of 30 June 2023 give a true and fair view of the financial report, business results and cash flows of the Group for the year then ended and have been prepared in accordance with Italian law".

This report includes an emphasis of matter to going concern, to which reference is made. It should be noted that the directors considered the going concern requirement to be met also on the basis of the support letter issued by the shareholder ACM Bidco B.V., as referred to above.

Compliance with the legal provisions relating to the form and structure of the consolidated financial statements has been verified. There are no observations to be made in this report in this regard.

Compliance with the legal provisions relating to the preparation of the management report has been verified. Also in this case, there are no observations to be made in this report. According to the independent auditor's report, "The management report is consistent with the consolidated financial statements of the Group as at 30 June 2023 and has been prepared in accordance with the law".

The consolidated financial statements and their accompanying documents should be taken into account by the Shareholders' Meeting for information purposes only, as they are not subject to approval.

4) OBSERVATIONS AND PROPOSALS REGARDING THE APPROVAL OF THE FINANCIAL STATEMENTS

In view of our findings and the opinion expressed in the audit report issued by the independent auditors, we find no reason to prevent the shareholders from approving the financial statements for the year ended 30 June 2023, as prepared by the directors.

The Board of Statutory Auditors agrees with the proposal for the allocation of the loss for the year formulated by the directors in the notes to the financial statement.

Milan, 6 October 2023

The Board of Statutory Auditors
Franco Carlo PAPA - Chairman

Cesare CICCOLINI - Standing Auditor

Alberto DELLO STROLOGO - Standing Auditor

INDEPENDENT AUDITOR'S REPORT





Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

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

**To the Shareholders of
A.C. Milan S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of A.C. Milan S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 30 June 2023, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

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

Emphasis of matter

We draw attention to the disclosure provided by Directors in the Management Report on Operation as well as in the Note "Going Concern" of the Explanatory Notes to the consolidated financial statements, which disclose the consideration and the evaluation carried out by them to support the going concern assumptions for the preparation of the consolidated financial statements as at June 30, 2023.

Our opinion is not qualified in relation to this aspect.

Other Matter

The consolidated financial statements of the Group A.C. Milan for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on October 10, 2022.



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

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

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The Directors of A.C. Milan S.p.A. are responsible for the preparation of the report on operations of Milan Group as at 30 June 2023, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of Milan Group as at 30 June 2023 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the consolidated financial statements of Milan Group as at 30 June 2023 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.

A handwritten signature in black ink, appearing to read "Riccardo Raffo", written over a horizontal line.

Signed by

Riccardo Raffo

Partner

Milan, Italy

October 6, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

AC MILAN