

TRADICIÓN



RC Celta

**REAL CLUB CELTA DE VIGO, S.A.D.**  
**Annual Accounts**  
**at 30 june 2020**







**BALANCE SHEET AT 30 JUNE  
2020 AND 30 JUNE 2019**

ASSETS	Note	30/06/2020	30/06/2019
<b>A. NON-CURRENT ASSETS</b>		<b>113,668,021.29</b>	<b>103,115,720.12</b>
I. Intangible Fixed Assets		71,686,010.88	73,678,368.99
1. Player acquisition rights	8	54,169,683.23	54,901,754.42
4. Rights over assets assigned for use	7.1	17,516,327.65	18,776,614.57
II. Other intangible fixed assets	7.2	84,666.30	121,830.82
III. Tangible Fixed Assets	5	15,078,251.64	13,426,294.00
1. Land and buildings		10,460,802.79	10,623,851.23
2. Technical facilities and other tangible fixed assets		1,930,934.33	2,195,876.78
3. Fixed assets under construction and advances		2,686,514.52	606,565.99
V. Long-term investments in group and associate companies		800,000.00	334,610.07
1. Equity instruments	11.4	500,000.00	100,000.00
2. Loans to companies	11.1	300,000.00	234,610.07
VI. Long-term financial investments	11.1	25,009.80	25,009.80
5. Other financial assets		25,009.80	25,009.80
VII. Deferred tax assets	11.4	983,986.52	517,453.55
VIII. Non-current trade debtors	11.1	25,010,096.15	15,012,152.89
<b>B. CURRENT ASSETS</b>		<b>60,926,449.97</b>	<b>57,749,012.56</b>
II. Inventories	12	55,495.92	276,608.19
1. Comerciales		54,895.92	274,998.29
6. Advances to suppliers		600.00	1,609.90
III. Debtors		30,927,406.74	25,030,126.74
1. Season ticket holder and member quotas	11.1	0.00	144,804.49
b) Season ticket holder and member quotas, short-term		0.00	144,804.49
2. Group entities, debtors	11.1	900,724.29	1,055,046.31
3. Sports entities, debtors	11.1	27,825,667.25	18,968,779.06
4. Other receivables	11.1	1,845,147.08	2,297,476.47
5. Personnel	11.1	205,100.00	205,100.00
6. Current tax assets	14.6	150,768.12	1,899,860.45
6. Other credits with the Public Administrations	14.6	0.00	459,059.96
IV. Short-term investments in group and associate companies	11.1	2,000,000.00	0.00
2. Other financial assets		2,000,000.00	0.00
V. Short-term financial investments	11.1	2,000,180.30	6,000,180.30
5. Other financial assets		2,000,180.30	6,000,180.30
VII. Cash and equivalent liquid assets	11.1	25,943,367.01	26,442,097.33
1. Cash and banks		25,943,367.01	26,442,097.33

Total Assets 30/6/2019  
**160,864,732.68**

Total Assets 30/6/2020  
**174,594,471.26**

**BALANCE SHEETS AT 30 JUNE  
2020 AND 30 JUNE 2019**

EQUITY AND LIABILITIES	Note	30/06/2020	30/06/2019
<b>A) EQUITY</b>		<b>100,128,934.62</b>	<b>90,355,789.25</b>
A-1) Net equity	13	87,055,218.27	76,348,236.02
I. Capital		3,770,210.00	3,770,210.00
1. Subscribed capital		3,770,210.00	3,770,210.00
III. Reserves		72,578,026.02	51,434,670.85
1. Legal and statutory		754,042.00	754,042.00
2. Other reserves		63,502,509.88	44,473,232.73
3. Capitalisation reserve		8,321,474.14	6,207,396.12
VII. Results of the financial year	3	10,706,982.25	21,143,355.17
A-3) Subsidies, donations and endowments received	19	13,073,716.35	14,007,553.23
<b>B) NON-CURRENT LIABILITIES</b>		<b>35,233,224.06</b>	<b>31,909,694.04</b>
I. Long-term provisions	16	475,151.37	0.00
4. Other provisions		475,151.37	0.00
II. Long-term debts	11.2	21,823,779.35	21,266,807.67
2. Debts with financial institutions		2,115,642.93	3,245,315.71
3. Debts with sporting entities		19,477,175.42	16,753,030.96
5. Other financial liabilities		230,961.00	1,268,461.00
III. Long-term insolvency debt	2.4; 11.2 & 11.3	0.00	183,626.43
VI. Deferred tax liabilities	14.5	12,934,293.34	10,459,259.94
<b>C) CURRENT LIABILITIES</b>		<b>39,232,312.58</b>	<b>38,599,249.39</b>
II. Short-term provisions	16	252,194.17	252,194.17
2. Other provisions		252,194.17	252,194.17
III. Short-term debts	11.2	1,756,594.14	1,490,551.93
2. Debts with financial institutions		1,129,672.78	1,115,276.23
5. Other financial liabilities		626,921.36	375,275.70
IV. Short-term debts with group and associated companies	11.2	93,430.32	0.00
V. Commercial creditors and other accounts payable	11.2	36,576,749.86	28,118,556.16
1. Advances of season ticket holder and member quotas		6,379.25	0.00
2. Debts due to purchases or provision of services		4,530,192.82	5,518,479.77
b) Short-term suppliers		4,530,192.82	5,518,479.77
3. Debts with sporting entities		24,196,857.50	19,416,050.52
4. Personnel (salaries payable)		4,802,658.68	156,383.96
6. Other debts with Public Administrations	14.6	3,037,505.52	3,023,046.20
6. Client advances		3,156.09	4,595.71
VI. Short-term accruals	11.2	553,344.09	8,737,947.13

**Total Equity + Liabilities  
30/6/2019  
160,864,732.68**

**Total Equity + Liabilities  
30/6/2020  
174,594,471.26**

# INCOME STATEMENT AT 30 JUNE 2020 AND 30 JUNE 2019

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on next page...

A) CONTINUING OPERATIONS	Note	30/06/2020	30/06/2019
1. Revenue	15.1	65,066,149.51	67,006,732.54
a) Income from competitions		561,480.63	1,391,009.02
b) Income from season ticket holders and members		3,505,866.97	4,450,254.83
c) Broadcast income		52,406,864.69	51,632,445.41
d) Advertising income		7,472,333.32	7,399,161.43
d) Marketing and other income		1,119,603.90	2,133,861.85
4. Supplies		-1,346,380.45	-2,192,834.32
b) Other consumption and external expenses		-1,356,068.14	-2,179,595.83
d) Impairment/Reversion of merchandise, raw materials and other provisioning	12	9,687.69	-13,238.49
5. Other operating income		4,107,337.45	6,369,404.99
a) Ancillary and other current management income	15.4.b	3,538,290.52	6,209,523.90
b) Operating subsidies included in results for the financial year	19	569,046.93	159,881.09
6. Staff expenses		-50,041,361.48	-43,084,760.22
a) Playing staff salaries and wages	15.2.b	-44,005,079.36	-37,067,814.79
b) Non-playing staff salaries and wages	15.2.a	-4,652,830.36	-4,567,550.28
c) Social charges	15.2	-1,383,451.76	-1,449,395.15
7. Other operating expenses		-16,657,586.67	-14,201,586.60
a) External services		-5,654,395.86	-6,185,547.13
b) Levies		-18,224.92	-15,885.72
c) Impairment, losses and variation of provisions for commercial operations	11.1	-215,074.75	-336,687.42
d) Travel		-1,179,469.41	-1,277,565.97
e) Player acquisition expenses	15.2.b	-6,652,451.92	-3,682,470.93
f) Other current management expenses		-2,937,969.81	-2,703,429.43
8. Amortisation of fixed assets		-21,664,437.44	-16,661,080.50
a) Amortisation of player acquisition rights	8 & 15.2.b	-19,740,584.15	-14,803,695.57
b) Other amortisation	5; 7.1 & 7.2	-1,923,853.29	-1,857,384.93
9. Application of subsidies of non-financial fixed assets and others	19	1,245,115.80	1,245,115.80
11. Impairment and result of fixed asset sales		34,834,293.46	28,750,784.56
a) Results from the sale of players	5	0.00	-7,399.43
b) Results from transfers and others	8 & 15.4.g	34,834,293.46	28,758,183.99
13. Other results	15.4.e	-611,675.55	506,398.64
<b>A.1) OPERATING PROFIT</b>		<b>14,931,454.63</b>	<b>27,738,174.89</b>

	Note	30/06/2020	30/06/2019
14. Financial income	15.4.f	59,699.22	25,949.51
a) From stakes in equity instruments	15.4.a	33,516.38	7,284.41
a 1) In group and associated companies		33,516.38	7,284.41
b) From negotiable securities and other financial instruments		26,182.84	18,665.10
b 2) From third parties		26,182.84	18,665.10
15. Financial expenses	15.4.f	-61,727.74	-83,292.40
b) From debts with third parties		-61,727.74	-83,292.40
16. Variation in fair value of financial instruments	15.4.f	18,547.75	0.00
a) Trading and others		18,547.75	0.00
17. Exchange differences	15.4.f & 15.4.c	0.00	-2,939.56
<b>A.2) FINANCIAL PROFIT</b>		<b>16,519.23</b>	<b>-60,282.45</b>
<b>A.3) PROFIT/(LOSS) BEFORE INCOME TAX</b>		<b>14,947,973.86</b>	<b>27,677,892.44</b>
20. Income tax expense	14.2	-4,240,991.61	-6,534,537.27
<b>A.4) FINANCIAL YEAR PROFIT FROM CONTINUING OPERATIONS</b>		<b>10,706,982.25</b>	<b>21,143,355.17</b>
<b>A.5) PROFIT/(LOSS) FOR THE PERIOD</b>	<b>3</b>	<b>10,706,982.25</b>	<b>21,143,355.17</b>

#### STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2020 AND 30 JUNE 2019

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE	Note	30/06/2020	30/06/2019
<b>A) PROFIT/(LOSS) FOR THE PERIOD</b>	<b>3</b>	<b>10,706,982.25</b>	<b>21,143,355.17</b>
Income and expense charged directly in equity:			
<b>B) TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>		<b>0.00</b>	<b>0.00</b>
Transfers to the profit and loss account			
X. Susidies, donations and endowments received	19	(1,245,115.80)	(1,245,115.80)
XIII. Tax effect	14	311,278.92	311,278.92
<b>C) TOTAL AMOUNT TRANSFERRED TO THE INCOME STATEMENT</b>		<b>(933,836.88)</b>	<b>(933,836.88)</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>		<b>9,773,145.37</b>	<b>20,209,518.29</b>



## STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2020 AND 30 JUNE 2019

B) STATEMENT OF CHANGES IN EQUITY	Subscribed capital	Reserves	Profit/(Loss) for the period	Subsidies, donations and endowments received	TOTAL
<b>A. BALANCE AT THE END OF THE 2017-2018 SEASON</b>	<b>3,770,210.00</b>	<b>38,459,591.42</b>	<b>12,975,079.43</b>	<b>14,941,390.11</b>	<b>70,146,270.96</b>
I. Adjustments due to change of criteria for the 2017-2018 season	0.00	0.00	0.00	0.00	0.00
II. Adjustments due to errors for the 2017-2018 season	0.00	0.00	0.00	0.00	0.00
<b>B. ADJUSTED BALANCE, START OF THE 2018-2019 SEASON</b>	<b>3,770,210.00</b>	<b>38,459,591.42</b>	<b>12,975,079.43</b>	<b>14,941,390.11</b>	<b>70,146,270.96</b>
I. Total recognised income and expense	0.00	0.00	21,143,355.17	(933,836.88)	20,209,518.29
II. Operations with shareholders or owners	0.00	0.00	0.00	0.00	0.00
III. Other changes in equity	0.00	12,975,079.43	(12,975,079.43)	0.00	(0.00)
1. Movement of the capitalisation reserve	0.00	1,297,507.94	(1,297,507.94)	0.00	0.00
2. Other variations	0.00	11,677,571.49	(11,677,571.49)	0.00	0.00
<b>C. BALANCE AT THE END OF THE 2018-2019 SEASON</b>	<b>3,770,210.00</b>	<b>51,434,670.85</b>	<b>21,143,355.17</b>	<b>14,007,553.23</b>	<b>90,355,789.25</b>
I. Adjustments due to change of criteria for the 2018-2019 season	0.00	0.00	0.00	0.00	0.00
II. Adjustments due to errors for the 2018-2019 season	0.00	0.00	0.00	0.00	0.00
<b>D. ADJUSTED BALANCE, START OF THE 2019-2020 SEASON</b>	<b>3,770,210.00</b>	<b>51,434,670.85</b>	<b>21,143.355.17</b>	<b>14,007,553.23</b>	<b>90,355,789.25</b>
I. Total recognised income and expense	0.00	0.00	10,706.982,25	(933,836.88)	9,773,145.37
II. Operations with shareholders or owners	0.00	0.00	0.00	0.00	0.00
III. Other changes in equity	0.00	21,143,355.17	(21,143,355.17)	0.00	(0.00)
1. Movement of the capitalisation reserve	0.00	2,114,078.02	(2,114,078.02)	0.00	0.00
2. Other variations	0.00	19,029,277.15	(19,029,277.15)	0.00	0.00
<b>E. BALANCE AT THE END OF THE 2019-2020 SEASON</b>	<b>3,770,210.00</b>	<b>72,578,026.02</b>	<b>10,706,982.25</b>	<b>13,073,716.35</b>	<b>100,128,934.62</b>

## CASHFLOW STATEMENT AT 30 JUNE 2020 AND 30 JUNE 2019

	Note	30/06/2020	30/06/2019
<b>A) Cashflows from Operating Activities</b>			
1. Pre-tax profit for the financial year		14,947,973.86	27,677,892.44
2. Adjustments to results		-12,638,015.12	3,756,840.21
a) Depreciation of fixed assets (+)	5; 7.1; 7.2 & 8	21,664,437.44	16,661,080.50
b) Impairment adjustments (+/-)	11.1 & 12	-91,003.69	349,925.91
c) Variation of provisions (+/-)	16	475,151.37	252,194.17
d) Allocation of subsidies (-)	19	-1,245,115.80	-1,245,115.80
e) Result of removals and transfers of fixed assets (+/-)		-33,443,512.96	-12,321,527.02
g) Financial income (-)		-59,699.22	-25,949.51
h) Financial expenditure (+)		61,727.74	83,292.40
i) Exchange rate differences (+/-)		0.00	2,939.56
3. Changes in current capital		4,427,294.93	-8,556,064.71
a) Inventories (+/-)		229,790.06	-12,039.00
b) Debtors and other accounts receivable (+/-)		21,815,483.71	-8,550,814.76
c) Other current assets (+/-)		-4,760,50	30,481.42
d) Creditors and other accounts payable (+/-)		-8,124,998.12	-4,626,642.90
e) Other current liabilities (+/-)		-9,488,220.22	4,558,739.53
f) Other non-current assets and liabilities (+/-)		0.00	44,211.00
4. Other cashflows from operating activities		-303,320.91	-4,329,465.22
a) Payment of interest (-)		-61,727.74	-83,292.40
c) Receipt of interest (+)		7,284.41	22,337.24
d) Profit tax collections/(payments) (+/-)		-248,877.58	-4,268,510.06
5. Cashflows from operating activities		6,433,932.76	18,549,202.72

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	Note	30/06/2020	30/06/2019
<b>B) CASHFLOWS FROM INVESTMENT ACTIVITIES</b>			
6, Investment payments (-)		-22,556,260.42	-18,142,359.13
a) Group and associated companies	11,1	-2,000,000.00	0.00
b) Intangible fixed assets	7 & 8	-8,540,000.00	-15,641,727.01
c) Tangible fixed assets	5	-2,018,317.16	-2,496,210.80
e) Other financial assets	11,1	-9,997,943.26	-4,421.32
7, Divestment receipts (+)		16,922,500.00	5,121,385.20
b) Intangible fixed assets	8	12,922,500.00	5,121,385.20
e) Other financial assets		4,000,000.00	0.00
8, Cashflows from investment activities		-5,633,760.42	-13,020,973.93
<b>C) CASHFLOWS FROM FINANCING ACTIVITIES</b>			
10, Collections and payments for financial liability instruments		-1,298,902.66	-1,148,034.37
a) Issue		0.00	0.00
2, Debts with financial institutions (+)		0.00	0.00
5, Other debts (+)		0.00	0.00
b) Return and repayment of		-1,298,902.66	-1,148,034.37
2, Debts with financial institutions (-)		-1,115,276.23	-964,407.94
3, Debts with group and associated companies (-),	11,2	0.00	0.00
5, Other debts (-),		-183,626.43	-183,626.43
12, Cashflows from financial activities		-1,298,902.66	-1,148,034.37
<b>D) Impact of exchange rate variations</b>			
<b>E) Net increase/decrease of cash or equivalents</b>		<b>(498,730.32)</b>	<b>4,380,194.42</b>
Cash or equivalents at the start of the financial year	11,1	26,442,097.33	22,061,902.91
Cash or equivalents at the end of the financial year	11,1	25,943,367.01	26,442,097.33







# 1. ACTIVITY OF THE COMPANY

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## 1.1. INCORPORATION

Real Club Celta de Vigo, S.A.D., was incorporated in Vigo, by virtue of a public deed executed before Mr Alejo Calatayud Sempere, Notary Public in Vigo, on 30 June 1992, by means of the transformation of the entity Real Club Celta de Vigo, founded on 23 August 1923, into a public limited sports company (sociedad anónima deportiva or SAD) under the “Football club restructuring plan”, created by the Sports Act.

It was recorded at Pontevedra Commercial Registry on 26 February 1993, on folio 119, volume 1218, sheet number 7073, entry 1.

Its tax identification code is A-36.609.105.

The CNAE (National Economic Activities Code) for the company's main activity is 9319.

The registered office is Príncipe Street, 44, Vigo, and it performs its activity at the following facilities (note 4.1 and 4.2):

- Estadio Abanca Balaidos, the facility at which the first team plays.
- Estadio de Barreiro, the facility at which the company's reserve team, Celta B, plays.
- A Madroa sports facilities; and
- Edificio Sede Príncipe (known as A Sede), facilities that house the General Management, Financial Management and other areas of the company, and is the registered office and tax domicile of the company. Moreover, certain parts of the building are leased to the dependent company, Afouteza e Corazón, S.L.U. for the carrying on of its business (note 10, 11.4 and 15.4.a).



