

Roberto Bonomi
Chartered accountant and Auditor.

INDEPENDENT ACCOUNTANT'S AUDIT REPORT

To the Members of the Board

Associazione THE NOVAK DJOKOVIC FOUNDATION ONLUS

The undersigned Roberto Bonomi, born in Bergamo (BG) on April 16th, 1986 (Tax Code BNMRR86D16A794C) currently resident in Milano (MI), enrolled in the Milan Order of Chartered Accountants, at no. 8887 Section A, as from November 20th, 2013 and in the Register of Auditors, at no. 172972 as from July 3th 2014, was entrusted to act as independent auditor for the accounting and tax audit of the Association "The Novak Djokovic Foundation ONLUS" (Tax Code 97753100151), with registered office in Milan, Via Durini n. 18 (hereinafter referred to as "**the Entity**").

The review hereby carried out by the undersigned, as summarized in this report, was advisable as the Entity belongs to a group of non-profit international charitable entities, all of which are run by the same person and subject to different local regulations – as applicable in the relevant countries – that differ substantially from one another, with the aim of ensuring the maximum transparency vis-à-vis any third parties.

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By accepting this appointment, the Auditor hereby declares that he is independent of the Board of Directors of the Entity and has no direct interest in any transactions concerning the Entity's business. The auditing activity was carried out pursuant to the rules of conduct provided for in the document "Independent Control for Non-Profit Organizations and the Professional Contribution of the Chartered Professional Accountant and Accounting Officer" recommended by the Italian National Council of Accountants and Auditors on February 16th, 2011. Furthermore, the present audit was carried out taking into account the latest guidelines issued by the Italian Accounting Body (*Organismo Italiano di Contabilità*, "OIC") in connection with the Charitable entities belonging to the s.c. "Third Sector" (*Terzo Settore*).

I, the undersigned Auditor, have received all data, information and documentation from the Board of Directors of the Entity as well as from *Studio Corbella – Dottori Commercialisti Associati*, the accounting firm in charge of the preparation of the financial statement for FY 2021.

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More specifically, the audit carried out the following accounting and tax audits:

A) ACCOUNTING AUDIT

The Auditor hereby assess as follows:

- the administrative organization is consistent with the size and type of the activity carried out by the Entity;
- the administrative and accounting system duly represents the operations that have been performed during 2021;
- the accounting records are kept regularly and in accordance with the applicable legal regulations;
- the chart of accounts is set correctly pursuant to the type of activity and the nature of the Entity;

- the financial statements were drafted according to the schemes and accounting principles provided for by the Third Sector Code, pursuant to the recommendations issued by the Ministry of labour. More in particular, the financial statements comply with the criteria for non-profit entities, more specifically, with the recommendations published by "Non-Profit Companies Commission" of the Italian National Council of Accountants and Auditors (CNDCEC) as well as with the guidelines for the "*Third Sector*" prepared by the Italian ONLUS Agency;
- all accounting items were properly identified, and proper transparency thereof was given;
- the evaluation criteria adopted for accounting purposes are appropriate; more precisely, the auditor monitored the composition of receivables and verified their chargeability;
- the accounting records are consistent with the figures resulting from the financial statements.

B) TAX AUDIT

The Auditor hereby assesses as follows:

- The Association "The Novak Djokovic Foundation ONLUS" is a non-recognized Italian association (*associazione non riconosciuta*), established on June 7th, 2016, which was granted by the Regional Directorate of Revenue of Lombardy formal registration with the ONLUS Single Registry on June 14th 2016 ;
- the Entity is regularly included in the updated online list of the Revenue Agency website as at 31 December 2021¹;
- the Entity has all the requirements to be qualified as an ONLUS;
- the Entity operates in according with Legislative Decree 460/97, and lawfully uses the designation as ONLUS;
- the activity carried out by the Entity is compliant with the purposes set forth in its by-laws;
- the Entity's organization actually carries out the institutional activity envisaged in its by-laws;
- the Entity, as allowed by its by-laws, only carries out activities consistent with its institutional purposes;
- the ancillary activities carried out by the Entity are related to the institutional ones;
- said ancillary activities do not prevail over the institutional ones;
- income generated from the ancillary activities complies with the threshold of 66% over the total expenses sustained by the Entity;
- the Entity does not carry out any activities that are not provided for in its by-laws;
- the Entity pursues charitable and social solidarity purposes in accordance with the applicable regulations;

