



## INFORMATION PURSUANT TO ART. 114, FIFTH PARAGRAPH, TUF

**Information requested by Consob pursuant to Article 114, paragraph 5, of Legislative Decree No. 58/1998: Directors' considerations on the correctness of the 2022 financial statements and indication of the estimated economic and financial effects suitable for representing the accounting of the remarks covered by the Resolution taken by Consob pursuant to Article 154-ter, Paragraph 7 of the TUF, on 19 October 2022, on the consolidated situation at 30 June 2022**

**Turin, 28 November 2022** – Juventus Football Club S.p.A. (the “**Company**”, the “**Issuer**” or “**Juventus**”) announces the following.

Whereas:

- following the conclusion of the proceeding aimed at the adoption of the measure pursuant to Article 154-ter, paragraph 7, of Legislative Decree No. 58/1998 (“**TUF**”) (the “**Proceeding**”) after the notice of commencement of 28 July 2022 (the “**Notice of Commencement**”), with the resolution No. 22482 of 19 October 2022 (the “**Resolution No. 22482/2022**” or just the “**Resolution**”), Consob requested the Company, pursuant to Article 154-ter, paragraph 7, TUF, to disclose:
  - A. the deficiencies and critical issues indicated by Consob regarding the correctness of the accounting of the financial statements at 30 June 2021 referred to above;
  - B. the applicable international accounting standards and the violations found in this regard;
  - C. the illustration, in an apposite pro-forma income statement and statement of financial position– including the comparative information – of the effects that an accounting compliant to rules would have had on the statement of financial position, on the income statement and the statement of changes in shareholders’ equity of the financial year for which erroneous information was provided;
- also on 19 October 2022, Consob, pursuant to art. 114, paragraph 5, TUF, referring to the draft of separate financial statements and the consolidated financial statements at 30 June 2022 approved by the Company’s Board of Directors on 23 September 2022, requested the Issuer to publish, in due course for the shareholders’ general meeting, by means of a press release: “1. *the considerations of the directors on the correctness of the 2022 financial statements*” and “2. *an indication of an estimate of the economic and financial effects, adequately commented, suitable for representing the accounting of the remarks subject of the Resolution adopted by Consob pursuant to Article 154-ter, Paragraph 7, of the TUF, on 19 October 2022, on the Issuer’s consolidated situation at 30 June 2022*” (the “**Request pursuant to art. 114 TUF**”);
- with a press release dated 21 October 2022 (“**First Press Release 154-ter**”), in order to comply with the Resolution, the Company has already disclosed the information referred to in the Resolution under letters A and B, indicating that it would have published, by means of a separate press release, subject to the approval of the competent corporate bodies of the Company, within a reasonably short time given the complexity of the activities to be carried out – indicatively within mid-November –, the information under letter C<sup>1</sup>;
- with a press release dated 20 November 2022 (“**Second Press Release 154-ter**”) the Company, in compliance with the Resolution, has provided the information required by the Resolution No. 22482/2022, under letter C, providing the pro forma financial information of the Company for the financial years ended 30 June 2020 and 2021, and the pro forma financial information of the Company for the financial year ended 30 June 2022, prepared voluntarily for completeness;
- with press release dated 20 November 2020, the Board of Directors of the Company, in order to ensure maximum transparency and adequate time for the shareholders to examine the aforementioned information, resolved to postpone the Shareholders’ Meeting, previously scheduled for 23 November 2022, to 27 December 2022, announcing

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<sup>1</sup> With a following press release dated 13 November 2022, the Company disclosed that the illustration of the effects of the remarks raised by Consob, as well Consob’s requests contained in the Request pursuant to art. 114 TUF, would have been made within 20 November 2022.





that the information requested by Consob pursuant to Article 114, paragraph 5, TUF would have been published in due course before the Shareholders' Meeting, in line with the timing for the publication of the information for the Shareholders' Meeting under the applicable laws,

by way of this press release, the Company provides to make public the directors' considerations on the correctness of the 2022 financial statements.

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As already illustrated in the Second Press Release 154-ter, the transactions which, in Consob's opinion, as indicated in the Resolution,<sup>2</sup> would be represented in the financial statements concerned in a manner that does not comply with the rules governing the preparation of financial statements are:

- (i) some of the so-called "cross" transactions for the disposal of a player's registration rights to a counterparty and simultaneous acquisition, from the same counterparty, of the registration rights of one or more players' registration rights, concluded by the Company during the financial years ended 30 June 2020 and 2021 and, specifically, 6 transactions carried out within the financial year ended 30 June 2020 and 4 transactions carried out within the financial year ended 30 June 2021, for which Consob has resolved that the Company has not provided it with adequate evidence of the reasonableness of the fair value agreed among the parties (the "**Cross Transactions**"),
- (ii) the execution during the financial year ended 30 June 2020, specifically in the months of May and June 2020, of individual salary reduction agreements with 23 members of the men first team (hereinafter the "**First Team**") and the subsequent execution, during the financial year ended 30 June 2021, specifically in the months of July and August 2020, of individual salary increase agreements with 22 members of the First Team (these agreements, hereinafter jointly the "**First Manoeuvre**"),
- (iii) the execution during the financial year ended 30 June 2021, specifically in the months of April and May 2021, of individual salary reduction agreements with the majority of the members of the First Team (No. 17 registered players) and the subsequent execution, during the financial year ended 30 June 2022 of individual salary increase agreements with 11 members of the First Team (these agreements, hereinafter, jointly the "**Second manoeuvre**", and in the present press release the "First Manoeuvre" and the "Second Manoeuvre" will be referred to jointly as the "**Salaries Manoeuvres**").