## 1.2. LEGAL REGIME

The Company is governed by its Articles of Association, the Sports Act (Ley del Deporte 10/1990, de 15 de octubre); Royal Decree 1251/1999 of 16 July, on Public Limited Sports Companies, Royal Legislative Decree 1/2010 which approved the Restated Text of the Spanish Companies Act (Ley de Sociedades de Capital), as well as subsequent laws that amended said act, the Commercial Code and other applicable legal provisions and the Order of 27 June 2000 which approved the rules for adapting the General Chart of Accounts to public limited sports companies, where not otherwise regulated by Royal Legislative Decree 1514/07, of 16 November.

It is also subject to the terms of the Transparency, Public Information Access and Good Governance Act (Ley 19/2013 de 9 de diciembre de Transparencia, Acceso a la Información Pública y Buen Gobierno) and the decisions of the Higher Council for Sports and the National Professional Football League (LNFP).

## 1.3. CORPORATE OBJECT

Real Club Celta de Vigo is a football club playing in the First Division of the Professional Football League in Spain. According to the Articles of Association, its corporate object is:

- Participation in sporting competitions of a professional nature, belonging to the category of football.

- Promotion and development of sporting activities in one or more categories of sports.
- Operation and marketing of sporting events, products and rights of all kinds linked or related to the category of sports, the professional team and the team resources.

The nature of the operation of the company corresponds to the participation in professional sports competitions, in the category of football, with the first team playing in the First Division National League Championship and in the King's Cup and the reserve team, Celta B, in Second Division B.

## 1.4. OBLIGATION TO CONSOLIDATE

Real Club Celta de Vigo, S.A.D. is the dominant company of a corporate group comprised of:

- Investee company Afouteza e Corazón, S.L.U. which does not perform sporting activities (Note 11.4) and
- Special purpose entity Fundación Celta de Vigo, whose main activity is the promotion of grassroots sports from the lower age-grades of RCCelta (note 15.4.a).

According to the terms of Article 43.3 of the Commercial Code, the Company is exempt from the obligation to consolidate as it only holds stakes in dependent companies that do not have a significant interest, individual or on aggregate, for the true and fair picture of the wealth, financial situation and results of the group companies.

The members of the Board of Directors of the company have decided to formulate consolidated annual accounts, as of the 2019/2020 season, including Afouteza e Corazón, S.L.U. and Fundación Celta de Vigo within the consolidation perimeter.

Moreover, the company belongs to the corporate group of Grupo Corporativo Ges, in which the direct parent of the Company is Grupo Corporativo Ges, S.L., with company seat in Vigo (Colón Street), and the end parent company of the group is Grupo Energético del Sureste, S.A. de C.V., with company seat in Mexico (Colonia San Román, Campeche).



## 2. BASIS FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The members of the Board of Directors formulate these annual accounts in accordance with the regulatory framework on financial reporting applicable to the company established in:

- Legislative Decree 1/2010 which approved the Restated Text of the Spanish Companies Act, as well as any acts subsequently amending the same.
- The Public Limited Sports Companies Act, Royal Decree 1251/1999 of 16 July.
- Legislative Royal Decree 1514/07, of 16 November, which approved the General Chart of Accounts, and the amendments contained in RD 1159/2010, of 17 September and RD 602/2016 of 2 December.
- The Order of 27 June 2000 which approved the rules for adapting the General Chart of Accounts to public limited sports companies, where not otherwise regulated by Royal Legislative Decree 1514/07, of 16 November.
- The Commercial Code.
- Other applicable legal provisions (specifically the Regulations on the Financial Control of Clubs and Public Limited Sports Companies belonging to the LNFP and the resolutions of the Joint Committee of the Higher Sports Council and the LNFP, which approved the new format for the Report on the Annual Accounts of Clubs and Public Limited Sports Companies belonging to the LNFP).

### 2.1. TRUE AND FAIR VIEW

The Annual Accounts for the season have been drawn up using the accounting records at 30 June 2020, having applied the legal provisions in force in relation to accounts indicated above, in order to provide a true and fair view of the assets and the financial situation and results of the company, as well as of the veracity of the flows contained in the cashflow statement.

These annual accounts, formulated by the members of the Board of Directors of the company, will be submitted for the approval of the Ordinary General Meeting of Shareholders,



where it is envisaged they will be approved without any amendments. The annual accounts for the 2018/2019 season were approved by the Ordinary and Extraordinary General Meeting held on 3 December 2019.

There are no exceptional reasons justifying the non-application of the legal provisions on accounting in providing this true and fair picture.

## 2.2. CRITICAL ASPECTS OF THE VALUATION AND ESTIMATION OF UNCERTAINTY

On 11 March 2020, the World Health Organisation declared the outbreak of Coronavirus COVID-19 to be a pandemic, due to its rapid spread around the world.

These annual accounts have been formulated on the assumption that the company's activity continues on a going-concern basis, having taken into account the current COVID-19 situation as well as its possible effects on the economy in general and on the company in particular, without their being a risk regarding continuity of the activity.

As a result of the situation caused by COVID-19 in the course of the 2019/2020 season, the following were affected:

- Income from competitions, as matches were held behind closed doors.

- Income from season ticket holders and members, due to the refund of the amount of the same where the matches were held behind closed doors.

During the COVID-19 crisis, a series of measures was adopted in order to guarantee the protection of employees, suppliers and debtors:

- Given the investment made in the digitalisation of processes, it has been possible to work remotely,
- The necessary actions have been adopted in order to maintain social distancing and limit personal interaction, and
- Healthcare material was donated to the Vigo Health Area in order to meet the healthcare needs related to the COVID-19 pandemic (note 15.4.e).

The formulation of these annual accounts requires the use of certain estimations and judgements regarding the future by management that are continuously assessed and based on historical experience and other factors, including the expectations of future events that are considered reasonable under said circumstances.

Although these estimations are made by the management of the company with the best information available at the end of the season, applying their best estimate and knowledge of the market, it is possible that potential future events may oblige the company to modify them in future seasons.

According to the legislation in force, the effects of any change to estimations will be prospectively acknowledged in the profit and loss statement.

Below are the main estimations and judgements used by the company:

### **Useful life of technical facilities and other fixed assets (Note 4.2 and 5):**

The management of the company determines the estimated useful life and corresponding depreciation charges for fixed assets. This estimate is based on the lifecycles envisaged for the fixed assets depending on their use and on the possible impairment due to technological advances.

### **Useful life of intangible sports fixed assets (Notes 4.1, 7.1 and 8):**

The management of the company determines the useful life in the event of the acquisition rights of players in accordance with the duration of the contract of each player, the case of the participation rights in sporting competitions, normally, over a term of four years and for the rights over assets assigned in accordance with the term of the assignment agreement.

Moreover, in the case of the acquisition rights of players (note 8), at the end of the season the management of the company carries out an overall valuation of players by the market, and in the event it is determined that there is an overall loss in value of the playing personnel, the corresponding loss due to impairment is provisioned.

### 2.3. COMPARISON OF INFORMATION

According to commercial legislation, for the purposes of comparison, together with each of the entries on the balance sheet, profit and loss account, statement of changes in net equity and cashflow statement for the 2019/2020 season, the members of the Board of Directors have presented the corresponding figures for the 2018/2019 season. Moreover, for the purposes of comparison with each of the entries of this report corresponding to the 2019/2020 season, the information for the preceding season is presented.

In the 2019/2020 season, the company recognised credits with sporting entities, debtors whose term of maturity exceeds the normal operating cycle, under the heading of Non-Current Trade Debtors. The following table illustrates this with a comparison to the previous season:

Balance Sheet heading	S2018/2019 A/A at 30/06/2020	S2018/2019 A/A at 30/06/2019
<b>VIII. Non-current trade debtors (NON-Current Assets)</b>	15,012,152.89	0.00
<b>III.3. Sporting entities, debtors (Current Assets)</b>	18,968,779.06	33,980,931.95

### 2.4. INFORMATION ON INSOLVENCY PROCEEDINGS

#### Date of the judgment approving the arrangement:

On 20 July 2009, the Judge of Pontevedra Commercial Court no. 1, approved the proposed arrangement with creditors presented by Real Club Celta de Vigo, S.A.D. on 10 May 2009 with the acceptances set out in the minutes of the creditors' meeting dated 30 June 2009, becoming effective as of that date.

#### Characteristics of the arrangement:

The proposed arrangement comprised three alternative options, with only one option involving payment of 100% of credits. The options are as follows:

- **First option:**

Payment 100% of total credits by means of conversion into shares of Real Club Celta de Vigo, S.A.D

- **Second option:**

This entailed the conversion of a participating loan into an ordinary credit together with a reduction of 50% of the credit to be converted, with a grace period of 2 years as of the judicial approval of the arrangement and repayment according to certain conditions.

- **Third option:**

A reduction of 85% of the amount of the credits was proposed to creditors together with a moratorium of five years (payment of ordinary debt after the 85% reduction from year 1 to year 5 and payment of the subordinate debt after the 85% reduction from year 6 to year 10).



### Agreements signed with creditors:

The special agreements signed by the company with the most relevant creditors (NovaGalicia Banco (now called Abanca)) and the Spanish Tax Authorities (AEAT) were complied with in full.

### Most significant variations in insolvency debt following approval of the arrangement with creditors:

The **breakdown of the insolvency debt according to the last report from the receivers** of the company, addressed to Commercial Court no. 1 in Vigo, dated 10 November 2008, is:

DESCRIPTION	INSOLVENCY DEBT AMOUNT
Credits with special preference	8,336.503.09
Credits with general preference	19,345.904.67
Ordinary credits	27,511.357.01
Subordinated credits	12,326.872.35
<b>TOTAL INSOLVENCY DEBT AMOUNT</b>	<b>67,520.637.12</b>

The **insolvency debt resulting following the choice of the three options contained in the arrangement with creditors** is set out in the following table:

Description	Amount
Insolvency debt	67,520,637.12
Total reduction (option 1 and 2 arrangement)	-19,547,743.85
Capitalisation 100% debt (option 3)	-13,588,789.08
Debt converted into participating loans	-3,561,785.98
<b>Total insolvency debt (not counting financial effect)</b>	<b>30,822,318.21</b>
Creditor waiver 30/06/2009	-365,286.21
<b>Insolvency debt 30/06/2009</b>	<b>30,457,032.00</b>



The **modifications of the insolvency debt up to 30 June 2020**, are supplied in the following table:

Description	Amount
Insolvency debt at 30/06/2009	30,457,032.00
Debt converted into participating loans	3,561,785.98
Payment of privileged credit (arrangement)	-2,008,812.38
Cancellation of privileged loan (arrangement)	-5,140,098.75
Favourable judgments in The Tax Agency proceedings	-1,816,302.19
Privileged debt – Social Security Treasury (arrangement and payment)	-92,535.21
Creditor waiver	-15,000.00
Other	-1,001.22
Total insolvency debt (without considering financial impact) at 30/06/2010	24,945,068.23
Total net payments and cancellations of insolvency debt S10/11	-1,723,203.63
Total insolvency debt (without considering financial impact) at 30/06/2011	23,221,864.61
Total net payments and cancellations of insolvency debt S11/12	-1,935,881.52
Total insolvency debt (without considering financial impact) at 30/06/2012	21,285,983.09
Total net payments and cancellations of insolvency debt S12/13	-3,774,672.97
Total insolvency debt (without considering financial impact) at 30/06/2013	17,511,310.12
Recognition of debt guarantee	66,634.58
Total net payments and cancellations of insolvency debt S13/14	-7,198,478.91
Total insolvency debt (without considering financial impact) at 30/06/2014	10,379,465.79
Total net payments and cancellations of insolvency debt S14/15	-5,551,525.32
Total insolvency debt (without considering financial impact) at 30/06/2015	4,827,940.47
Total net payments and cancellations of insolvency debt S15/16	-4,095,087.01
Total insolvency debt (without considering financial impact) at 30/06/2016	732,853.46
Total net payments and cancellations of insolvency debt S16/17	-181,974.17
Total insolvency debt (without considering financial impact) at 30/06/2017	550,879.29
Total net payments and cancellations of insolvency debt S17/18	-183,626.43
Total insolvency debt (without considering financial impact) at 30/06/2018	367,252.86
Total net payments and cancellations of insolvency debt S18/19	-183,626.43
Total insolvency debt (without considering financial impact) at 30/06/2019	183,626.43
Total net payments and cancellations of insolvency debt S19/20	-183,626.43
Total insolvency debt (without considering financial impact) at 30/06/2020	0.00



Moreover, the **breakdown of insolvency debt at 30 June 2020 and 30 June 2019**, taking into account the financial impact, is set out in the following table (note 11.3):

Description	Debt at 30/06/2020	Debt at 30/06/2019
<b>Debt (without financial effect)</b>	0.00	183,626.43
<b>Financial effect</b>	0.00	0.00
<b>Debt with financial effect</b>	0.00	183,626.43

Further information on the insolvency debt and fulfilment of the arrangement with creditors is supplied in note 11.3 to this report.

#### **Date of the judgment on fulfilment of the arrangement:**

On 20 January 2020, the Judge of Commercial Court no. 1, Pontevedra, declared that the arrangement approved in a judgment dated 20 July 2009 had been fulfilled in its entirety.

The company was grouping all long-term insolvency debt in order to highlight the effect of the arrangement with creditors approved and that it was comparable from one season to the next.



### 3. APPLICATION OF RESULTS

The proposal from the members of the Board of Directors for the application of the results of the 2019/2020 season, and for the distribution of the results from the 2018/2019 season, approved by the General Meeting of Shareholders, is as follows:

The distribution envisaged in the allocation of results from the financial year meets the requirements and restrictions established in the Articles of Association and in the legal regulations.

There are no restrictions on the distribution of dividends.

Application of results	Amount at 30/06/2020	Amount at 30/06/2019
Distribution basis		
Balance of the profit and loss account	10,706,982.25	21,143,355.17
	<b>10,706,982.25</b>	<b>21,143,355.17</b>
Application		
To voluntary reserves	10,706,982.25	19,029,277.15
To capitalisation reserve	0.00	2,114,078.02
	<b>10,706,982.25</b>	<b>21,143,355.17</b>

## 4. REGISTRATION AND VALUATION RULES

The members of the Board of Directors hereby set out the accounting criteria applied in relation to the items applicable to the company, for the formulation of these annual accounts:

### 4.1. INTANGIBLE FIXED ASSETS.

The assets comprising the intangible fixed assets are valued at acquisition price or production cost. Specifically:

#### INTANGIBLE FIXED SPORTING ASSETS

This heading includes:

**Player acquisition rights** corresponding to the amounts accrued due to the acquisition of certain players (domestic or foreign). It includes all commitments assumed in this regard as well as the agency and intermediation costs that are independent of the contract signed between the company and the player for the provision of his services. According to the criteria of the applicable regulations, certain assets are valued at zero cost, as there is no acquisition price for the same, which is the case of players produced by the RC-Celta academy.

The amortisation of these rights is lineal in line with the period of duration of the player's contract. Any changes that may arise due to an extension to the player's contract are included in the accounts as an estimation, errors excepted.

The soundness of the overall value of playing personnel is assessed at all times using certain procedures (differences between acquisition value and

market value), as well as by periodically assessing the impairment of said assets.

**Participation rights in sporting competitions** corresponds to the amounts paid for the acquisition of the rights to participate in official competitions. In order to activate them, they must be the result of a transaction for a consideration and not be of a periodic nature. These rights are amortised on a systematic basis in the course of their lifetime (which we understand to be four years). In the event of relegation or loss of the right to participate for whatever reason, the corresponding impairment will be recorded for the amount pending amortisation.

**The rights over investments made in land or assigned facilities** corresponds to investment made by the company in land or facilities that were leased, obtained via administrative concessions or any other kind of contractual assignment, when said investments are not separable from said land or facilities, provided that they increase the capacity and productivity of the same or extend their useful life.

**The rights over assigned for use** correspond to those assets that, assigned for use by the assignor entities, are used to perform the activity.

They are measured following the criterion established in query 6 of the Official Journal of the Spanish Accounting and Audit Institute (BOICAC) no. 77 on the accounting treatment of the assignment of public domain which entails only the right to use said assets, without the requirement for a



consideration, which establishes that “the absence of a consideration means that the accounting treatment of the operation is analysed using registration and valuation rule 18 of the 2007 General Chart of Accounts as a point of reference. According to the content of said rule, the beneficiary entity of the assignment must record the right of use it receives as an intangible asset at its fair value, recording as a balancing entry any income attributed directly to the net equity, provided that the requirements envisaged in said rule are met:

- The existence of an individualised concession agreement in favour of the company,
- The conditions established for the concession have been fulfilled, and
- There is no reasonable doubt regarding receipt of the subsidy

However, if due to the special nature of the assignee, the term established for the assignment covers virtually the entirety of the financial life of the assigned assets, this circumstance must be taken into consideration in order to class the right of use in accordance with the nature of the asset received; a tangible fixed asset, as the case may be.

We believe that the rights of use assigned over the municipally-owned sports facilities, free of charge, meet the requirements to be recognised as an intangible asset, being valued at the fair value of the asset or right delivered. The company uses Balaidos Municipal Stadium, Barreiro football ground and the La Madroa sports facilities (note

1.1), the concession for use of which was approved in an agreement dated 28 March 1992, to be used until 16 May 2014 without any kind of consideration. On 30 January 2009 a new agreement was signed with Vigo City Council maintaining the authorisation to use the sports facilities granted to the company and extending the term of the 1992 Agreement until 2034.

The depreciation of these assets is in line with their useful life or the duration of the assignment agreement, if shorter.

#### **OTHER INTANGIBLE FIXED ASSETS**

**The computer applications** that meet the identifiability criterion are included in the assets, whether acquired from third parties or developed by the company itself, using the means at its disposal.

The assets do not contain the maintenance expenses of the computer applications.

**The transfer rights** are stated by virtue of an acquisition for a consideration of the premises used for the sale of advertising materials and marketing of RCCelta products.

The elements of intangible fixed assets are depreciated on a linear basis, in line with the estimated useful life, considered to be 5 years.

#### 4.2. 2. TANGIBLE FIXED ASSETS.

The different assets contained in this entry are measured at the acquisition price or production cost minus accumulated depreciation and, if applicable, any accumulated impairment adjustments.