¹ https://www.agenziaentrate.gov.it/portale/documents/20143/4320805/Lombardia_28032022.pdf/14a2a000-5d9d-007a-e542-20fd65cdd4e9

- the activity carried out by the Entity (*i.e.*, charity) falls within those allowed by the regulations concerning Italian ONLUS;
- the Entity's by-laws are compliant with the provisions of art. 148, paragraph 8, of the Italian Income Tax Law;
- pursuant to art. 143, paragraph 3, para. A) of the Italian Income Tax Law, funds received by public collections are tax exempt;
- the accounting documents, in particular those relating to public fundraising, have been properly drafted in accordance with Art. 20 of the Presidential Decree No. 600/1973;
- any revenues generated by the ONLUS management is used to achieve the Entity's institutional purposes;
- there is no indirect distribution of revenues;
- the Entity meets the requirements set forth by the law to maintain the status of a non-profit entity, accordingly the Entity is not subject to the scope of art. 149 of Italian Income Tax Law;
- the receipts and the other tax-related documents in connection with any cash donations made by both legal and natural persons have been appropriately issued and held;
- the costs incurred and budgeted were verified by the undersigned auditor and were considered consistent with the activity carried out by the Entity.

C) RECEIVABLES

The Auditor notices that the balance sheet no longer shows among the current assets a receivable amounting to €2.730 (which was reported in the balance sheet for FY 2020). Such receivable referred to donations the Entity was due to receive following a charitable auction held in 2017. After five years, the recoverable value of the receivable is deemed to be zero and such receivable shall be treated as impaired. For such reason, an impairment loss of €2.730 was recorded in the income statement of the current period and the value of the impaired receivable was reduced to zero on the balance sheet..

In the light of the above, the balance sheet shows no receivables.

D) DONATIONS

The Auditor assesses that Entity has registered revenues in the Profit and Loss Account for FY 2021 amounting to €5.111, sourced from donations received for the participation to the Milano Marathon 2021 (see *Infra*) and State contributions (s.c. "5x1000").

In fact, as already reported in the Auditor Report for FY2019 and 2020, the Entity entered into an agreement with the organizers of the Milano Marathon to take part to such well renown running event, for promotion and fundraising purposes. The official event, originally scheduled for the 5th of April 2020 and postponed to May 2021 due to Covid-19 pandemic and the related restrictions, was eventually postponed to 2022. In May 2021 a special "virtual" edition of the event took place in lieu of the official event; by participating in such special edition the Association had the chance to raise donation for €775.

In order to join the charitable marathon, in FY2020 the Entity paid the first *tranche* of the participation fee, amounting to €1.950. Due to the cancellation of the 2021 event, the payment of the balance (amounting to

€2.043) was postponed to the following year (*i.e.*, in FY2022), and the participation to the 2022 event was included in the total participation fees (*i.e.*, the Association did not pay further fees to attend the 2022 event). For this reason, there are no costs related to such event recorded in the income statement. Furthermore, after filing a specific request to the competent authorities, in 2021 the Entity received €4.336 as "5X1000" contributions by Italian resident taxpayers who decided to donate part of their income taxes to the Entity pursuant to Italian tax law provisions. Such amount refers to the contributions made from 2017 to 2021, which were paid in one solution only in 2021.

E) COSTS AND EXPENSES

The Entity registered the following costs:

- Legal consultancy fees by Studio Legale Withers (1.372€) for the assistance in relation to the future fulfillments required to register the Entity in the relevant Register of "Third Sector Entities" and to have it qualified as a "Third Sector Entity" pursuant to new Italian legislation; and
- Tax and management consultancy fees (2.741€), for the services rendered by the professionals who assisted the Entity with its ordinary administrative and accounting duties;
- Bank charges (331€).

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The audit was carried out by acquiring all the necessary elements to assess whether the financial statements contain any material errors and are reliable.