## 1. Directors' considerations on the 2022 financial statements

In compliance with the Request pursuant to art. 114 TUF, the evaluations and analyses carried out by the Board of Directors on the draft separate and consolidated financial statements as of June 30, 2022 approved by the Board of Directors of the Company on September 23, 2022 (jointly, the "**2022 Financial Statements**") with the support of legal and technical/accounting advisors and on the basis of opinions issued by independent experts are presented below:

- On September 20, 2022, the Board of Directors, with the support of the Company's legal and technical/accounting advisors and on the basis of opinions issued by independent experts, reviewed and evaluated each remark made by Consob in its Notice of Commencement and, in particular, (i) the critical aspects identified on the Cross Transactions, (ii) the recognition of capital gains on transactions carried out before June 30, 2020, and (iii) the criteria for recognizing liabilities and accounting for costs related to the Salary Manoeuvres. Among the various aspects considered, with regard to Consob's first remark, the Board of Directors examined on the one hand the arguments based on the qualification of the Cross Transactions as separate and distinct purchase and sale transactions and, on the other hand, the consistency with the accounting approach adopted by substantially all companies in the same industry (i.e., the football industry), and the approach adopted by the

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<sup>2</sup> For further information, reference is therefore made to the First Press Release 154-ter.



Company in previous accounting periods. With regard to Consob's second remark, the directors acquired guidance on the correctness of the accounting and recognition of capital gains realised close to June 30, 2020. Finally, with regard to the third remark regarding the Salary Manoeuvres, the Board of Directors examined the matter related to the possible existence of obligations (including implicit ones) and the application of the accounting standard to the case, again benefiting from the studies carried out with the support of external legal and accounting advisors. Additionally, with regard to the Cross Transactions, for the purposes of its evaluations, the Board of Directors also took into account the legal and accounting analyses carried out since February 2022 with regard to the first request for information pursuant to Article 115 TUF, which preceded the Notice of Commencement.

- On September 23, 2022, following a meeting of the Control and Risk Committee attended by the Board of Statutory Auditors, the Chief Financial Officer and executive responsible for preparing the corporate accounting documents, the auditing firm (Deloitte & Touche S.p.A.) and the legal advisors, the Company's Board of Directors met again. At that meeting, the Board of Directors examined and discussed the elements contained in the Consob note of September 21, 2022 (supplementing the remarks included in the Notice of Commencement) with particular reference to the Second Manoeuvre. The directors considered and analysed the additional information included in such note, also on the basis of the analyses carried out for the purposes of the defences in response to the Notice of Commencement and the opinions issued by independent experts, which confirmed the correctness of the Company's application of accounting standards in the financial statements referred to in the Notice of Commencement. As a result of such analyses, the Board of Directors approved the 2022 Financial Statements and the text of the press release published after the meeting. In such press release, the Board of Directors also confirmed the Company's willingness to fully cooperate with the authorities in order to clarify any aspect of interest.
- On September 26, 2022, the Board of Directors met to continue its examination of the Consob note of September 21, 2022 and, in response to the requests made therein, approved a note pursuant to Article 115 TUF in which it stated that, as a result of the informational and decision-making procedures described above, the Company believes that, with regard to the approval of the 2022 Financial Statements, it has acted in accordance with applicable laws and regulations governing the preparation of financial reports, in compliance with relevant accounting standards and application criteria, and in line with the international practice in the football industry.
- Following the communication dated October 5, 2022 sent by Deloitte & Touche S.p.A., in which the auditing firm represented that the audit work was still in progress and that it was not in a position to issue the audit reports by the deadline for the publication of the annual financial report (*i.e.*, October 6, 2022), the Board of Directors met on October 6, 2022 to examine the implications of this new timeline and decided to postpone any decisions on the steps to be taken (primarily to protect the information rights of the shareholders) to a future date depending on when the auditor's reports were actually going to be made available. On October 18, 2022, immediately after the issuance of the reports by Deloitte & Touche S.p.A. (which occurred in the evening of October 17, 2022), the Board of Directors took note of the need to postpone the shareholders' meeting (originally convened for October 28, 2022), which had been called to resolve, among other things, on the approval of the 2022 Financial Statements, and resolved to postpone it to November 23, 2022, maintaining the same agenda.
- The directors continued their evaluation activities of the 2022 Financial Statements in light of facts and circumstances subsequently emerged, and in particular (i) the receipt of the Resolution and the Request pursuant to art. 114 TUF on October 19, 2022, and (ii) the notification to the Company and some of its current and former officers of the notice of conclusion of preliminary investigation by the Public Prosecutor's Office of the Court of Turin on October 24, 2022 as part of the ongoing criminal proceedings.
- On October 21, 2022, the Company, following up on the requests contained in the Resolution, published an initial press release in which it reported information about (i) the deficiencies and critical aspects flagged by Consob regarding the correctness of the financial statements as of June 30, 2021 and (ii) the applicable international accounting standards and the violations found by Consob in this regard. With reference to the further request contained in the Resolution, the Company also announced that it would publish an additional press release with pro-forma consolidated financial statements that would take into account the remarks made by Consob.