**Technical installations, machinery and tools** are measured at acquisition price or manufacture and construction cost until brought into operating condition.

**The company's building** situated on Príncipe Street (known as A Sede) (note 1.1), the information on which is supplied in greater detail in note 5, is measured at acquisition price, which also includes the amount invoiced by the vendor, after deducting any price discount or reduction and all additional expenses directly related and arising until it was brought into operating condition (following refurbishment of the property).

**The construction of Ciudad Deportiva RCCelta**, located in Mos, more detailed information on which is available in notes 5 and 10 of this report, will be valued at production cost, which will be comprised of the installations and elements of a permanent nature, the charges inherent to construction and the professional fees of the project and works management. Moreover, conditioning expenses such as fencing, earthworks, sanitation and drainage works will be included.

Fixed assets requiring a term of more than one year in order to be in a position to be used will include in the acquisition price or production cost

those financial expenses accruing before they are brought into operating condition and invoiced by the supplier or corresponding to loans or other kinds of external financing, specific or generic, directly attributable to the acquisition, manufacture or construction.

Depreciation is recorded according to the actual depreciation suffered by the different elements of tangible fixed assets due to operation, use, enjoyment or obsolescence, meaning that said amounts are deductible. In the case of very specific tangible fixed asset elements, the company asks the manufacturer of said element for a certificate of the useful life of the same.

Any changes that, if applicable, could affect the residual value, useful life and depreciation method of an asset, will be recorded as a change in the accounting estimation, errors excepted.

At the closing date of each season, the company assesses the net book value of its fixed assets in order to ascertain whether there are losses due to impairment of the assets.

#### 4.3. LEASES.

The company does not have any financial leasing agreements.

The expenses derived from the operating lease agreements are charged to the profit and loss account in the season in which they accrue.

The income derived from the operating lease agreements, for the facilities at A Sede (note 1.1)

with dependent company Afouteza e Corazón, S.L.U. are recorded using the accrual method, that is, when there is an actual flow of the services that they represent.

All the information on operating leases is supplied in note 10 of this report.

#### 4.4. IMPAIRMENT LOSSES OF NON-FINANCIAL ASSETS.

Those assets subject to depreciation are subjected to impairment tests whenever there is an event or change of circumstances that indicates that the book value may not be recoverable.

An impairment loss is recognised for the excess of the book value of the asset compared to its recoverable amount, the latter being understood as the fair value of the asset minus sales costs or value in use, whichever is higher. For the purposes of assessing impairment losses, assets are grouped at the lowest level for which there are separate identifiable cashflows (cash-generating units). Non-financial assets suffering impairment losses are reviewed on the date of each balance sheet in case the losses have been reversed.

#### 4.5. FINANCIAL ASSETS.

The company's financial assets are debtors, which correspond essentially to sporting entities (due to the sale or loan of players) which in the case of a term of maturity in excess of the normal operating cycle, are recognised in non-current trade debtors, other debtors due to the different collaboration agreements and arrangements for exploitation of advertising rights in accordance with the agreements signed and financial investments (loans to group companies, short-term investment funds and other financial assets).

At season close at least, the necessary value adjustments are made due to impairment if there is objective evidence that not all amounts owed will be collected.

The amount of the impairment loss is the difference between the asset's book value and the actual value of estimated future cashflows, discounted at the effective rate of interest at the moment of initial recognition. Value adjustments, and any reversals of the same, are recognised in the profit and loss account.

#### 4.6. FINANCIAL LIABILITIES.

Financial liabilities include debt with financial institutions, insolvency debt (until 30 June 2019, before making the final payment of the same (note 2.4)) and the debt derived from debits due to commercial or non-commercial transactions for the purchase of goods and services by the company (sporting goods and equipment) and for

the acquisition/loan of players, measured at fair value, which is the price of the transaction, plus attributable expenses.

#### 4.7. INVENTORIES.

The goods contained in inventories correspond to sporting goods and equipment at acquisition price. This includes the amount invoiced by the vendor after deducting any discount, price reduction or similar items, together with the costs necessary for marketing said sports material.

It is checked whether the sporting goods and equipment has suffered a loss due to impairment, according to the accounting policy on inventories.

At the end of each season, the company makes the provisions it deems appropriate depreciating the value of the inventories if necessary, in line with best expectations.

#### 4.8. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions have been converted into euros applying the spot exchange rate on the dates on which they occurred.

Positive and negative differences arising the liquidation of foreign currency transactions and the conversion of monetary assets and liabilities in foreign currency into euros are recognised in the results account.

#### 4.9. INCOME TAX

The expense (payment) due to the tax on profits comprises the part corresponding to the expense (payment) for the current tax and the part corresponding to the expense (payment) for deferred tax.

The expenses (payment) for current and deferred tax are both recorded in the profit and loss account. However, the tax effect related to items recorded directly in net equity is recognised in net equity.

Assets and liabilities for current tax will be measured at the amount it is expected will be paid to or recovered from the tax authorities, according to the rules in force or approved and pending publication at the closing date of the season.

In accordance with the principle of prudence, deferred tax assets will only be recognised insofar as it is probable that the company will have future tax earnings that make it possible to apply these assets. In any event, it will be considered that this circumstance exists when the tax legislation contemplates the possibility of the future conversion of deferred tax assets into a credit against the tax authorities, for the assets eligible for conversion. Deferred tax assets will not be recognised when the deductible time difference has arisen due to the initial recognition of an asset or liability in a transaction that is not a combination of businesses and moreover, on the date of the transaction, was not linked to either the accounting result or the taxable base of the tax. Moreover, subsequent

changes to the deferred tax asset will not be recognised unless initially recorded (for example, as the fixed asset is amortised).

In general, a deferred tax liability will be recognised for all applicable time differences, unless arising from:

- a. The initial recognition of goodwill.
- b. The initial recognition of an asset or liability in a transaction that is not a combination of businesses and moreover, on the date the operation was carried out, not linked to either the accounting result or the taxable base of the tax. Moreover, subsequent changes to the deferred tax liability will not be recognised unless initially recorded (for example, as the fixed asset is amortised).

Deferred tax assets and liabilities will be measured according to the rates expected at the time of reversal, according to the regulations in force or approved and pending publication at close of season, and according to the form in which it is rationally expected the asset or liability will be recovered or paid.

In accordance with the Resolution of 9 February 2016, from the Audit and Accounts Institute, which implements the rules on recording, assessing and preparing the annual accounts in order to account for Profit Tax, the obligations of a tax nature, whether or not derived from an inspection, must entail the recognition of a provision for the estimated amount of the tax debt in the financial

period in which they arise.

As a result of the above, the company must establish a provision at the moment it estimates the corresponding amount, as the Resolution stipulates that these contingent liabilities must be considered probable, even when it is merely a proposed settlement.

Therefore, and in general terms, it is only considered a contingency and no liability will be recognised when the Administration has not yet notified the company of any amount.

The Company pays tax under the Tax Consolidation Regime, being the head of the Tax Group for Corporation Tax purposes. The application of the Tax Consolidation Regime, regulated in Chapter VI of Title VII of the Corporation Tax Act (Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades), implies determining jointly the tax results of the Group and the deductions and discounts to the quota, distributing the tax burden in the manner agreed by all the companies belonging to the Tax Group, respecting the terms of the ICAC Resolution of 9 February 2016, by virtue of which each company belonging to the Tax Group will quantify the Corporate Tax that corresponded to it under the individual declaration regime, corrected in accordance with the Tax Consolidation Regime.

#### 4.10. INCOME AND EXPENSES.

Income and expenses are recorded on an accrual basis, that is, when the actual flow of goods and services they represent takes place.

The company's main income is comprised of:

- **Income from competitions** (note 15.1), sporting acts recognised when League, King's Cup, UEFA, friendlies or other matches are played.
- **Income from season-ticket holders and members** (note 15.1), this refers to season and other tickets recognised as income in the corresponding period. In this regard, the corresponding accruals/deferrals will be applied (note 11.2).
- **Income from broadcasts** (note 15.1), this refers to the audio-visual rights assigned for the broadcast of matches.
- **Income from advertising** (note 15.1) recognised in accordance with the terms of the different collaboration agreements (by season and division) and from the exploitation of the static advertising rights in accordance with the agreements signed.
- **Income from marketing** (note 15.1), including sales of sporting goods and equipment to dependent company Afouteza e Corazón, S.L.U. and the sale of shirts in the season ticket holder campaign,



- **Ancillary and other current management income** includes income from the lease of facilities, income from loans of players and the training rights of the same (note 15.4.b) and
- **Income from the sale of players** (notes 8 and 15.4.g).

#### 4.11. COMPENSATION RECEIVED FROM AN INSURANCE ENTITY AS A RESULT OF A CLAIM

If the affected asset cannot be used, it and its accumulated depreciation must be cancelled by means of the recognition of an exceptional expense.

If the compensation to be received is practically certain or assured, the indemnification to be received must be recorded at the same time the asset is cancelled, leading to the recognition of the corresponding income.

Until the uncertainty associated with the indemnification ultimately established has disappeared, only income for the amount of the loss suffered will be recorded, unless the minimum insured amount is higher, in which case, the income recorded will be the latter figure, provided that the insurance entity has accepted the claim. However, for the sake of prudence, the company includes losses at the time of the claim and income at the time it receives payment.

#### 4.12. PERSONNEL EXPENSES

Personnel expenses are adapted and interpreted according to the LNFP's Rules from the Preparation of Budgets.

- **Playing personnel expenses (playing squad)**, including wages and salaries, remuneration for image rights, indemnification, remuneration in kind, social security paid by the company, collective premiums and others.

Note 15.2.b. of this report contains the playing personnel expenses mentioned in the foregoing paragraph, the amount of agents' fees, amortisation of player acquisition rights and the impairment of the same, in the case of players received or sent on loan, the income and expenses derived from the loan are included.

A distinction is made between:

- **Expenses of playing personnel eligible for registration with the LNFP.**

Playing personnel eligible for registration is comprised of players linked to the company by means of a contract of employment for the first team, that is, players with shirt numbers 1 to 25, as well as the manager, assistant manager and fitness coach of the first team. The relevant circumstance for considering a person part of the playing personnel eligible for registration is that he represent a cost for the company, and not

the validity of his contract in the current season.

- **Expenses of playing personnel not eligible for registration with the LNFP.**

The playing personnel not eligible for registration is comprised of players linked to the company by means of a contract of employment or other arrangement, belonging to the reserve team, as well as the manager, assistant manager and fitness coach of the reserve team.

- **Expenses of non-playing personnel** (note 15.2.a). A distinction is made between:
  - **Technical non-playing personnel:** this includes the director of football, technical secretary, doctors, delegate, physiotherapists and kitmen.
  - **Other non-playing personnel,** this includes the rest of personnel linked to the company by means of a contract of employment, including area managers, administrative personnel, personnel responsible for marketing and communication, commercial duties and ground maintenance.

#### 4.13. PROVISIONS AND CONTINGENT LIABILITIES

Provisions for restructuring costs and lawsuits are recognised when the company has a present obligation, be it legal or implicit, as a result of past events, it is likely that resources will have to be used to settle the obligation and the amount can be reliably estimated. Provisions for restructuring costs include penalties due to lease cancellations and payments for labour dismissals. No provisions for future operating losses are recognised.

Provisions are measured at the actual value of disbursements expected to be necessary to settle the obligation using a pre-tax rate that reflects the current market valuations of the current value of the money and the specific risks of the obligation. Adjustments to the provisions due to corrections are recognised as a financial expense as they accrue. Provisions maturing in a year or less with an insignificant financial impact are not discounted.

When it is expected that part of the disbursement necessary to settle the provision will be repaid by a third party, the repayment will be recognised as an independent asset, provided receipt thereof is practically certain.

Meanwhile, contingent liabilities are those possible obligations arising as a result of past events, the realisation of which is contingent on the occurrence of one or more future events beyond the company's control. These contingent liabilities are not recorded in the accounts, but the details thereof are supplied in the report.

#### 4.14. SUBSIDIES, DONATIONS AND ENDOWMENTS

In the case of rights of use obtained free of charge, as mentioned in note 4.1 of this report, they are generally recognised as income directly attributed to net worth. As they are subsidies of a non-monetary or in-kind nature, they are measured at the fair value of the asset received, both values being referenced to the moment they are recognised.

#### 4.15. CRITERIA USED IN RELATED-PARTY TRANSACTIONS

In general, operations between related parties are initially accounted for at their fair value.

Where applicable, if the price agreed is different to the fair value, the difference is recorded in accordance with the economic reality of the operation. The subsequent valuation is made in accordance with the corresponding regulations.

The information on related-party transactions is supplied in notes 15.4.a and 21 of this report.

## 5. TANGIBLE FIXED ASSETS

### 5.1. ANALYSIS OF MOVEMENTS

The analysis of movements of tangible fixed assets is set out in the following tables:

#### 2018/2019 SEASON

	Land and buildings	Technical installations and other tangible fixed assets	Fixed assets under construction and advances	Total
<b>COST</b>				
Initial balance	10,262,896.95	3,866,708.96	152,974.33	<b>14,282,580.24</b>
Inclusions	586,212.93	508,919.16	589,024.51	<b>1,684,156.60</b>
Removals	0.00	-8,988.75	0.00	<b>-8,988.75</b>
Transfers	0.00	135,432.85	-135,432.85	<b>0.00</b>
Final balance	10,849,109.88	4,502,072.22	606,565.99	<b>15,957,748.09</b>
<b>ACCUMULATED DEPRECIATION</b>				
Initial balance	-83,804.00	-1,891,082.88	0.00	<b>-1,974,886.88</b>
Inclusions	-141,454.65	-416,701.88	0.00	<b>-558,156.53</b>
Removals	0.00	1,589.32	0.00	<b>1,589.32</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
Final balance	-225,258.65	-2,306,195.44	0.00	<b>-2,531,454.09</b>
<b>NET BOOK VALUE</b>				
Initial	10,179,092.95	1,975,626.08	152,974.33	<b>12,307,693.36</b>
Final	10,623,851.23	2,195,876.78	606,565.99	<b>13,426,294.00</b>

**2019/2020 SEASON**

	Land and buildings	Technical installations and other tangible fixed assets	Fixed assets under construction and advances	Total
<b>COST</b>				
Initial balance	10,849,109.88	4,502,072.22	606,565.99	<b>15,957,748.09</b>
Inclusions	0.00	192,610.96	2,079,948.53	<b>2,272,559.49</b>
Removals	0.00	-5,400.00	0.00	<b>-5,400.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
Final balance	10,849,109.88	4,689,283.18	2,686,514.52	<b>18,224,907.58</b>
<b>ACCUMULATED DEPRECIATION</b>				
Initial balance	-225,258.65	-2,306,195.44	0.00	<b>-2,531,454.09</b>
Inclusions	-163,048.44	-457,553.41	0.00	<b>-620,601.85</b>
Removals	0.00	5,400.00	0.00	<b>5,400.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
Final balance	-388,307.09	-2,758,348.85	0.00	<b>-3,146,655.94</b>
<b>NET BOOK VALUE</b>				
Initial	10,623,851.23	2,195,876.78	606,565.99	<b>13,426,294.00</b>
Final	10,460,802.79	1,930,934.33	2,686,514.52	<b>15,078,251.64</b>

The additions of technical facilities and other tangible fixed assets, at 30 June 2019, correspond to acquisitions of transport elements, IT equipment, technical facilities...

The removals of technical facilities and other tangible fixed assets correspond to a removal due to a retirement of assets, which represents a loss of 7,399.43 euros.

The most significant additions of real estate correspond to real estate under construction at the works on the Ciudad Deportiva de Mos, as well as acquisitions of IT equipment, technical installations and machinery.

Removals of technical installations and other tangible fixed assets corresponds to due to the removals due to the removal of assets, technical installations, at the A Madroa sports facilities.



## 5.2. OTHER INFORMATION.

The company does not include estimated dismantlement, removal or rehabilitation costs as a higher value of the assets, as we do not consider that it will be necessary to carry out dismantlement, removal or rehabilitation work at the end of the useful life of the fixed assets.

During the season, there are no changes of estimation affecting residual values, the estimated dismantlement, removal or rehabilitation costs, useful lives and methods of depreciation.

No investments have been made in tangible fixed assets acquired from group and associated companies.

The company does not possess investments in tangible fixed assets outside Spain.

The company has not capitalised financial expenses.

The company estimates that the tangible fixed asset elements are not impaired and as such no impairment loss is recorded at close of season.

The amount of the assets fully depreciated is included in the following table:

ASSETS FULLY DEPRECIATED	At 30/06/2020	At 30/06/2019
<b>Technical facilities</b>	387,570.56	392,970.56
<b>Machinery</b>	325,446.21	290,636.21
<b>Furniture</b>	486,294.64	482,394.64
<b>Information processing equipment</b>	291,678.34	271,507.84
<b>Transport elements</b>	62,455.93	62,455.93
<b>Total Fully Depreciated Assets</b>	<b>1,553,445.68</b>	<b>1,499,965.18</b>

The company's building on Principe Street is mortgaged, with the amount of the debt with a mortgage guarantee totalling 3,245,315.71 euros at 30 June 2020 (at 30 June 2019 it was 4,360,591.94 euros) (note 11.2).

The company does not have goods subject to reversal, or any restrictions on ownership.

The company does not have final purchase undertakings in relation to tangible fixed assets or any final sale undertakings.

There are no lawsuits, freezing orders or similar situations regarding the goods included in tangible fixed assets.

The company has not received subsidies or donations in relation to tangible fixed assets during the season.

The company does not measure the goods obtained in tournaments or competitions (trophies).

The company has taken out insurance policies that cover the sports facilities and the museum of sporting art.

The company has leases and other operations of a similar nature over tangible fixed assets whose information is supplied in note 10 of this report.

In the case of real estate, the value of the land totalled 2,784,205.40 euros and that of buildings 8,064,904.48 euros (same amount at 30 June 2019).

## 6. SPORTS FACILITIES ON ASSIGNED LAND

The company carries out improvements on the sports facilities assigned to it in order to adapt them to its sporting needs, recognising the amount of the same in the profit and loss account.



