



## FINANCE

The primary purpose of the FCA Department is the correct administration, the fiscal and financial control, as well as the appropriate management of the Group's resources. The mission is to contribute to the management of the Club, collaborating in its economic development and assets preservation, thus providing an important support for strategic planning.

The main tasks and responsibilities of the division are

- To provide economic and financial results, through the drafting of the financial statements and the consolidated financial statements and the management of mandatory sports requirements.
- To ensure to the Club all the necessary resources at the best possible conditions, through the management of relations with banks, the management of the Club's treasury and cash, as well as the identification of appropriate financial policies;
- To fulfil all fiscal and administrative obligations, through the verification of the legitimacy of administrative deeds and contracts and the management of fiscal obligations.
- To implement the Performance Audit, through the preparation of the annual budget, the regular analysis of the variances between the budget and the final balance sheet, and the management of the mandatory sports obligations

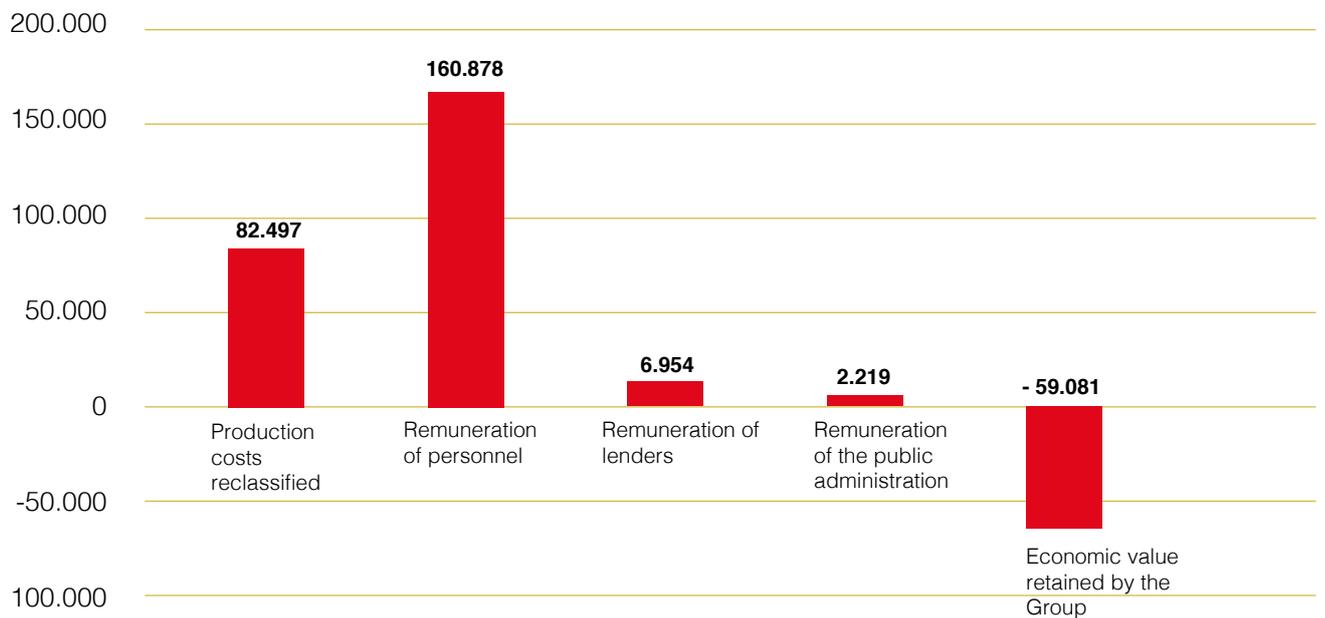
SEASON KPI	2019-2020	2018-2019
<b>Economic Value generated by the Group</b>	<b>193.467</b>	<b>242.606</b>
Revenues from sales and services	23.629	34.112
Change in inventories still in progress, of semi-finished products	75	100
Change of contract work in progress	-	-
Increases for capitalised costs and fixed assets	-	-
Other revenues and income	168.612	206.906
Financial income	612	687
Value adjustment on financial activities	539	801
<b>Economic value distributed</b>	<b>252.548</b>	<b>288.721</b>
<b>Production costs reclassified</b>	<b>82.497</b>	<b>88.683</b>
Raw, ancillary, consumer materials and goods	4.307	5.145
Services	51.957	50.923
Use of assets owned by third parties	10.035	9.160
Risks provisions	16.198	23.455
<b>Other management charges</b>	<b>160.878</b>	<b>184.822</b>
Staff remuneration	160.878	184.822
<b>Staff costs</b>	<b>6.954</b>	<b>11.788</b>
Payment to financiers	6.954	11.788
<b>Financing costs</b>	<b>2.219</b>	<b>3.447</b>
Payment to Public Administration	2.219	3.447
<b>Income taxes</b>	<b>- 59.081</b>	<b>- 46.119</b>
Economic value retained by the Group	125.683	92.985
Amortization and depreciation	9.858	6.885
<b>Operating result</b>	<b>- 194.616</b>	<b>- 145.985</b>

## Factoring

On October 3, 2018 A.C. Milan S.p.A. signed with UniCredit Factoring S.p.A. a factoring contract concerning the transfer on account for payment of the accrued / accruing credits of the marketing of the audiovisual rights of the Serie A championship relating to the 2018-2019, 2019-2020 and 2020-2021 football seasons. Against the sale, the company was granted a credit line of 80 million euros with a three-year duration (until 2021) at a 3-month Euribor rate (floor at zero) plus 2.5 basis points, with a 0.20% commission on the amount of the factoring line. This line was used in full as of June 30, 2020.

On April 30, 2020, the company signed with Banca Ifis S.p.A. a factoring contract concerning the sale on account for payment of the accrued / accruing credits of the international transfer market concerning the sale of the player Pjatek Krzysztof. Against the sale, the company was granted a credit line of 21 million euros with a two-year duration at a 3-month Euribor rate increased by 2.5 basis points, with 0.5% commission on the amount of the credit line. factoring. This line was used in full as of June 30, 2020.

	30.06.2020	30.06.2019
<b>FACTORING</b>	115.170	94.284



As of June 30 2019, the consolidated Net Financial Position of the Milan Group shows a net debt of 103.9 million euros, down compared to the 2018/2019 financial year (82.9 million euros). This is mainly due to payables to factoring companies for advances on future receivables regarding commercial contracts.



## ★ GOALS

The AC Milan Group's goal for the 2020/2021 season is to implement a new procurement procedure to clearly define responsibilities and internal guidelines for the operational and administrative-accounting management of the procurement process of goods and services. In particular, the Group implemented an automated process to reduce the time between the issue of the Purchase Requests and the orders. We are also implementing a system to record simultaneously the order to the suppliers and the relevant cost to the accounting dept. Moreover, the group is developing an additional system to allow the monitoring of the budget available when making the order and the Purchase requests are recorded with the aim of pursuing efficiency and effectiveness.

The goal is to ensure:

- Appropriate separation of responsibilities within the process and traceability of each procurement operation;
- Efficiency, completeness, accuracy and timeliness in the purchasing process, respecting the criteria of quality, reliability and cost-effectiveness;

A further objective for the next season is the implementation of new Management Control systems. The aim is to obtain a precise analysis and verification of the management trend, reporting any variance from the Budget objectives. The implementation of the system would also support the outlining of a more accurate and detailed planning of the Core Business on a multi-year basis.