- On November 2, 2022, the Board of Directors met to discuss, examine and define the actions to be taken in relation to the Resolution. On this occasion, taking into account the assessments and discussions that took place within the Control and Risk Committee and with a view to maximise transparency towards the market and fully cooperate with Consob, the directors confirmed their willingness to comply with the requests contained in the Resolution regardless of their decisions in the context of the court proceedings. The Board of Directors also considered it was necessary to (i) continue examining the 2022 Financial Statements, taking into account the findings contained in the Resolution and the substantial documentation related to the criminal investigation (to this end, the Board of Directors instructed the Company's advisors to review and extract copies of the investigation documents pursuant to Article 415-bis of the Code of Criminal Procedure) and (ii) ensure compliance with the principles of collaboration and cooperation with the Authorities.
- In that regard, the directors requested that their legal and technical/accounting experts update the opinions originally issued in light of a first examination of the findings described in the documents related to the criminal investigation and the remarks contained in the Resolution, and also appointed a new accounting advisor to carry out technical investigations and a new independent expert to issue an additional accounting opinion.
- On November 15, 2022, the Board of Directors met for an update on the ongoing procedures and activities and, at the subsequent meeting held on November 20, 2022, it approved the publication of the Second Press Release 154-ter and, in order to ensure maximum transparency and adequate time for shareholders to review the provided disclosure and pro-forma financial statements, decided to postpone the shareholders' meeting to December 27, 2022.
- At the meeting held on November 24, 2022, following a meeting of the Control and Risk Committee, the Board of Directors acquired new updated opinions – issued in light of the examination of the relevant documentation related to the investigation by the Prosecutor identified by the Company's legal advisor in the criminal proceedings – and evaluated and scrutinized the arguments included in such opinions, also through a direct discussion with the experts who attended the meeting.
- At the meeting of November 28, 2022, with respect to the critical aspects related to the Salary Manoeuvres, the Board of Directors acknowledged the complexity of such profiles on valuation elements which may be subject to different interpretations regarding applicable accounting treatments and carefully considered possible alternative treatments. As a result of such overall analyses and evaluations, while the Board of Directors considers that the accounting treatment adopted by the Company falls within those allowed by applicable accounting principles, to increase prudence the Board of Directors resolved to revise certain estimates and assumptions leading to a revision of the estimates on the accrual charges as of end of June 2020, end of June 2021 and end of June 2022, all as described in the press release issued by the Company today, to which reference is made. The accounting effects of the above will be reflected in a new draft of the annual financial statements and in new consolidated financial statements that will be examined at a future board meeting and submitted to the shareholders' meeting already convened for December 27, 2022.
- Also at the meeting held on November 28, 2022, the Board of Directors approved this press release in response to the Request pursuant to art. 114 TUF.
- Taking into account the findings contained in the Resolution with respect to the disclosure provided in the financial statements regarding the loyalty bonuses described above, the Board of Directors also resolved to initiate, starting from the half-year financial report as of December 31, 2022, further investigations and assessments on the issues connected to accounting and information in the periodic financial reports on the item "Salaries and Variable Bonuses" for players, with particular regard to variable compensation related to the achievement of team sporting results (such as, for example, access to European competitions) and/or related to individual performances (such as, for example, number of appearances, goals scored, assists, permanence in the team, etc.) due to the players.
- Finally the directors requested the Company's internal functions, with particular regard to the activities of the Sports Area, to conclude the analyses and implement the ongoing process requested by the Board of Directors



to enact and enhance the internal procedures and safeguards to contribute to the process of improvement of the accounting practices on the measurement and accounting of the Company's assets and operations.

**2. Pro-forma estimate of the economic and financial effects on the consolidated 2021 and 2022 financial statements**

In respect of Consob's request to provide the market with an estimate of the economic and financial effects, adequately commented, suitable for representing the accounting of the remarks subject of the Resolution on the Issuer's consolidated situation at 30 June 2022, the Company will make this public as soon as the new draft of separate financial statements and consolidated financial statements at 30 June 2022 is approved by the Board of Directors.

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Juventus Football Club S.p.A. announces that the information above are published at Consob's request.

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