## 7. INTANGIBLE FIXED ASSETS

### 7.1. INTANGIBLE SPORTS FIXED ASSETS

The analysis of movements of intangible sports fixed assets is set out in the following tables:

#### 2018/2019 SEASON

	Sports competition participation rights (1)	Rights over investments made in assigned facilities (2)	Rights over assigned assets (3)	Total
<b>COST</b>				
Initial balance	265,000.00	3,759,498.25	31,279,608.09	<b>35,304,106.34</b>
Inclusions	0.00	0.00	0.00	<b>0.00</b>
Removals	0.00	0.00	0.00	<b>0.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
<b>Final balance</b>	<b>265,000.00</b>	<b>3,759,498.25</b>	<b>31,279,608.09</b>	<b>35,304,106.34</b>
<b>ACCUMULATED DEPRECIATION</b>				
Initial balance	-265,000.00	-3,759,498.25	-11,242,706.59	<b>-15,267,204.84</b>
Inclusions	0.00	0.00	-1,260,286.93	<b>-1,260,286.93</b>
Removals	0.00	0.00	0.00	<b>0.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
<b>Final balance</b>	<b>-265,000.00</b>	<b>-3,759,498.25</b>	<b>-12,502,993.52</b>	<b>-16,527,491.77</b>
<b>NET BOOK VALUE</b>				
Initial	0.00	0.00	20,036,901.50	<b>20,036,901.50</b>
<b>Final</b>	<b>0.00</b>	<b>0.00</b>	<b>18,776,614.57</b>	<b>18,776,614.57</b>

## 2019/2020 SEASON

	Sports competition participation rights (1)	Rights over investments made in assigned facilities (2)	Rights over assigned assets (3)	Total
<b>COST</b>				
Initial balance	265,000.00	3,759,498.25	31,279,608.09	<b>35,304,106.34</b>
Inclusions	0.00	0.00	0.00	<b>0.00</b>
Removals	0.00	0.00	0.00	<b>0.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
<b>Final balance</b>	<b>265,000.00</b>	<b>3,759,498.25</b>	<b>31,279,608.09</b>	<b>35,304,106.34</b>
<b>ACCUMULATED DEPRECIATION</b>				
Initial balance	-265,000.00	-3,759,498.25	-12,502,993.52	<b>-16,527,491.77</b>
Inclusions	0.00	0.00	-1,260,286.92	<b>-1,260,286.92</b>
Removals	0.00	0.00	0.00	<b>0.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
<b>Final balance</b>	<b>-265,000.00</b>	<b>-3,759,498.25</b>	<b>-13,763,280.44</b>	<b>-17,787,778.69</b>
<b>NET BOOK VALUE</b>				
Initial	0.00	0.00	18,776,614.57	<b>18,776,614.57</b>
<b>Final</b>	<b>0.00</b>	<b>0.00</b>	<b>17,516,327.65</b>	<b>17,516,327.65</b>

1. The sports competition participation rights correspond to the participation rights of the reserve team in the second division B of Spanish football.
2. The rights over investments in assigned land or facilities correspond to the works carried out on sports facilities in order to adapt them to the regulations on safety and prevention for sporting events in accordance with the agreement signed between the LNFP and the Ministries of Justice and the Interior.
3. The rights over assets assigned for use are derived from:
  - a. formalisation of the agreement dated 30 January 2009, between the company and Vigo City Council in relation to the facilities we use in Balaídos, Barreiro and A Madroa, as indicated in note 19 of this report. The amount of the same totals 31,127,896.69 euros, corresponding to the market value obtained for the assignment right over the sports facilities used by the company on the basis of 25-year term (Note 4.1).  
  
The net asset value, at 30 June 2020, amounted to 17,431,622.03 euros (at 30 June 2019, it was 18,676,737.83 euros).
  - b. relaying the pitch at Balaídos Stadium, which cost 151,711.40 euros.  
  
The net asset value, at 30 June 2020, amounted to 84,705.62 euros (at 30 June 2019, it was 99,876.74 euros).



The company considers that the intangible sports fixed assets are not impaired.

The amount of the fully depreciated assets is supplied below:

Fully depreciated assets	At 30/06/2020	At 30/06/2019
Participation rights in sporting competitions	265,000.00	265,000.00
Rights over land and investments assigned	3,759,498.25	3,759,498.25
<b>TOTAL FULLY DEPRECIATED ASSETS</b>	<b>4,024,498.25</b>	<b>4,024.498.25</b>



## 7.2. OTHER INTANGIBLE FIXED ASSETS.

The analysis of the movement of other intangible fixed assets is set out in the following tables:

### 2018/2019 SEASON

	Transfer rights	IT Applications	Other prepaid intangible fixed assets	Total
<b>COST</b>				
Initial balance	30,050.61	196,219.51	0.00	<b>226,270.12</b>
Inclusions	0.00	16,727.01	0.00	<b>16,727.01</b>
Removals	0.00	0.00	0.00	<b>0.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
<b>Final balance</b>	<b>30,050.61</b>	<b>212,946.52</b>	<b>0.00</b>	<b>242,997.13</b>
<b>ACCUMULATED AMORTISATION</b>				
Initial balance	-30,050.61	-52,174.23	0.00	<b>-82,224.84</b>
Inclusions	0.00	-38,941.47	0.00	<b>-38,941.47</b>
Removals	0.00	0.00	0.00	<b>0.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
<b>Final balance</b>	<b>-30,050.61</b>	<b>-91,115.70</b>	<b>0.00</b>	<b>-121,166.31</b>
<b>NET BOOK VALUE</b>				
Initial	0.00	144,045.28	0.00	<b>144,045.28</b>
<b>Final</b>	<b>0.00</b>	<b>121,830.82</b>	<b>0.00</b>	<b>121,830.82</b>

## 2019/2020 SEASON

	Transfer rights	IT Applications	Other prepaid intangible fixed assets	Total
<b>COST</b>				
Initial balance	30,050.61	212,946.52	0.00	<b>242,997.13</b>
Inclusions	0.00	5,800.00	0.00	<b>5,800.00</b>
Removals	0.00	0.00	0.00	<b>0.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
<b>Final balance</b>	<b>30,050.61</b>	<b>218,746.52</b>	<b>0.00</b>	<b>248,797.13</b>
<b>ACCUMULATED AMORTISATION</b>				
Initial balance	-30,050.61	-91,115.70	0.00	<b>-121,166.31</b>
Inclusions	0.00	-42,964.52	0.00	<b>-42,964.52</b>
Removals	0.00	0.00	0.00	<b>0.00</b>
Transfers	0.00	0.00	0.00	<b>0.00</b>
<b>Final balance</b>	<b>-30,050.61</b>	<b>-134,080.22</b>	<b>0.00</b>	<b>-164,130.83</b>
<b>NET BOOK VALUE</b>				
Initial	0.00	121,830.82	0.00	<b>121,830.82</b>
<b>Final</b>	<b>0.00</b>	<b>84,666.30</b>	<b>0.00</b>	<b>84,666.30</b>

The amount of fully depreciated assets is included in the following table:

Fully depreciated assets	At 30/06/2020	At 30/06/2019
Transfer rights	30,050.61	30,050.61
IT applications	71,792.15	7,031.31
<b>TOTAL FULLY DEPRECIATED ASSETS</b>	<b>101,842.76</b>	<b>37,081.92</b>

## 8. PLAYER ACQUISITION RIGHTS

The analysis of the movement of player acquisition rights is set out in the attached table:

PLAYER ACQUISITION RIGHTS		
	2019/2020 Season	2018/2019 Season
<b>COST</b>		
Initial balance	81,570,000.00	54,272,163.05
Inclusions	26,905,000.00	41,650,000.00
Removals	-17,870,000.00	-14,352,163.05
Transfers	0.00	0.00
<b>Final balance</b>	<b>90,605,000.00</b>	<b>81,570,000.00</b>
<b>ACCUMULATED AMORTISATION</b>		
Initial balance	-26,668,245.58	-20,228,597.07
Inclusions (note 13.2.b)	-19,740,584.15	-14,803,695.57
Removals	9,973,512.96	8,364,047.06
Transfers	0.00	0.00
<b>Final balance</b>	<b>-36,435,316.77</b>	<b>-26,668,245.58</b>
<b>NET BOOK VALUE</b>		
Initial	54,901,754.42	34,043,565.98
<b>Final</b>	<b>54,169,683.23</b>	<b>54,901,754.42</b>



The information on the **inclusion of player acquisition rights** is provided in aggregate form in the following table:

Inclusion of player acquisition rights	Acquisition price	Agency and intermediation fees	Total player acquisition rights
Inclusion of player acquisition rights at <b>30/06/2019</b> (aggregate)	38,800,000.00	2,850,000.00	<b>41,650,000.00</b>
Inclusion of player acquisition rights at <b>30/06/2020</b> (aggregate)	26,440,000.00	465,000.00	<b>26,905,000.00</b>

The average duration of the contracts of employment of playing personnel eligible for registration with the Professional Football League corresponding to this asset entry, is approximately 5 seasons (at 30 June 2019, it was approximately 4 seasons).

The aggregate information on **removal of player acquisition rights** is set out in the following table:

Removal of player acquisition rights	Removal cost	Removal accumulated amortisation	Profit removal players	Profits arising from the removal of players (note 13.5.f)
Removal of player acquisition rights at <b>30/06/2019</b> (aggregate)	14,352,163.05	8,364,047.06	0.00	28,841,365.32
Removal of player acquisition rights at <b>30/06/2020</b> (aggregate)	17,870,000.00	9,973,512.96	0.00	36,696,233.63

The profit from the transfer of players in the 2019/2020 season was 34,834,293.46 euros (in the 2018/2019 season it was 28,758,183.99 euros) (note 15.4.g).

A breakdown of the player acquisition rights, with respect to the classification of the same by the LNFP, is set out in the following tables:

Breakdown player acquisition rights 2019/2020	Acquisition rights players eligible for registration LNFP	Acquisition rights players not eligible for registration LNFP	Total
<b>COST</b>			
Initial balance	81,495,000.00	75,000.00	<b>81,570,000.00</b>
Inclusions	26,715,000.00	190,000.00	<b>26,905,000.00</b>
Removals	-17,795,000.00	-75,000.00	<b>-17,870,000.00</b>
Transfers	0.00	0.00	<b>0.00</b>
Final balance	90,415,000.00	190,000.00	<b>90,605,000.00</b>
<b>ACCUMULATED AMORTISATION</b>			
Initial balance	-26,646,237.07	-22,008.51	<b>-26,668,245.58</b>
Inclusions	-19,691,625.97	-48,958.18	<b>-19,740,584.15</b>
Removals	9,938,256.58	35,256.38	<b>9,973,512.96</b>
Transfers	0.00	0.00	<b>0.00</b>
Final balance	-36,399,606.46	-35,710.31	<b>-36,435,316.77</b>
<b>NET BOOK VALUE</b>			
Initial	54,848,762.93	52,991.49	<b>54,901,754.42</b>
Final	54,015,393.54	154,289.69	<b>54,169,683.23</b>

Breakdown player acquisition rights 2018/2019	Acquisition rights players eligible for registration LNFP	Acquisition rights players not eligible for registration LNFP	Total
<b>COST</b>			
Initial balance	54,212,163.05	60,000.00	<b>54,272,163.05</b>
Inclusions	41,625,000.00	25,000.00	<b>41,650,000.00</b>
Removals	-14,342,163.05	-10,000.00	<b>14,352,163.05</b>
Transfers	0.00	0.00	<b>0.00</b>
Final balance	81,495,000.00	75,000.00	<b>81,570,000.00</b>
<b>ACCUMULATED AMORTISATION</b>			
Initial balance	-20,223,807.52	-4,789.55	<b>-20,228,597.07</b>
Inclusions	-14,783,269.05	-20,426.52	<b>-14,803,695.57</b>
Removals	8,360,839.50	3,207.56	<b>8,364,047.06</b>
Transfers	0.00	0.00	<b>0.00</b>
Final balance	-26,646,237.07	-22,008.51	<b>-26,668,245.58</b>
<b>NET BOOK VALUE</b>			
Initial	33,988,355.53	55,210.45	<b>34,043,565.98</b>
Final	54,848,762.93	52,991.49	<b>54,901,754.42</b>

## 9. IMAGE RIGHTS OF PLAYERS AND MANAGERS

Neither in the 2019/2020 season nor in the preceding one were any amounts were paid as image rights of players and/or managers.

The image right assignment agreements signed do not contain any unusual features, just the right to use the image, name, ... of the respective players and managers for the benefit of Real Club Celta de Vigo, S.A.D.



## 10. LEASES AND SIMILAR OPERATIONS

These correspond to data on operating leases of the company, both as lessor and lessee.

### 10.1. OPERATING LEASES AS LESSEE

The amount of the leases and canons recorded under this heading in the profit and loss account, external services, totals 354,257.40 euros (on 30 June 2019 it was 444,871.36 euros) corresponding essentially to:

**1. Lease of facilities for the Ciudad Deportiva de Mos** for the amount of 325,000.00 euros (on 30 June 2019 it was 417,435.25 euros).

On 18 January 2018, an agreement was signed between the Communal Land Association of the Parish of Pereiras (Mos) and the company establishing the basis for the operation of agreed acquisition in the context of an expropriation procedure on the “Montes de Pereiras” estate for the development of a sports and commercial complex by Real Club Celta de Vigo, S.A.D.

Moreover, until the conclusion of the modification of the planning and expropriation procedure, the agreement also includes a disposal agreement (assignment, surface rights and lease) over said

land for a period of 30 years. That is, the assignment of the in rem surface rights is agreed between the Communal Land Association of the Parish of Pereiras (Mos) and the company, in relation to the “Montes de Pereiras” estate, exclusively for the construction of buildings and facilities whose main and/or auxiliary function is the practice of sporting activities linked to the corporate object of the company.

The surface rights are valid for 30 years as of 1 February 2018. At the end of the agreed term, the surface rights will lapse completely, with the Association recovering full ownership, without the need for any prior formalities, free of any charges and encumbrances, as well as full ownership of all works, constructions or fixed-structure facilities, without any entitlement to indemnification.

The holder of the surface rights may rescind the agreement prematurely provided that it notifies the Association of its intentions two months prior to the end of the calendar year. This option can only be exercised after the first two years of the agreement have been paid for.

Real Club Celta de Vigo, S.A.D., will pay the Communal Land Association the following fee:

- Three euros per square metre during the first two years (until 18 January 2020), plus VAT, and
- One euro per square metre as of the third year, plus VAT (as of 18 January 2020).

This fee will be paid half-yearly in advance.



The amount of the investment in said land totals 2,686,514.52 euros at 30 June 2020 (533,987.33 euros at 30 June 2019).

**2. Lease of 23 parking spaces from dependent company, Afouteza e Corazón, S.L.U.** for the amount of 20,844.49 euros (20,631.53 euros at 30 June 2019).

**3. Other leases** totalling 8,412.91 euros, of which details are not provided as they are not significant expenses (they totalled 6,804.58 euros at 30 June 2019).

## 10.2. OPERATING LEASES AS LESSOR

The amount of lease income recorded under the heading in the profit and loss account, accessory and other current management income is 488,048.70 euros (599,060.17 euros at 30 June 2019) (note 15.4.b), corresponding essentially to:

- The lease of certain parts of the A Sede building (basement, ground, first, third and sixth floors) (note 1.1) to dependent company, Afouteza e Corazón, S.L.U., for an amount of 469,831.06 euros (583,618.04 euros at 30 June 2019), and
- The rest corresponds essentially to the lease of spaces for aerials.

On 30 June 2020, the company and the dependent company, Afouteza e Corazón, S.L.U., agreed to terminate the lease agreement for the premises and operation of the business of the official RC-Celta stores. As such, as of 01 July, Real Club Celta de Vigo, S.A.D. enjoyed full use of the premises. However, a two to three-month transition regime

was established, in order to adapt the technology and the processes in the name of Real Club Celta de Vigo, S.A.D.

According to the terms of note 4.15, all leases are valued at market rates. The market value of the leases is revised and updated regularly.





# 11. FINANCIAL INSTRUMENTS

## 11.1. FINANCIAL ASSETS.

### NON-CURRENT FINANCIAL ASSETS.

The following table contains a breakdown of **non-current assets**:

Description	Amount S 2019/2020	Amount S 2018/2019
Intangible fixed assets (note 7.1 and 8)	71,686,010.88	73,678,368.99
Other intangible fixed assets (note 7.2)	84,666.30	121,830.82
Tangible fixed assets (note 5)	15,078,251.64	13,426,294.00
Equity instruments (note 11.4)	500,000.00	100,000.00
Loans to group companies	300,000.00	234,610.07
Other long-term financial assets	25,009.80	25,009.80
Deferred tax assets (note 14.4)	983,986.52	517,453.55
Non-current trade debtors	25,010,096.15	15,012,152.89
<b>TOTAL NON-CURRENT ASSETS</b>	<b>113,668,021.29</b>	<b>103,115,720.12</b>

The following table contains a breakdown of **non-current financial assets**:

Description	Amount S 2019/2020	Amount S 2018/2019
Loans to group companies (1)	300,000.00	234,610.07
Other long-term financial assets (2)	25,009.80	25,009.80
Non-current trade debtors (3)	25,010,096.15	15,012,152.89
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>25,335,105.95</b>	<b>15,271,772.76</b>

(1) Long-term loans to group companies corresponds entirely to two participating loans (for the amount of 200,000.00 euros and 100,000.00 euros, respectively) with group company, Afouteza e Corazón, S.L.U.

Both participating loans mature on 31 December 2020. However, in the absence of a request for repayment by the company, maturity will be automatically extended to 31 December 2022. There is a fixed rate of interest of 1.90% per annum and variable rate of interest linked to pre-tax profits (0.2% of such profits).

At 30 June 2019, the long-term credits with group companies amounted to 234,610.07 euros, corresponding in their entirety to group company Afouteza e Corazón, S.L.U., of which 100,000.00 euros corresponded to a participating loan (note 15.4.a).

(2) Long-term deposits and guarantees amounting to 25,009.80 euros (the same amount at 30 June 2019), of which 3,421.48 euros corresponds to the deposit for the lease of parking spaces to Afouteza e Corazón, S.L.U.

(3) The amount appearing in non-current trade debtors corresponds to the payment rights vis-à-vis different debtor sporting entities derived, largely, from the sale of players.