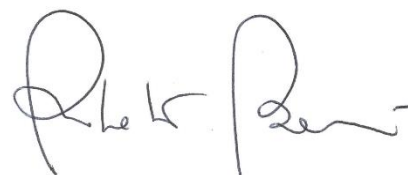
The Entity's Directors are responsible for preparing the financial statements, who must provide a true and fair representation in accordance with Italian accounting standards.

With regard to the auditing, the work carried out provides a reasonable basis for the issuing of a professional judgement.

In the opinion of the undersigned, there is no evidence to suggest that the financial statements fail to comply with the applicable accounting rules and to represent the balance sheet and the income statement for 2021 in a true and fair manner.

The audit also verified that the business carried out by the Entity, whose management responsibility is only attributable to its Directors, is compliant with the current applicable Italian regulations in relation to ONLUS and that, in accordance with Article 10, Legislative Decree 460/97 and Resolution 292 / E of 2002, the Entity has not allocated any funds or assets for any non-charity purposes.

Milan, 5 December 2022



The Chartered Professional Accountant

Roberto Bonomi

FINANCIAL STATEMENT 2021**BALANCE SHEET- ASSETS**

	at 31/12/2021 (Values express in Euros)	at 31/12/2020 (Values express in Euros)
B) FIXED ASSETS		
I - Intangible assets	€ -	€ -
Total intangible assets	€ -	€ -
II –Tangible assets	€ -	€ -
Total tangible assets	€ -	€ -
II –Financial assets	€ -	€ -
Total financial assets	€ -	€ -
TOTAL FIXED ASSETS (B)	€ -	€ -
C) CURRENT ASSETS		
II - Receivables		
From clients		
From others		
Payables various – ordinary income	€ -	€ 2.730
Total receivables	€ -	€ 2.730
Total receivables	€ -	€ 2.730
IV - Cash		
Bank c/c	€ 256.638	€ 258.631
Total cash	€ 256.638	€ 258.361
TOTAL CURRENT ASSETS (C)	€ 256.638	€ 261.091
TOTAL ASSETS	€ 256.638	€ 261.091

BALANCE SHEET – LIABILITIES

A) EQUITY

Endowment fund	€	-	€	-
Surpluses from previous years	€	255.953	€	260.543
Result for the financial year	-€	2.055	-€	4.591
TOTAL EQUITY	€	253.897	€	255.953

D) PAYABLES

7) Payables:

suppliers	€	-	€	-
invoices to be received	€	2.741	€	5.139
Total payable to suppliers	€	2.741	€	5.139
TOTAL PAYABLES	€	2.741	€	5.139

TOTAL LIABILITIES € 256.638 € 261.091

INCOME STATEMENT

at 31/12/2021 at 31/12/2020
(Values express in Euros) (Value expressed in Euros)

A) OPERATING PROFITS**I – FROM CHARITABLE ACTIVITIES**

"5 x mille" (State grants)	€	-	€	-
Other donations	€	4.336	€	-
	€	775	€	250
Total ordinary activity proceeds	€	5.111	€	250

TOTAL OPERATING PROFITS (A)	€	5.111	€	250
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B) OPERATING LOSS

7) Services:

Auction fees	€	-	€	-
Organisation costs – Milano Marathon	€	-	€	1.950
Legal consultancy fees	€	1.372	€	-
Audit fees	€	-	€	-
Tax and management consultancy	€	2.741	€	2.601
Donations	€	-	€	-
Bank charges	€	331	€	313
Total services cost	€	4.444	€	4.864

14) other operating loss:

losses	€	2.730	€	-
Total extraordinary losses	€	2.730	€	-

TOTAL OPERATING LOSS (B)	€	7.173	€	4.864
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DIFFERENCE BETWEEN PROFIT AND LOSS (A-B)	-€	2.062	-€	4.614
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C) FINANCIAL INCOME AND COSTS

16) Other financial income

Bank interest income	€	7	€	24
Total others financial income	€	7	€	24

17) Other financial costs

Total others financial costs	€	-	€	-
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TOTAL FINANCIAL INCOME AND COSTS (C)	€	7	€	24
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RESULTS BEFORE TAXES	-€	2.055	-€	4.591
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20) Income taxes	€	-	€	-
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21) RESULTS FOR THE FINANCIAL YEAR	-€	2.055	-€	4.591
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