## CURRENT FINANCIAL ASSETS.

The breakdown of **current assets** is set out in the following table:

Description	Amount S 2019/2020	Amount S 2018/2019
<b>Inventories (note 12)</b>	55,495.92	276,608.19
<b>Season ticket holders' and members' quotas</b>	0.00	144,804.49
<b>Debtor group entities</b>	900,724.29	1,055,046.31
<b>Debtor sports entities</b>	27,825,667.25	18,968,779.06
<b>Other Receivables</b>	1,845,147.08	2,297,476.47
<b>Personnel</b>	205,100.00	205,100.00
<b>Current tax assets (note 14)</b>	150,768.12	1,899,860.45
<b>Other credits with the Public Administrations (note 14)</b>	0.00	459,059.96
<b>Loans to group companies</b>	2,000,000.00	0.00
<b>Other financial assets</b>	2,000,180.30	6,000,180.30
<b>Cash and banks</b>	25,943,367.01	26,442,097.33
<b>TOTAL OTHER SHORT-TERM FINANCIAL ASSETS</b>	<b>60,926,449.97</b>	<b>57,749,012.56</b>

The breakdown of **current financial assets** is supplied in the following table, together with the breakdown of the most significant parts of the same:

Description	Amount S 2019/2020	Amount S 2018/2019
Season ticket holders' and members' quotas	0.00	144,804.49
Debtor group entities (1)	900,724.29	1,055,046.31
Debtor sports entities (2)	27,825,667.25	18,968,779.06
Other Receivables (3)	1,845,147.08	2,297,476.47
Personnel	205,100.00	205,100.00
Loans to group companies (4)	2,000,000.00	0.00
Other financial assets (5)	2,000,180.30	6,000,180.30
Cash and banks (6)	25,943,367.01	26,442,097.33
<b>TOTAL CURRENT FINANCIAL ASSETS</b>	<b>60,720,185.93</b>	<b>55,113,483.96</b>

(1) The amount appearing in group entities, debtors, corresponds to:

- a. Dependent company Afouteza e Corazón, S.L.U., for an amount of 921,436.74 euros (1,098,968.48 euros at 30 June 2019) (note 15.4.a) and
- b. Fundación Celta de Vigo, for the amount of -20,712.45 euros (-43,922.17 euros at 30 June 2019) (note 15.4.a).

(2) The amount appearing in debtor sporting entities corresponds to:

- a. Credit rights held against certain sports entities, derived essentially from the sale of players, amounting to 26,494,228.48 euros (at 30 June 2019 it amounted to 16,764,614.62 euros);
- b. Credit right against Federations for the amount of 349,669.81 euros (at 30 June 2019 it totalled 14,520.00 euros); and
- c. Credit right against the LNFP for the amount of 981,768.96 euros (at 30 June 2019 it totalled 2,189,644.44 euros).

(3) The amount appearing in other receivables corresponds essentially to collection rights from different collaboration and static advertising right exploitation agreements in accordance with the agreements signed.

(4) A loan, granted on 26 September 2019, to the company Grupo Corporativo Ges, S.L., for the amount of 2,000,000.00 euros maturing on 31 May 2021 and a fixed interest rate of 1.90%.

(5) Other financial assets include a short-term investment fund.

(6) Cash and banks include 5,000,000.00 euros in fixed-term deposits, maturing on 25 July 2021, which can be cancelled in advance. At 30 June 2019, there was 500,000.00 euros in term deposits, maturing yearly (cancelled in August 2019), being pledged as a bank guarantee at 10 April 2019.

The company has not assigned any financial assets in terms that would require their removal from the balance sheet.

The breakdown of **impairment losses and variation in provisions for trade operations** is contained in the following table:

	Amount
<b>AT 30/06/2018</b>	<b>4,270,053.91</b>
Impairment	336,687.42
Application of impairment	0.00
<b>AT 30/06/2019</b>	<b>4,606,741.33</b>
Impairment	243,684.00
Application of impairment	-325,000.00
<b>AT 30/06/2020</b>	<b>4,525,425.33</b>

At 30 June 2020 uncollectible accounts worth 296,390.75 euros were derecognised, corresponding to a credit right against Real Murcia Club de Fútbol, S.A.D., meaning that, given the difficulties to honour the same, the receivers offered a reduction of the credits to all debtors as a form of payment, reducing the debt (at 30 June 2019 no uncollectible accounts were derecognised).

The company does not have hedge accounting.

The company does not possess final undertakings to purchase financial assets or foreseeable sources of financing and no final sale undertakings either.

## 11.2. FINANCIAL LIABILITIES.

### NON-CURRENT FINANCIAL LIABILITIES

The information on **non-current liabilities** is set out in the following table:

Description	Amount S 2019/2020	Amount S 2018/2019
Long-term provisions (note 16)	475,151.37	0.00
Long-term debts with financial institutions	2,115,642.93	3,245,315.71
Debts with sports entities	19,477,175.42	16,753,030.96
Debts related to the acquisition of players	185,000.00	1,222,500.00
Other financial liabilities	45,961.00	45,961.00
Long-term insolvency debt (note 11.3)	0.00	183,626.43
Deferred tax liabilities	12,934,293.34	10,459,259.94
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>35,233,224.06</b>	<b>31,909,694.04</b>

The information on **long-term financial liabilities** is supplied in the following table:

Description	Amount S 2019/2020	Amount S 2018/2019
Long-term debts with financial institutions <b>(1)</b>	2,115,642.93	3,245,315.71
Debts with sports entities <b>(2)</b>	19,477,175.42	16,753,030.96
Debts related to the acquisition of players <b>(2)</b>	185,000.00	1,222,500.00
Other financial liabilities <b>(3)</b>	45,961.00	45,961.00
Long-term insolvency debt (note 11.3)	0.00	183,626.43
<b>TOTAL LONG-TERM FINANCIAL LIABILITIES</b>	<b>21,823,779.35</b>	<b>21,450,434.10</b>

Description			Amount S 2019/2020		Amount S 2018/2019	
Guarantee	Capital	Maturity	Short-term debt	Long-term debt	Short-term debt	Long-term debt
Mortgage (1)	2,750,000.00	01/07/2025	275,000.04	1,099,999.76	275,000.04	1,374,999.80
Mortgage 2 <b>(a)</b>	3,400,000.00	30/08/2022	854,672.74	1,015,643.17	840,276.19	1,870,315.91
<b>TOTAL</b>	<b>6,150,000.00</b>		<b>1,129,672.78</b>	<b>2,115,642.93</b>	<b>1,115,276.23</b>	<b>3,245,315.71</b>

**(a)** Loan with a one-year grace period.

The maturity in the next five years, at 30 June 2019, is set out in the following table:

**(1)** This corresponds to two mortgage loans, with a mortgage guarantee over the company's building situated on Principe Street (Vigo) (note 4.2 and 5), the characteristics of which are set out in the following tables:

Mortgage Loan Maturities at 30 June 2019							
Loan	2019/20	2020/21	2021/22	2022/23	2023/24	Years after	Total
Loan <b>(1)</b>	275,000.04	275,000.04	275,000.04	275,000.04	275,000.04	274,999.64	1,649,999.84
Loan <b>(2)</b>	840,276.19	854,672.74	869,315.91	146,327.26	0.00	0.00	2,710,592.10
<b>TOTAL</b>	<b>1,115,276.23</b>	<b>1,129,672.78</b>	<b>1,144,315.95</b>	<b>421,327.30</b>	<b>275,000.04</b>	<b>274,999.64</b>	<b>4,360,591.94</b>

The maturity in the next five years, at 30 June 2020, is set out in the following table (*next page*):



### Mortgage Loan Maturities at 30 June 2020

Loan	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Loan (1)	275,000.04	275,000.04	275,000.04	275,000.04	274,999.64	<b>1,374,999.80</b>
Loan (2)	854,672.74	869,315.91	146,327.26	0.00	0.00	<b>1,870,315.91</b>
<b>TOTAL</b>	<b>1,129,672.78</b>	<b>1,144,315.95</b>	<b>421,327.30</b>	<b>275,000.04</b>	<b>274,999.64</b>	<b>3,245,315.71</b>

(2) The debt with sports entities worth 19,477,175.42 euros (at 30 June 2019 the figure was 16,753,030.96 euros) corresponds to:

- Player acquisition debt worth 15,550,000.00 euros (at 30 June 2019 the figure was 16,500,000.00 euros),
- Contingent liability debt derived from the sale of players worth 3,848,750.00 euros (at 30 June 2019 the figure was 105,000.00 euros), and
- Training expense and solidarity debt worth 78,425.42 euros (at 30 June 2019 the figure was 148,030.96 euros).

- Debt with agents for the acquisition of players worth 135,000.00 euros (at 30 June 2019 the figure was 1,027,500.00 euros), and
- Debt with agents for the sale of players worth 50,000 euros (at 30 June 2019 the figure was 195,000.00 euros).

The maturity of the debt related to sports entities and the acquisition of players is set out in the following tables:

:

The debt related to player acquisitions was 185,000.00 euros (at 30 June 2019 the figure was 1,222,500.00 euros) corresponding to:



### CURRENT FINANCIAL LIABILITIES

The information on **current liabilities** is set out in the following table:

Maturity of debt related to sports entities and the acquisition of players at 30 June 2019				
	2020/21	2021/22	2022/23	TOTAL
Sports entities	10,246,693.57	3,281,337.39	3,225,000.00	<b>16,753,030.96</b>
Player acquisitions	1,162,500.00	30,000.00	30,000.00	<b>1,222,500.00</b>
<b>TOTAL</b>	<b>11,409,193.57</b>	<b>3,311,337.39</b>	<b>3,255,000.00</b>	<b>17,975,530.96</b>

Maturity of debt related to sports entities and the acquisition of players at 30 June 2020				
	2021/22	2022/23	2023/24	TOTAL
Sports entities	11,474,675.42	8,002,500.00	0.00	<b>19,477,175.42</b>
Player acquisitions	105,000.00	55,000.00	25,000.00	<b>185,000.00</b>
<b>TOTAL</b>	<b>11,579,675.42</b>	<b>8,057,500.00</b>	<b>25,000.00</b>	<b>19,662,175.42</b>

(3) The amount of other financial liabilities, corresponds mainly to the deposits for the lease of certain spaces in the A Sede building to dependent company Afouteza y Corazón, S.L.U. (note 10).

Description	Amount S 2019/2020	Amount S 2018/2019
Short-term provisions (note 16)	252,194.17	252,194.17
Short-term debt with financial institutions	1,129,672.78	1,115,276.23
Other short-term financial liabilities	626,921.36	375,275.70
Short-term debts with group and associated companies	93,430.32	0.00
Advances: season tickets and member quotas	6,379.25	0.00
Debts from purchases and services	4,530,192.82	5,518,479.77
Debts with sports entities	24,196,857.50	19,416,050.52
Outstanding remuneration	4,802,658.68	156,383.96
Other debts with public administrations (note 14)	3,037,505.52	3,023,046.20
Advances to clients	3,156.09	4,595.71
Short-term accruals/deferrals	553,344.09	8,737,947.13
<b>TOTAL CURRENT LIABILITIES</b>	<b>39,232,312.58</b>	<b>38,599,249.39</b>

The information on **current financial liabilities** is contained in the following table:

Description	Amount S 2019/2020	Amount S 2018/2019
Short-term debt with financial institutions (1)	1,129,672.78	1,115,276.23
Other short-term financial liabilities (2)	626,921.36	375,275.70
Debts with group and associated companies (3)	93,430.32	0.00
Advances: season tickets and member quotas	6,379.25	0.00
Debts from purchases and services (4)	4,530,192.82	5,518,479.77
Debts with sports entities (5)	24,196,857.50	19,416,050.52
Outstanding remuneration (6)	4,802,658.68	156,383.96
Advances to clients	3,156.09	4,595.71
Short-term accruals/deferrals (7)	553,344.09	8,737,947.13
<b>TOTAL SHORT-TERM FINANCIAL LIABILITIES</b>	<b>35,942,612.89</b>	<b>35,324,009.02</b>

(1) This corresponds to the mortgage loans (mentioned in the long-term financial liabilities).

(2) The amount of other financial liabilities includes, essentially, providers of real estate.

(3) Debts with group and associated companies corresponds to a current account with dependent company, Afouteza e Corazón, S.L.U.

(4) Debts for purchases or provision of services includes:

a. Debt with agents related to the acquisition of players totalling 1,307,500.00 euros (at 30 June 2019 it totalled 1,667,500.00 euros)

b. Debt with agents related to the sale of players worth 940,473.80 euros (at 30 June 2019 it amounted to 1,202,023.08 euros), and

c. Debt due to the normal activity of the company.

(5) Short-term debts with sports entities corresponds essentially to:

a. Debt from the acquisition of players worth 20,354,574.87 euros (at 30 June 2019 it totalled 18,434,019.33 euros),

b. Debt for contingent liabilities derived from the sale of players worth 2,666,500.00 euros (at 30 June 2019 it totalled 107,500.00 euros)

c. Debt with Federations worth 330,176.22 euros (at 30 June 2019 it totalled 520,382.89 euros), and

d. Debt with the LNFP worth 20,000.00 (at 30 June 2019 it was 0.00 euros), and

e. Debt for training and solidarity worth 825,606.40 euros (at 30 June 2019 it totalled 354,148.30 euros).

(6) Outstanding remuneration corresponds essentially to the variable remuneration established in the contracts of playing personnel and the fixed remuneration from the month of July for loan players in order to adjust the loan period to 19 July 2020, because due to the COVID-19 pandemic, the official First Division championship was suspended, resuming as of 11 June 2020 until 19 July 2020

(7) Short-term accruals/deferrals (note 15.4.h) are broken down in the following table:

Short-term accruals/deferrals	Amount S 2019/2020	Amount S 2018/2019
Prepaid expenses (a)	0.00	-108,394.25
Prepaid income (b)	553,344.09	8,846,341.38
<b>Total short-term accruals/deferrals</b>	<b>553,344.09</b>	<b>8,737,947.13</b>

(a) The amount of prepaid expenses corresponded to expenses accounted for in the season that corresponded to the following season, and

(b) Prepaid income at 30 June 2020 corresponds essentially to:

- I. Season tickets from the second half of 2020, and
- II. Prepaid collaboration agreements.

At 30 June 2019, prepaid income corresponded essentially to:

- I. Season tickets 2019/2020 season,
- II. Annual season tickets for the second half of 2019,
- III. Audio-visual broadcast rights of the LNFP, and
- IV. Prepaid collaboration agreements.

The total amount of liabilities due with a maturity of two years or less:

- **at 30 June 2020**, totals 51,862,873.63 euros with the amount corresponding to the 2020/2021 season being 39,138,882.26 euros and the amount for the 2021/2022 season being 12,723,991.37 euros.
- **at 30 June 2019**, totalled 50,781,703.24 euros with the amount corresponding to the 2019/2020 season being 38,599,249.39 euros and the amount for the 2020/2021 season being 12,182,453.85 euros.

Liabilities due with a maturity of two years or less is understood as total current liabilities plus long-term debt maturing in 2021/2022.

At the date these annual accounts are formulated, the company does not have any other debt with special characteristics (at 30 June 2019 it did not have debt with special characteristics apart from the insolvency debt, as mentioned in note 2.4 of this report).

There were no non-payments of principal or interest on the loans during the season or the previous season.

The company holds debts with an in rem guarantee over its building, on Principe Street, and until 10 April 2019 the same were secured by a short-term deposit of 500,000.00 euros, as mentioned in this report.

The company does not have financing guaranteed by player acquisition rights, or any financing that entails a participation in rights over future income derived from player acquisition rights.

### 11.3. INSOLVENCY DEBT

On 20 January 2020, the Judge of Commercial Court no. 1, Pontevedra, declared that the arrangement approved in a judgment dated 20 July 2009 had been complied with in full.

The information on the date of the judgment approving the arrangement, characteristics, initial debt, debt in the arrangement approved, individual agreements signed with creditors, situation of debts under the approved arrangement is contained in the annual accounts for 30 June 2009 and in note 2.4 of this report.

#### a. Insolvency debt.

The breakdown of the variation in insolvency debt is set out in the following table:

Variation insolvency debt	Amount
<b>Long-term insolvency debt at 30/06/18 with financial impact</b>	<b>367,252.86</b>
Financial impact differential S 2017/18	0.00
Insolvency debt net payments S 2017/18 (note 2.4)	-183,626.43
<b>Long-term insolvency debt at 30/06/19 with financial impact</b>	<b>183,626.43</b>
Financial impact differential 2019/20	0.00
Insolvency debt net payments 2019/20 (note 2.4)	-183,626.43
<b>Long-term insolvency debt at 30/06/2020 with financial impact (note 2.4 and 11.2)</b>	<b>0.00</b>

Insolvency debt, at 30 June 2019, was classed as subordinated debt, 181,688.10 euros corresponding to insolvency debt with Public Administrations and 1,938.33 euros to creditors for purchases and services.

#### b. Participating loans (insolvency debt).

At the date of formulation of these annual accounts, the repayment of the participating loans (insolvency debt) has been completed.

#### 11.4. INFORMATION ON GROUP, MULTI-GROUP AND ASSOCIATE COMPANIES

At 26 January 2016, Real Club Celta de Vigo, S.A.D. incorporated the company Afouteza e Corazón, S.L. with a share capital of 100,000 euros, divided into one hundred thousand quota shares each with a face value of one euro. The sole director of the same is Real Club Celta de Vigo, S.A.D.

On 30 June 2020, the company as sole member of Afouteza e Corazón, S.L.U. decided to increase the share capital of the same by 400,000 euros by creating four hundred thousand new participations, by offsetting credits. On 15 July 2020, this decision by the sole member was raised to public and recorded in the Pontevedra Commercial Registry on 21 July 2020. On 29 July 2020 it was published in the BORME.

The breakdown of the investment of the company in wealth elements of group, multi-group and associate companies is set out in the following table :

Company	Amount S 2019/2020	Amount S 2018/2019
Afouteza e Corazón, S.L.U.	500,000.00	100,000.00
<b>Total investment in wealth elements</b>	<b>500,000.00</b>	<b>100,000.00</b>

The information on the dependent company at 30 June 2020, is as follows:

AFOUTEZA E CORAZON, S.L.U.	Data at 30/06/2020	Data at 30/06/2019
%	100%	100%
Activity	(1)	(1)
Capital	500,000.00	100,000.00
Reserves	-91,381.50	-88,806.50
Subsidies	0.00	0.00
<b>RESULTS OF THE YEAR</b>	<b>-244,897.64</b>	<b>-2,575.00</b>

(1) The corporate object of this company is the operation of businesses in the hotel and restaurant sector, the lease and sale and purchase of real estate, the marketing of promotional articles, organisation of events. As mentioned in note 10, as of 30 June 2020, Afouteza e Corazón, S.L.U. formalised and executed the cessation of the activity of the RCCelta official stores.

The negative results of the dependant company are largely generated by the impossibility of performing its activity during the lockdown caused by COVID-19.

Afouteza e Corazón, S.L.U., is domiciled at Principe Street 44, Vigo.



The investee companies have been informed of the participation held therein, in accordance with Article 155 of the Spanish Companies Act.

The group and associate companies are not listed and have not distributed dividends in the last financial year.

We consider that the value of the stake in the investee company is not impaired given that, as Sole Director of the dependent company, we consider it is possible to reverse the negative results, and decisions are being adopted in this regard.

#### 11.5. DEFERRALS OF PAYMENTS TO SUPPLIERS FOR COMMERCIAL OPERATIONS

The deferral of payments is not within the limit of 30 days established in the Commercial Operations Prompt Payment Act (Ley 15/2010, de 5 de julio por la que se establecen medidas de lucha contra la morosidad en las operaciones comerciales). The regulation of the periods of payment is 30 calendar days, which may be extended by an agreement between the parties, but not exceeding 60 calendar days.

The company has debts due for more than 30 days with suppliers for commercial operations amounting to 44,125,239.06 euros (at 30 June 2019 the total was 23,999,577.53 euros), which corresponds largely to the acquisition of players (payment of which is carried out in accordance with the terms of the agreement signed with the different sporting entities and the long-term amount recognised is 19,662,175.42 euros (at 30

June 2019, the long-term amount recognised was 17,975,530.96 euros), (note 11.2).

#### 11.6. INFORMATION ON THE NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS

Risk is managed by the treasury department of the company which identifies, assesses and hedges the financial risks in accordance with the policies approved by the Board of Directors.

- **Future impact of COVID-19:** the company has not quantified all possible loss of income in the 2019/2020 season associated with COVID-19.

In this regard, LaLiga offered two alternatives with the possibility of charging the COVID-19 effect in the 2019/2020 season or in the 2020/2021 season, if the parameters of the company are balanced. The company's parameters are balanced, but applying the principle of prudence, the reduction in income and increase in expenses due to the pandemic are charged to the 2019/2020 season in these annual accounts.

At the date these annual accounts are drawn up, like society in general, Real Club Celta de Vigo, S.A.D. does not know what the future holds in terms of COVID-19.

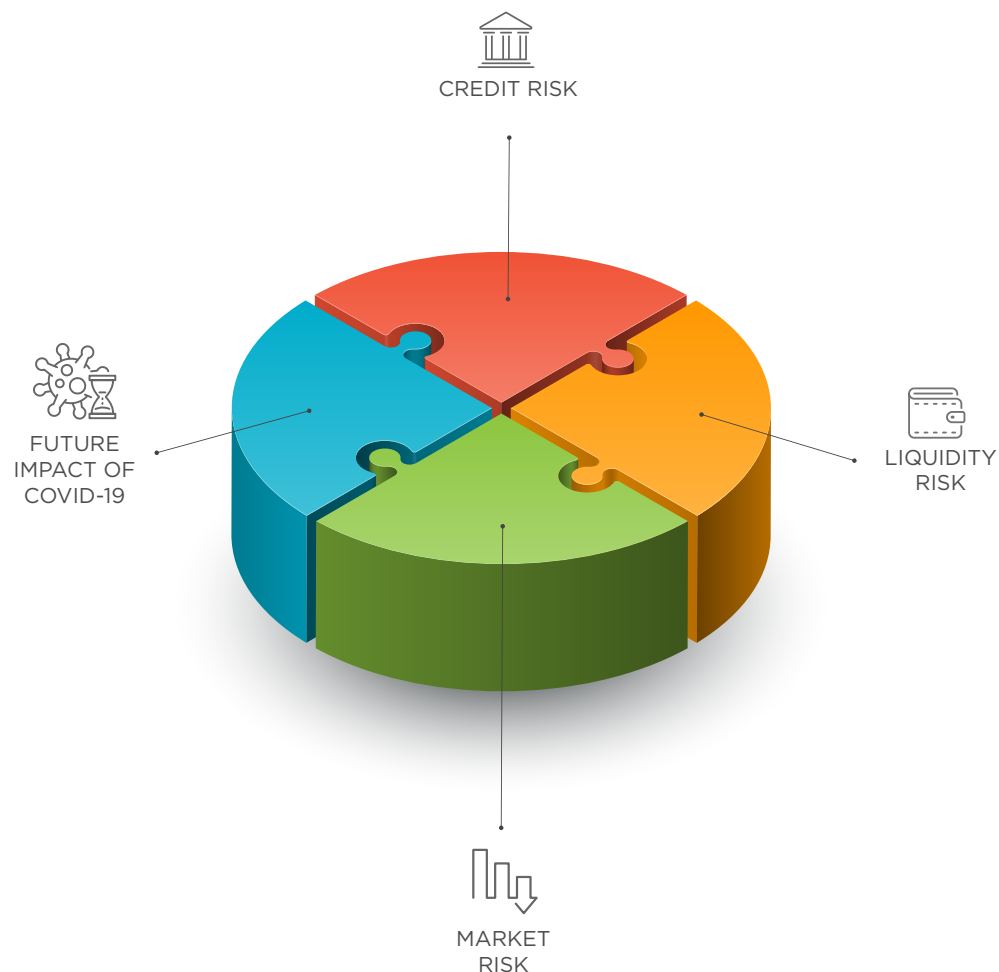
- **Credit risk:** This arises due to the possibility of non-recovery of financial assets in the amount recorded in the accounts and

within the established term. The company currently has a procedure for carrying out all operations strictly monitoring risk and the grant of credit. The company carries out monthly reviews to identify situations of risk and delays in receiving payment.

- **Liquidity risk:** This arises due to the possibility of the company not being able to dispose of liquid funds or access them in the amount necessary in order to meet payment obligations. The company has established a procedure by virtue of which it maintains the necessary liquid funds available for both its day-to-day activity and for making different investments.

The company paid the insolvency debt in accordance with the terms of the arrangement with creditors approved (note 2.4) and to the rest of creditors (for purchases and provision of services and sporting entities) in accordance with the law and the respective agreements, collects payments when issued and advertising rights in accordance with the terms of the respective contracts or agreements.

- **Market risk:** this is the interest rate risk caused by uncertainty regarding the future evolution of the financial markets and of the interest rates, with the resulting possible impact on results and cashflows for the company. The company applies a very prudent policy of financial indebtedness and in fact the main source of financing for the company is the net worth, with debts being relegated to a secondary plane and optimising the figure of financial expenses.



## 12. INVENTORIES

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The amount of inventories at closing was 54,895.92 euros and corresponds to sporting goods and equipment for use by the first team and Celta B, (274,998.29 at 30 June 2019).

At 30 June 2020 the company recognised the reversal of impairment of inventories of 9,687.69 euros (at 30 June 2019 the impairment of inventories was 13,238.49 euros).

The company does not have any definitive purchase or sale undertakings or future agreements regarding inventories, with the exception of the agreement with our usual supplier of sporting goods and equipment and (prior to 30 June 2020 we had firm commitments with dependent company, Afouteza e Corazón, S.L.U.).

The amount of advances to suppliers is 600.00 euros (1,609.90 euros at 30 June 2019).

The company does not possess inventories appearing in assets for a fixed amount.

The company does not capitalise financial expenses.

There are no restrictions on the availability of inventories due to guarantees, pledges, deposits or any similar reasons.

There are no other material circumstances affecting the ownership, availability or valuation of the company's inventories, such as lawsuits, freezing orders.

The company has sufficient inventories at sports facilities and the shop.

The method for assigning value used by the company to value inventories is FIFO.

## 13. EQUITY

### 13.1. SHARE CAPITAL

The share capital amounts to 3,770,210.00 euros, represented by 377,021 shares each with a face value of 10 euros, fully subscribed and paid in, numbered consecutively from one to three hundred and seventy-seven and twenty-one, both inclusive.

All the company shares have the same rights and there are no statutory restrictions on transferability.

On 7 February 1992, the Secretary of State – Presidents of the Higher Council for Sport, set the minimum share capital for the company for it to become a public limited sports company at 3,449,911.65 euros.

The part of the capital that is, if applicable, held by another company, either directly or through its subsidiaries, when equal to or greater than 10%, is set out in the following table:

Shareholder	% at 30/06/2020	% at 30/06/2019
Grupo Corporativo Ges, S.L.	67.92%	57.39%

The information on the significant stakes regulated in Article 10 of R.D. 1251/1999, of 16 July, on Public Limited Sports Companies, is set out below:

Shareholder	% at 30/06/2020	% at 30/06/2019
Grupo Corporativo Ges, S.L.	67.92%	57.39%
Play Internacional BV	0,00%	8.83%

### 13.2. LEGAL RESERVE

The legal reserve has been provisioned in accordance with Article 274 of the Spanish Companies Act, which establishes that, in any event, a figure equal to 10% of the profits of the financial year will be allocated until the minimum figure of 20% of the share capital is reached.

Until said limit is reached, it can only be used to offset losses, in the event there are no other available reserves to that end and must be re-provisioned using future profits.

### 13.3. CAPITALISATION RESERVE

Effective as of the tax periods following 1 January 2015, the capitalisation reserve was created, consisting of a reduction in the taxable base prior to the tax period for an amount of the profits obtained in the preceding tax period which are not distributed in the tax period in which the taxable base is reduced, provided the amount of said undistributed profits is maintained in the equity of the entity for a period of five years as of the closing of the financial year to which the tax year in which the reduction was made corresponds.

One of the requirements envisaged in Corporation Tax regulations for consolidating the reduction is the need to provision a restricted reserve with the amount of the reduction, the amount of which at 30 June 2020 is 8,321,474.14 euros (6,207,396.12 euros at 30 June 2019) (nota 14). This reserve is restricted for the five-year term in which the amount of the increase in equity must be maintained.

### 13.4. OTHER INFORMATION

The company does not hold treasury stock.

The company's shares are not listed on an official market.

There are no specific circumstances regarding subsidies, donations and endowments by shareholders or owners.



## 14. TAX SITUATION AND BALANCES WITH PUBLIC ADMINISTRATIONS

### 14.1. RECONCILIATION OF ACCOUNTING PROFIT AND TAXABLE BASE

On 28 June 2018, the members of the Board of Directors of Real Club Celta de Vigo, S.A.D., approved the decision to take advantage of the

Tax Consolidation Regime for the tax period starting 01 July 2018 and the following ones in accordance with the terms of the Corporation Tax Act (Ley del Impuesto sobre Sociedades - LIS), Chapter VI, Title VII. The company is the dominant company in the Consolidated Group, which also contains, as dependent company, Afouteza e Corazón, S.L.U.

Each company belonging to the Group quantifies the tax that would have corresponded under the individual regime, corrected according to the tax consolidation regime. Moreover, the deductions and discounts applied in the assessment of the consolidated tax will be calculated in any event by the company that, according to the tax regulations, obtains the earnings or ca-

ries out the necessary activity to be able to apply the deduction or rebate.

The Corporation Tax for the season is calculated on the basis of the accounting profit, obtained by applying the generally accepted accounting principles, and does not necessarily have to match the tax profit, understood as the taxable base for the purposes of said tax.

The reconciliation of the accounting profit and the taxable base for Corporation Tax purposes for the 2019/2020 season and the 2018/2019 season is as follows:

Description	Profit and loss account S 2018/2019			Profit and loss account S 2019/2020		
	Increases	Decreases	Total	Increases	Decreases	Total
Pre-tax accounting profit			<b>27,677,892.44</b>			<b>14,947,973.86</b>
<b>Permanent differences</b>						
Derived from profits	1,599,419.30	-942.19	<b>1,598,477.11</b>	2,401,366.04	-4,469.80	<b>2,396,896.24</b>
Derived from variations in net equity						
<b>Temporary differences</b>						
Derived from profits	4,960,147.55	-18,341,138.85	<b>-13,380,991.30</b>	13,207,604.25	-26,181,955.59	<b>-12,974,351.34</b>
Derived from variations in net equity						
<b>Previous tax base</b>			<b>15,895,378.25</b>			<b>4,370,518.76</b>
<b>Capitalisation reserve</b>			<b>1,589,320.12</b>			<b>-404,994.83</b>
<b>Offsetting of negative tax bases from previous years</b>			<b>3,240,307.10</b>			
	<b>Tax base at 30 June 2019</b>		<b>11,065,751.03</b>	<b>Tax base at 30 June 2020</b>		<b>3,965,523.93</b>

## PERMANENT DIFFERENCES

Positive permanent differences originating from profits generated over the season of 2,401,366.04 euros (1,599,419.30 euros the previous season) correspond to expenses recorded by the company, which are not considered tax-deductible expenses in accordance with Article 15 of the Corporation Tax Act.

Negative permanent differences arising from results generated over the season for the amount of 4,469.80 euros (942.19 euros the previous season) correspond to the interest accrued on the participating loan granted to the dependent company of the Group. In accordance with the terms of article 21 LIS, this interest is considered exempt dividends or participation in profits, meaning that the corresponding correction must be made.

## TEMPORARY DIFFERENCES

Positive temporary differences originating in past seasons and negative temporary differences originating in the year correspond, respectively, to an increase of the accounting results of 12,987,604.25 euros (4,635,147.55 euros the previous season), and a decrease in accounting results for the amount of 25,377,969.21 euros (18,129,877.63 euros the previous season), both due to application of the criterion of special temporary allocation of term or deferred price operations regulated in section 4 of Article 11 of the LIS.

Positive temporary differences arising in the financial year for the amount of 220,000 euros (325,000.00 euros the previous season) corres-

pond to impairment in the value of credits derived from the possible insolvency of debtors who do not meet the requirements of section 1 of article 13 of the LIS.

Negative temporary differences originating in past years correspond the reversal of impairment in the value of credits derived from the possible insolvency of debtors provisions in past financial years and the reversal of the limit of 30% of depreciation of tangible and intangible fixed assets established for the 2013 and 2014 financial years by Article 7 of Act 16/2012, of 27 December, which adopts a variety of tax measures designed to consolidate public finances and boost economic activity for the amount of 803,986.38 euros.

## CAPITALISATION RESERVE

In accordance with the terms of Article 25 LIS, the Company has applied a reduction in the tax base for the amount of 404,994.83 euros (1,589,320.12 euros the previous season).

The Company has made a provision for the capitalisation reserve in this financial year on its balance sheet at 10% of the increase in equity of the Tax Group from last season, calculated according to the above-mentioned rule, that is, for a total amount of 2,114,335.52 euros.

The remaining amount of the capitalisation reserve generated in past seasons that is pending application at the start of the tax period corresponds to the following breakdown, potentially being used to reduce the tax base in tax periods concluding in the two years following closing of the season in which it was provisioned.

Season generated	Amount pending / generated	Amount applied S 2019/2020	Application deadline
2017/2018	1,099,021.77	404,994.83	Season 2019/2020
2019/2020	2,114,335.52	0.00	Season 2020/2021

## DEDUCTIONS

In the 2014/2015 season, a deduction of 744,836.00 euros for reinvestment of extraordinary profits was made, in accordance with the terms of Article 42 of the Restated Text of the Corporation Tax Act, as the company took advantage of said tax incentive of 68.96% of the total income obtained from the transfer of the federative rights of a player, the amount of which was 9,000,000.00 euros.

During that season (2014/2015), the reinvestment commitments associated with the deduction, which amount to a total of 10,000,000.00 euros, were met with additions to tangible and intangible fixed assets for a total amount of 6,896,633.05 euros between June 2014 and June 2015, representing approximately 68.96% of such commitments.

In the 2015/2016 season, an additional Deduction for Reinvestment of Extraordinary Profits was credited for the amount of 335,163.63 euros, an amount that had been credited in the 2014/2015 season as not all the reinvestment commitments had been realised. The reinvestment commitments associated with the remaining deduction (for a total amount of 3,103,366.95 euros) were met with additions of intangible fixed assets in the 2016/2017 season made for a higher amount, 5,000,000.00 euros to be precise, realised in the acquisition of the federative rights of a player on 15/01/2016.

The breakdown of the income to which this tax incentive applied, as well as the dates of the reinvestments and the amount reinvested is set out below:

Income	Reinvestment date	Amount
€9,000,000.00	12/08/2014	243,013.05
	09/01/2015	1,439,000.00
	24/04/2015	5,214,620.00
	15/01/2016	3,103,366.95

In accordance with the terms of section seven of article 42 TRLIS, in the event the element of fixed assets transferred on whose income the reinvestment deduction was applied, should again generate deductible expenses in the Company, there would be an incompatibility in the application of the deduction generated and applied and the possibility to deduct the expenses generated by that element of fixed assets that again generated deductible expenses. This situation could have arisen when acquiring the federative rights of the same player during the first half of the 2019/2020 season. In view of this situation, and based on the provisions of transitional provision twenty-four of the LIS, as well as section seven of article 42 TRLIS, the dominant Company of the Group, following a conservative criterion, has regularised the deduction applied in this regard

in past financial years, according to the terms of article 125.3 LIS. This represents an increase in the quota due to the loss of the reinvestment deduction of 1,079,999.62 euros and default interest of 174,948.47 euros (note 15.4.e).

In addition, the Company has applied an amount of 145,798.14 euros as deductions for donations to non-profit entities subject to the terms of Act 49/2002 corresponding to the deduction for donations to non-profit entities generated in the 2018/2019 season and the 2019/2020 season.

As, in the 2019/2020 season, the Company generated a higher amount that that applied as a deduction for donations to non-profit entities pursuant to Act 49/2002, there are amounts pending application for future financial years.

Finally, according to the Corporation Tax Act, as of the 2015 financial year, those taxpayers who pay tax under the general rate and to whom the limitation on depreciation established in Article 7 of Act 16/2012, of 27 December was applied, will be entitled to a total quota deduction of 5% of the amounts included in the tax base derived from depreciation not deducted in the tax periods starting in 2013 and 2014. Therefore, this season we have applied a deduction in this regard for an amount of 4,370.20 euros (10,563.06 euros the previous season).

#### 14.2. RECONCILIATION OF ACCOUNTING PROFIT AND CORPORATION TAX EXPENSE

The reconciliation of the accounting profit and the Corporation Tax expense is as follows:

Reconciliation of tax profit and tax expense	Season 2019/2020	Season 2018/2019
Pre-tax accounting profit	14,947,973.86	27,677,892.44
25%	3,736,993.46	6,919,473.11
Impact of permanent differences derived from profits	-2,644,363.78	399,619.28
Deductions applied in the season	-150,168.34	-387,225.09
Impact from capitalisation reserve	-101,248.71	-397,330.03
Regularisation incentives past financial years	1,079,999.62	0.00
<b>Total expense/ (income) from tax recognised in profit and loss account</b>	<b>1,921,212.26</b>	<b>6,534,537.27</b>

#### 14.3. BREAKDOWN OF CORPORATION TAX EXPENSE.

The breakdown of the corporation tax expense is set out in the following table:

Description	Amount S 2019/2020	Amount S 2018/2019
<b>Current tax</b>		
For ongoing operations	1,921,212.26	2,368,649.61
<b>Deferred tax</b>		
For ongoing operations	2,319,779.35	4,165,887.66
<b>TOTAL TAX EXPENSE</b>	<b>4,240,991.61</b>	<b>6,534,537.27</b>

#### 14.4. DEFERRED TAX ASSETS RECORDED

The deferred tax assets have been recorded in the balance sheet as the members of the Board of Directors of the Company consider that, according to the best estimation of the future results of the Company, it is likely that these assets will be recovered.

The breakdown of the balance of this account is set out in the following table:

Description	Initial balance	Increases	Decreases	Final balance
Credit for losses to be offset 2011/2012	810,076.78		-810,076.78	0.00
Act 16/2012 depreciation limit	220,705.69		-63,378.36	157,327.33
Impairment of commercial credits	137,815.63	81,250.00		219,065.63
Capitalisation reserve	141,060.59			141,060.59
<b>Total deferred tax assets</b>	<b>1,309,658.69</b>	<b>81,250.00</b>	<b>(873,455.14)</b>	<b>517,453.55</b>
Act 16/2012 depreciation limit	157,327.33		-26,221.22	131,106.11
Impairment of commercial credits	219,065.63	55,000.00	-179,165.58	94,900.05
Deduction for reinvestment	141,060.59		-141,060.59	0.00
Credit for deductions to be applied	0.00	757,980.36		757,980.36
<b>TOTAL DEFERRED TAX ASSETS</b>	<b>517,453.55</b>	<b>812,980.36</b>	<b>-346,447.39</b>	<b>983,986.52</b>

#### 14.5. DEFERRED TAX LIABILITIES RECORDED

The breakdown of the balance of deferred tax liabilities is set out in the following table:

	Rights over assets assigned for use (note 7.1 & 19)	Term operations	Total
<b>2018/2019 Season</b>			
Initial balance	4,980,463.42	2,416,392.91	7,396,856.34
Increases	0.00	4,532,469.41	4,532,469.41
Decreases	-311,278.92	-1,158,786.89	-1,470,065.81
<b>FINAL BALANCE</b>	<b>4,669,184.50</b>	<b>5,790,075.43</b>	<b>10,459,259.94</b>
<b>2019/2020 Season</b>			
Initial balance	4,669,184.50	5,790,075.43	10,459,259.94
Increases	0.00	6,344,492.30	6,344,492.30
Decreases	-311,278.92	-3,558,179.97	-3,869,458.89
<b>FINAL BALANCE</b>	<b>4,357,905.58</b>	<b>8,576,387.76</b>	<b>12,934,293.34</b>

At the start of the 2019/2020 season, the Company had no negative tax bases pending offsetting.



#### 14.6. CURRENT BALANCES WITH THE PUBLIC ADMINISTRATION

The amount of assets for current taxes totals 110,260.87 euros (1,899,860.45 euros at 30 June 2019).

The breakdown of other credits with the Public Administration is contained in the following table (note 11.1):

Description	Amount S 2019/2020	Amount S 2018/2019
Taxation authorities, VAT recoverable	0.00	459,059.96
<b>TOTAL OTHER CREDITS WITH THE PUBLIC ADMINISTRATIONS</b>	<b>0.00</b>	<b>459,059.96</b>

The breakdown of other debts with the Public Administration is set out in the following table (note 11.2):

Description	Amount S 2019/2020	Amount S 2018/2019
Taxation authorities, withholding tax	1,721,357.41	2,860,966.34
Taxation authorities, VAT payable	1,164,991.61	0.00
Social Security payables	151,156.50	162,079.86
<b>TOTAL OTHER DEBTS WITH THE PUBLIC ADMINISTRATIONS</b>	<b>3,037,505.52</b>	<b>3,023,046.20</b>

#### 14.7. FINANCIAL YEARS PENDING CONFIRMATION AND INSPECTION ACTIVITIES

In accordance with the legislation in force, taxes cannot be considered finally settled until the declarations filed have been inspected by the tax authorities or the statute of limitations period of four years has passed.

At the closing of the 2019/2020 season, the last four financial years are open to inspection in relation to all applicable taxes.

The above notwithstanding, for the tax periods starting as of 1 January 2015, the LIS establishes the right of the Administration to check or investigate deductions and negative taxable bases pending offsetting; this right expires 10 years after the day following the one on which the term established for presenting the corresponding declaration or self-assessment for the tax period in which the right to offsetting or application was generated ends.

The members of the board of directors of the company consider that all assessments of the above taxes were carried out correctly and, even in the event of discrepancies arising regarding the interpretation of the regulations in force on the tax treatment applied to the operations, any resulting liabilities would not have a significant effect on these annual accounts.

# 15. INCOME AND EXPENSES

## 15.1. REVENUE

The breakdown of the revenue figure is set out in the following table:

## 15.2. PERSONNEL EXPENSES

### NON-PLAYING PERSONNEL EXPENSES

The breakdown of non-playing personnel expenses according to what is mentioned in note 4.12 of this report, is set out in the following table (next page):

Net turnover	Amount S 2019/2020	Amount S 2018/2019
Income from competitions		
League	582,761.42	813,642.29
King's Cup	0.00	25,041.32
Champions League	-104,331.20	251,923.08
UEFA Europa League	0.00	0.00
Other competitions and friendlies	83,050.41	154,233.88
Others (distribution LNFP football pools)	0.00	146,168.45
<b>Total income from competitions</b>	<b>561,480.63</b>	<b>1,391,009.02</b>
<b>Income from Season Ticket Holders and Members</b>	<b>3,505,866.97</b>	<b>4,450,254.83</b>
<b>Broadcast income</b>	<b>52,406,864.69</b>	<b>51,632,445.41</b>
Advertising income		
Static advertising	58,297.23	2,006,610.17
Dynamic advertising	7,414,036.09	5,392,551.26
<b>Total advertising income</b>	<b>7,472,333.32</b>	<b>7,399,161.43</b>
Marketing income		
Shop sales	1,104,963.58	2,122,252.08
Sponsorship	0.00	0.00
Other	14,640.32	11,609.77
<b>Total marketing income</b>	<b>1,119,603.90</b>	<b>2,133,861.85</b>
<b>TOTAL REVENUE</b>	<b>65,066,149.51</b>	<b>67,006,732.54</b>

Non-playing personnel expenses	Salaries and wages	Social Security and others	Total
<b>Season 2018/2019</b>			
Non-playing technical personnel (a)	1,304,443.96	156,366.03	1,460,809.99
Other non-playing personnel (b)	3,263,106.32	612,319.09	3,875,425.41
<b>TOTAL</b>	<b>4,567,550.28</b>	<b>768,685.12</b>	<b>5,336,235.40</b>
<b>Season 2019/2020</b>			
Non-playing technical personnel (a)	1,132,463.00	175,009.33	1,307,472.33
Other non-playing personnel (b)	3,520,367.36	548,419.98	4,068,787.34
<b>TOTAL</b>	<b>4,652,830.36</b>	<b>723,429.31</b>	<b>5,376,259.67</b>

(a) Non-playing technical personnel includes: director of football, delegate, medical personnel (includes healthcare professionals and physiotherapists) and kitmen.

(b) Other non-playing personnel includes the rest of personnel linked to the company by means of contracts of employment, including administrative, marketing, communication, commercial and ground maintenance personnel.

#### EXPENSES ON PLAYING PERSONNEL

The breakdown of expenses on playing personnel, distinguishing between playing personnel eligible for registration with the LNFP and those ineligible, in accordance with the provisions of note 4.12 of the report, is set out in the following tables:

Playing personnel EXPENSES	Fixed contract	Variable contract	Image rights	Indemnification	Other remuneration	Collective premiums	Social Security	Loan income/ EXPENSES	Agents' fees	Amortisation acquisition rights (nota 8)	Impairment/ loss
<b>EXPENSES LNFP-ELIGIBLE PLAYING PERSONNEL SEASON 2018/2019</b>											
Players	24,154,371.48	2,527,498.26	0.00	855,504.14	3,967,224.56	0.00	337,505.56	-2,729,749.44	3,082,632.80	14,783,269.05	76,388.89
Coaches	1,370,682.18	350,000.00	0.00	2,017,668.92	0.00	0.00	62,471.55	0.00	227,000.00	0.00	0.00
<b>Total LNFP-eligible Personnel</b>	<b>25,525,053.66</b>	<b>2,877,498.26</b>	<b>0.00</b>	<b>2,873,173.06</b>	<b>3,967,224.56</b>	<b>0.00</b>	<b>399,977.11</b>	<b>-2,729,749.44</b>	<b>3,309,632.80</b>	<b>14,783,269.05</b>	<b>76,388.89</b>
<b>EXPENSES LNFP-INELIGIBLE PLAYING PERSONNEL SEASON 2018/2019</b>											
Players	1,220,631.23	225,500.00	0.00	236,733.94	0.00	0.00	238,384.10	-10,000.00	172,838.13	20,426.52	6,792.44
Coaches	142,000.08	0.00	0.00	0.00	0.00	0.00	42,348.82	0.00	0.00	0.00	0.00
<b>Total LNFP-ineligible Personnel</b>	<b>1,362,631.31</b>	<b>225,500.00</b>	<b>0.00</b>	<b>236,733.94</b>	<b>0.00</b>	<b>0.00</b>	<b>280,732.92</b>	<b>-10,000.00</b>	<b>172,838.13</b>	<b>20,426.52</b>	<b>6,792.44</b>
<b>TOTAL PLAYING PERSONNEL</b>	<b>26,887,684.97</b>	<b>3,102,998.26</b>	<b>0.00</b>	<b>3,109,907.00</b>	<b>3,967,224.56</b>	<b>0.00</b>	<b>680,710.03</b>	<b>-2,739,749.44</b>	<b>3,482,470.93</b>	<b>14,803,695.57</b>	<b>83,181.33</b>

Wages and salaries playing personnel S 2018/2019= 37,067,814.79 euros

Playing personnel EXPENSES	Fixed contract	Variable contract	Image rights	Indemnification	Other remuneration	Collective premiums	Social Security	Loan income/ EXPENSES	Agents' fees	Amortisation acquisition rights (nota 8)	Impairment/ loss
<b>EXPENSES LNFP-ELIGIBLE PLAYING PERSONNEL SEASON 2019/2020</b>											
Players	32,725,917.49	2,304,595.07	0.00	2,317,121.22	1,917,842.11	0.00	317,617.29	2,359,293.82	3,253,502.05	19,691,625.97	1,822,196.55
Coaches	1,660,026.92	58,000.00	0.00	1,277,996.96	0.00	0.00	48,064.02	0.00	210,000.00	0.00	0.00
<b>Total LNFP-eligible Personnel</b>	<b>34,385,944.41</b>	<b>2,362,595.07</b>	<b>0.00</b>	<b>3,595,118.18</b>	<b>1,917,842.11</b>	<b>0.00</b>	<b>365,681.31</b>	<b>2,359,293.82</b>	<b>3,463,502.05</b>	<b>19,691,625.97</b>	<b>1,822,196.55</b>
<b>EXPENSES LNFP-INELIGIBLE PLAYING PERSONNEL SEASON 2019/2020</b>											
Players	1,127,436.77	104,000.00	0.00	315,034.50	5,000.00	0.00	250,465.49	30,000.00	13,875.00	48,958.18	39,743.62
Coaches	149,643.32	10,000.00	0.00	32,465.00	0.00	0.00	43,875.65	0.00	0.00	0.00	0.00
<b>Total LNFP-ineligible Personnel</b>	<b>1,277,080.09</b>	<b>114,000.00</b>	<b>0.00</b>	<b>347,499.50</b>	<b>5,000.00</b>	<b>0.00</b>	<b>294,341.14</b>	<b>30,000.00</b>	<b>13,875.00</b>	<b>48,958.18</b>	<b>39,743.62</b>
<b>TOTAL PLAYING PERSONNEL</b>	<b>35,663,024.50</b>	<b>2,476,595.07</b>	<b>0.00</b>	<b>3,942,617.68</b>	<b>1,922,842.11</b>	<b>0.00</b>	<b>660,022.45</b>	<b>2,389,293.82</b>	<b>3,477,377.05</b>	<b>19,740,584.15</b>	<b>1,861,940.17</b>

Wages and salaries playing personnel S 2019/2020= 44,005,079.36 euros



The company has insured certain players to cover absences due to injury or professional disability.

The breakdown of player acquisition expenses is set out in the following table:

Description	Amount 30/06/2020	Amount 30/06/2019
Player acquisition fee expenses (a)	3,477,377.05	3,482,470.93
Player loan expenses	3,175,074.87	200,000.00
<b>TOTAL PLAYER ACQUISITION EXPENSES</b>	<b>6,652,451.92</b>	<b>3,682,470.93</b>

(a) The agents' fees also include miscellaneous acquisition expenses and training and solidarity expenses worth 624,318.720 euros (at 30 June 2019 the figure was 1,652,620.93 euros).

### 15.3. LOSSES, IMPAIRMENT AND VARIATION OF ADJUSTMENTS DUE TO IMPAIRMENT FOR COMMERCIAL OPERATIONS

The information is supplied in notes 11.1 of this report.

### 15.4. OTHER INFORMATION

#### a. Transactions with group and associate entities.

The transactions with group and associate entities correspond to

- Long-term loans to group companies, in relation to dependent company, Afouteza e Corazón, S.L.U., for the amount of 300,000.00 euros, in relation to two participating loans (at 30 June 2019 the amount of long-term loans to group companies was 234,610.07 euros, of which 100,000 euros corresponded to a participating loan) (note 11.1). This represents financial income of 4,469.80 euros (7,284.41 euros at 30 June 2019).
- Other financial assets, relating to the deposit for the lease of parking spaces from Afouteza e Corazón, S.L.U., for the amount of 3,421.48 euros (note 11.1).
- Debtor group entities:
  - Dependent company, Afouteza e Corazón, S.L.U.** for the amount of 921,436.74 euros (1,098,968.48 euros at 30 June 2019) for the sale of sporting goods and equipment and for the lease of space in the offices of the Company (A Sede) in which Afouteza e Corazón, S.L.U. performs its activities (note 1.1 and 11.1).

The transactions, over the season, correspond to:

- 621,632.88 euros corresponds to the sale of sporting goods and equipment (1,379,175.13 at 30 June 2019);
  - 97,705.80 euros corresponds to income from a commission on the sale of sporting goods and equipment (108,942.57 at 30 June 2019);
  - 469,831.06 euros correspond to income from the lease of space in A Sede (note 10.2), (583,618.04 euros at 30 June 2019);
  - 181,734.38 euros corresponds to miscellaneous income (165,035.73 at 30 June 2019);
- II. **Fundación Celta de Vigo**, for the amount of -20,712.45 euros (-43,922.17 euros at 30 June 2019). The volume of transactions with the Fundación Celta de Vigo corresponds to:
- 320,742.60 to the sale of sports equipment and items for junior categories (152,568.03 euros at 30 June 2019).
  - 159,600.00 euros for accommodation services at the facilities of the Company (A Sede Residencia) (209,989.62 euros at 30 June 2019).
  - 54,156.44 corresponds to other income that includes payments, penalties and refereeing for junior categories (118,773.42 at 30 June 2019).

The company, in the 2019/2020 season, granted the Celta de Vigo Foundation a donation worth 1,846,749.18 euros for promoting the development of sport in all spheres, as well as support and promotion of sport in Vigo in different ways (in the 2018/2019 season, the amount of the donation was 1,330,000 euros)

- Loans to Group companies, corresponds to a loan granted to Grupo Corporativo Ges, S.L. for the amount of 2,000,000.00 euros (note 11.1 and 13). The financial interest on the same amounts to 29,046.58 euros.
- Other financial liabilities, amounting to 44,211.00 euros relating to the deposits received from the leases from dependent company, Afouteza e Corazón, S.L.U. (note 11.2).
- Short-term debts with group and associated companies, corresponds to a current account with dependent company Afouteza e Corazón, S.L.U.
- Suppliers, group companies, corresponds to dependent company, Afouteza e Corazón, S.L.U. for the amount of 0.00 euros.

The transactions for the amount of 217,755.46 euros (1,342,788.75 euros at 30 June 2019) correspond to:

- 20,844.49 euros corresponds to expenses for the car park lease (20,631.53 euros at 30 June 2019),
- 196,059.36 euros corresponds to the acquisition of sporting goods and equipment (949,357.97 euros at 30 June 2019).
- 851.61 euros for other insignificant expenses for which no breakdown is provided; and
- At 30 June 2019, 372,799.25 euros corresponds to indemnification for a fire at our facilities (note 15.4.i).

## b. Ancillary income and other current management income

The breakdown of ancillary income and other current management income is set out in the following table:

Description	Amount 30/06/2020	Amount 30/06/2019
Lease income <b>(1)</b>	488,048.70	599,060.17
Player release income <b>(2)</b>	785,781.05	2,939,749.44
Player training rights income	497,685.00	1,130,269.55
Miscellaneous service income <b>(3)</b>	1,766,775.77	1,540,444.74
<b>Total ancillary income and other current management income</b>	<b>3,538,290.52</b>	<b>6,209,523.90</b>

**(1)** The breakdown of lease income is set out in note 10.2.

**(2)** Player release income includes the amount resulting from the profits received from the UEFA Nations League 2018-2019 and Euro 2018 (from the release of players to their respective national teams) for the amount of 135,781.05 euros (at 30 June 2019 the amount of the profits received from

FIFA for the 2018 World Cup in Russia (for the release of players to their respective national teams) totalled 822,674.47 euros).

(3) The amount of the income from miscellaneous services corresponds to:

- a. Income from stays by foreign players worth 1,317,349.99 euros (at 30 June 2019 the amount was 979,200.00 euros),
- b. Sales fee income worth 97,705.80 euros (at 30 June 2019 the amount was 108,942.57) (note 15.4.a),
- c. Accommodation service income worth 159,600.00 euros (at 30 June 2019 the amount was 209,989.62 euros) (note 15.4.a),
- d. Canteen operation income worth 60,500.00 euros (at 30 June 2019 the amount was 91,000.00), and
- e. Other current management income worth 131,619.98 euros (at 30 June 2019 the amount was 151,312.55 euros).

#### c. Foreign currency transactions.

No foreign currency transactions were carried out either in the 2019/2020 season nor the foregoing one.

There are no outstanding foreign currency amounts pending receipt or exchange rate differences (at 30 June 2019 negative exchange rate differences were recorded for the amount of 2,939.56 euros).

#### d. Average number of persons employed at 30 June, distributed by categories.

The average number of persons employed, together with the closing personnel, broken down by category and gender, is set out in the following tables:

Breakdown	Season 2019/2020		Season 2018/2019	
	MEN	WOMEN	MEN	WOMEN
Average personnel				
Playing personnel (players)	47	0	47	0
Other personnel	61	20	59	17
<b>TOTAL AVERAGE PERSONNEL</b>	<b>108</b>	<b>20</b>	<b>106</b>	<b>17</b>

Breakdown	Season 2019/2020		Season 2018/2019	
	MEN	WOMEN	MEN	WOMEN
Closing personnel				
Playing personnel (players)	46	0	58	0
Other personnel	65	19	61	17
<b>TOTAL CLOSING PERSONNEL</b>	<b>111</b>	<b>19</b>	<b>119</b>	<b>17</b>

### e. Exceptional income and expenses

The breakdown of exceptional income and expenses is set out in the following table:

Description	Amount S 2019/2020	Amount S 2018/2019
Exceptional expenses (1)	-1,039,341.39	-1,243,988.78
Exceptional income (2)	427,665.84	1,750,387.42
<b>TOTAL OTHER RESULTS</b>	<b>-611,675.55</b>	<b>506,398.64</b>

(1) The exceptional expenses for the season corresponds essentially to:

- a. The recognition of the long-term provision for liquidation of work carried out by a supplier for the amount of 475,151.37 euros (note 16),
- b. Donations of healthcare material to the Vigo Health District in order to meet healthcare needs resulting from the COVID-19 pandemic for a purchase price financial value of 262,335.55 euros, and
- c. Default income worth 174,948.47 euros, in relation to the conservative criterion applied of regularising the deduction for reinvestment in past seasons, as explained in note 14.1.

At 30 June 2019, it corresponded essentially to the fire occurring in our facilities in July 2018.

(2) The exceptional income for the season corresponds essentially to insurance compensation (at 30 June 2019 it corresponded essentially to insurance compensation).

### f. Financial income and expenses

The breakdown of financial income and expenses is set out in the following table:

Description	Amount S 2019/2020	Amount S 2018/2019
Financial expenses (1)	-61,727.74	-83,292.40
Financial income (2)	59,699.22	25,949.51
Variation in fair value of financial instruments (3)	18,547.75	0.00
Exchange rate differences (note 15.4.c)	0.00	-2,939.56
<b>TOTAL FINANCIAL RESULTS</b>	<b>16,519.23</b>	<b>-60,282.45</b>

(1) Financial expenses corresponds essentially to interest on the mortgage loans worth 56,995.92 (at 30 June 2019, it corresponded to interest on mortgage loans and interest on participating loans worth 75,351.47 euros).

(2) The financial income corresponds essentially to interest from the loans granted to group company Afouteza e Corazón, S.L.U. for the amount of 4,469.80 euros and Grupo Corporativo Ges, S.L.U. for the amount of 29,046.58 euros (note 15.4.a) and interest from bank deposits and active positions (at 30 June 2019, it corresponded to loans granted to group company Afouteza e Corazón, S.L.U. for the amount of 7,284.41 euros and interest on bank deposits and active positions).

(3) Corresponds to the profit derived from the refund of an investment fund (note 11.1).

#### g. Results from the sale of players

In the 2019/2020 season the company obtained a profit of 34,834,293.46 euros (28,758,183.99 euros in the previous season) from the sale or transfer of players (Note 8).

#### h. Accruals.

The amount of accrued income (note 11.2) by season corresponds to:

##### • Season 2019/2020:

- Season tickets for the second half of the year, worth 271,383.68 euros,
- Collaboration agreements worth 281,960.41 euros

##### • Season 2018/2019:

- Season tickets for the second half of the year, for the amount of 287,592.62 euros,

- Season tickets for the 2019/2020 season for the amount of 490,832.61 euros,
- LNFP audio-visual rights income worth 7,632,000.00 euros.
- Collaboration agreements worth 435,916.15 euros

#### i. Income from estimated compensation or compensation received from insurance entities for operating expenses and for exchange rate risks

The amount of income from indemnification received from insurance entities at 30 June 2020 totalled 373,840.15 euros, derived largely from indemnification for player injuries (the figure at 30 June 2019 was 1,942,699.65 euros derived, largely, from the indemnification for the fire in our facilities, as well as indemnification for injuries to players).

#### 15.5. NET TURNOVER FIGURES

The breakdown of the net turnover figure is supplied in note 15.1 of this report, with the most significant income being that derived from the broadcast rights which include audio-visual rights and radio rights.

As for advertising and marketing income, the company has entered into a sponsorship agreement with Fundación Deporte Galego, dated 22 October 2019 with the primary object of promoting prevention and awareness of gender violence in sport for the amount of 60,000.00 euros.

On 08 August 2019 an assignment agreement was signed with Corporación Radio e Televisión de Galicia, S.A., for the matches corresponding to the XXIV edition of the Memorial Quinocho tournament. The amount of the agreement was 10,000.00 euros.

On 17 July 2019 an exclusive assignment agreement was signed with Corporación Radio e Televisión de Galicia, S.A., for the rights to the Celta B matches in the 2019/2020 season in Second Division B, including play-out and play-off matches. The amount of the agreement was 60,000.00 euros, and in the event the team finished in the top eight teams, it would be increased by 3,000.00 euros. If the team participated in the playoffs for promotion to Second Division A, the amount would increase by 7,000.00 euros.

The only agreement with Public Administrations, at 30 June 2019 was the agreement entered into with The Tax Agency for payment of the insolvency debt, which has been paid in full at 30 June 2020 (note 2.4).



# 16. PROVISIONS AND CONTINGENCIES

At season end 2019/2020, the company, following the principle of prudence, accounted for all reductions in income derived from COVID-19, even though the LNFP allowed for flexibility in the charging of the same, as mentioned in note 11.6.

## 16.1. PROVISIONS

At 30 June 2020, the company has recognised the following provisions:

- Long-term provisions for the amount of 475,151.37 euros derived from the liquidation of work carried out by a supplier (at 30 June 2019, the company had no long-term provisions) (note 15.4.e)
- Short-term provisions totalling 252,194.17 euros derived from a dispute with members of the technical personnel from the 2017/2018 season (recognised at 30 June 2019 also).

## 16.2 CONTINGENCIES

### Contingent liabilities.

The Management Body considers that there are no significant contingencies at the date of closing of the balance sheet that could derive in future liabilities, with the exception of the variable objectives of the playing personnel.

The contracts for the purchase of players establish clauses that oblige the company to pay certain economic compensation in the event they are triggered, being recognised at that moment, in line with the accrual principle.

### Contingent assets.

The agreements for the sale of players contain clauses that grant the company rights to certain financial compensation in the event they are triggered, with the income being recognised at that moment, in line with the accrual principle.

In the case of termination of a player's contract by the player, the company is entitled to receive the corresponding indemnification.

Moreover, the company has players that come from the club's academy (note 4.1) who do not appear on the balance sheet and in the event of their sale the full price of such sale will appear as a profit.

## 17. PARTICIPATING LOANS AND SUBORDINATED DEBT

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Neither in the 2019/2020 season nor the previous one did the company have any participating loans or subordinated debt.







## 18. GUARANTEES PROVIDED TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

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The overall amount of guarantees provided to third parties totals 1,950,000.00 euros, corresponding to sports entities for the acquisition of player assignment rights, with the broadcast rights held by the company as the guarantee for the same for the 2017/2018 to 2020/2021 seasons (3,900,000.00 euros at 30 June 2019).

The members of the board of directors consider that intangible sports fixed assets are not impaired.

At 30 June 2020, the company has off-balance sheet risks totalling 229,418,46 euros (the figure for the firm's risks last season was 150,000.00 euros).



## 19. SUBSIDIES, DONATIONS AND ENDOWMENTS

The amount and characteristics of subsidies received and appearing in the balance sheet, as well as those stated in the profit and loss account are set out in the following table:

Concessionaire	Initial Amount	Charged to results	Final amount
Vigo City Council <sup>(1)</sup>	<b>SEASON 2018/2019</b>		
	14,941,390.11	1,245,115.80	14,007,553.23
	<b>SEASON 2019/2020</b>		
	14,007,553.23	1,245,115.80	13,073,716.35

<sup>(1)</sup> At 30 January 2009, the agreements signed between Vigo City Council and the company authorising the use of the Balaidos, Barreiro and A Madroa sports facilities was amended with the validity being extended until 16 May 2034.

In said agreement, Vigo City Council assigns the interior advertising (pitches, stands and scoreboards,...) of the Balaidos, Barreiro and A Madroa stadiums to the company free of charge, to be exploited by the company or a third party during any sporting competition in which the company is involved or related to it, the latter

assuming the cost of the removal or covering of said advertising if so requested by the Council for other events not involving the company. The company is also responsible for the management of the advertising rights derived from the image of its players, managers, symbols... in the facilities it is authorised to use.

The company is entitled to exploit, on its own behalf, the bars and buffets existing in the facilities it is authorised to use, or any it may open without prior authorisation of the Council, while sporting events related to the company are being held.



The company will not authorise advertising beyond 16 May 2034 and will notify the Council of the circumstances of the same as soon as such authorisations are agreed.

In relation to the above, the assignment of the right of use is considered a subsidy of a non-monetary nature. The amount of the same totals 31,127,896.69 euros, corresponding to the market value obtained for the right of assignment of the sports facilities used by Real Club Celta de Vigo, S.A.D. based on a duration of 25 years.

The company has complied with all conditions related to the subsidies.

The company does not receive any donations or endowments.

In the 2019/2020 season, the company processed operating subsidies worth 884,425.75 euros, obtaining an amount of 569,046.93 euros (in the 2018/2019 season the figure was 159,881.09 euros), with the following breakdown:

- 370,358.30 euros in a subsidy from the Spanish Football Federation under the academy with values programme,
- 192,727.90 euros in subsidies from the Professional Football League as aid for corrective/evolutive maintenance, as well as preventative maintenance of sports facilities (the figure for 30 June 2019 was 153,779.41 euros),
- and 5,960.73 euros correspond to the subsidy from the Xunta de Galicia for the development of sports activities (at 30 June 2019, the figure was 6,101.68 euros).

## 20. EVENTS SUBSEQUENT TO CLOSING



The company has made important investments in digitalisation projects, as well as the review and optimisation of processes, which has enabled us to telework efficiently and safeguard personnel health during the COVID-19 lockdown. Continuing along the same lines, the company is working on a project to develop an Ecommerce platform to facilitate its international growth and expansion as well as a new website that enables us to connect and better communicate with our shareholders.

At the date of formulation of these annual accounts, there are no subsequent events in relation to circumstances that already existed at season closing but that, due to their nature, have led to the inclusion of an adjustment to the figures contained in these annual accounts.

Neither are there subsequent events that show conditions that did not exist at season closing and that, given their importance, are being supplied in these annual accounts.

There are no subsequent events to closing of the annual accounts that affect the application of the going concern principle.

## 21. RELATED-PARTY TRANSACTIONS

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### 21.1. RELATED-PARTY TRANSACTIONS.

The volume of transactions carried out with group and associated companies is provided in note 15.4.a.

There is no link between the company, its dependent company, Fundación Celta de Vigo and the members of the board of directors or main shareholders that has led to transactions or commitments for a consideration, or of any other kind with the company, except as set out in this report.

### 21.2. MANAGEMENT BODY REMUNERATION.

The members of the Board of Directors have not received any remuneration (no remuneration was received last season either).

The company has no senior executive employment contracts.

The company has taken out collective accident insurance for the members of the Board of Directors during the season, with the total amount of guarantees taken out in the event of death or complete invalidity amounting to 100,000.00 euros per insured person.

Moreover, the company has taken out a policy to cover the civil liability of Directors and Senior Executives, with an annual limit of the 3,000,000.00 euros.

The amount of both insurance premiums is not significant for the purposes of this report.

### 21.3. PARTICIPATION BY MEMBERS OF THE MANAGEMENT BODY IN OTHER COMPANIES.

In accordance with the provisions of Act 31/2014, of 3 December, which amends the Spanish Companies Act in order to improve corporate governance, the members of the Board of Directors of the company state that they discharge their duties in line with the duty of loyalty, established in article 227 of said Act, and neither they nor any persons related to them are in a conflict of interest situation with the company.

Moreover, in accordance with the terms of Article 21 of Royal Decree 1251/1999, of 16 July, on Public Limited Sports Companies and Article 38 of the Articles of Association, the members of the Board of Directors and those who hold management posts in a public limited sports company cannot hold any other post in another public limited sports company participating in the same professional competition or, even where different, belonging to the same category of sport.

#### 21.4. CORPORATE GROUP.

As mentioned in note 1.4 of this report, the company forms part of an international group of companies in which, due to the particular nature of the activity of Real Club Celta de Vigo, S.A.D., management of the same is completely independent of the rest of the group companies.

As mentioned, in note 14.1 of this report, the company opted for the Tax Consolidation Regime for the tax period starting on 1 July 2018 and following years in accordance with the terms of the Corporation Tax Act, Chapter VI, Title VII. The company will form part of the Consolidated Group, as dominant company, which will also include dependent company Afouteza e Corazón, S.L.U.



## 22. OTHER INFORMATION

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### 22.1. AVERAGE PERSONNEL LEVELS IN THE FINANCIAL YEAR

The average number of persons employed and the number of persons employed at closing, broken down by categories and gender, is set out in note 15.4.d.

### 22.2. INDICATORS ESTABLISHED IN THE ECONOMIC MONITORING REGIME OF THE LNFP

The LNFP has exclusive responsibility for the functions of economic monitoring, control and supervision in relation to its members (Clubs and Public Limited Sports Companies), via its governing and administrative bodies, in general, and the Economic Monitoring Committee, in particular. This is all in accordance with the terms of Article 41.4.b) of the Sports Act and the Articles of Association and the General Regulations of the LNFP.

As a result, the LNFP, and subsequently in coordination with the RFEF, defined the Economic Monitoring Regime for Clubs and Public Limited Sports Companies belonging to the LNFP, inspired by the UEFA's financial monitoring regulations, and as such the members of the board of directors of the company supply information on the indicators established in said regulations.

### BREAK-EVEN INDICATORS

The members of the management body include in the calculation of the break-even indicators, in accordance with the terms of Article 20 of Volume X of the General Regulations of the LNFP or any rules that replace it:



A) Breakdown of relevant income	Data from these annual accounts					
	T	T	T-1	T-2	T-3	T-4
	S 2019/2020 WITHOUT COVID	S 2019/2020 WITH COVID	S 2018/19	S 2017/18	S 2016/17	S 2015/16
Income from competitions	909,567	561,481	1,391,009	2,324,392	16,540,990	4,112,154
Income from season ticket holders and members	4,791,880	3,505,867	4,450,255	4,722,383	4,866,313	3,949,154
Broadcast income	52,406,865	52,406,865	51,632,445	48,907,931	47,573,750	33,210,759
Advertising income	7,472,333	7,472,333	7,399,161	4,295,380	4,333,210	4,398,626
Marketing and other income	1,119,604	1,119,604	2,133,862	1,820,690	1,475,074	1,344,465
Ancillary and other current management income	3,595,822	3,538,291	6,209,524	2,122,142	1,727,167	775,599
Income from non-football related operations (operating subsidies)	0	0	0	0	5,531	6,643
Profit from transfers of real estate	36,696,234	36,696,234	28,841,365	13,608,655	17,195,585	5,022,777
Other operating income	752,666	752,666	1,750,387	213,313	814,839	1,077,129
Financial income	78,247	78,247	26,334	12,537	50,722	213,088
<b>(A.1) TOTAL RELEVANT INCOME</b>	<b>107,823,217</b>	<b>106,131,586</b>	<b>103,834,343</b>	<b>78,027,423</b>	<b>94,583,181</b>	<b>54,110,394</b>
<b>(A.2) TOTAL INCOME IN AUDITED FINANCIAL STATEMENT</b>	<b>107,945,749</b>	<b>107,945,749</b>				
<b>(A.3) AMOUNT TO BE RECONCILED: (A.1) - (A.2)</b>	<b>-122,533</b>	<b>-1,814,163</b>	<b>RECONCILED PAST FINANCIAL YEAR</b>	<b>RECONCILED PAST FINANCIAL YEAR</b>	<b>RECONCILED PAST FINANCIAL YEAR</b>	<b>RECONCILED PAST FINANCIAL YEAR</b>
<b>Reconciliation items (examples)</b>	<b>Amount WITHOUT COVID</b>	<b>Amount WITH COVID</b>				
Income derived from non-monetary items	1,437,844	1,437,844				
Income derived from debt reduction under insolvency proceedings	0	0				
Income from operations not related to football nor clearly and exclusively related to the club's brands	0	0				
Other income not classified in the above reconciliation entries	376,319	376,319				
Estimated effect of COVID on the annual accounts for the 2019/2020 season	-1,691,630					
<b>(A.4) TOTAL RECONCILIATION ITEMS</b>	<b>122,533</b>	<b>1,814,163</b>				

B) Breakdown of relevant expenses	Data from these annual accounts					
	T	T	T-1	T-2	T-3	T-4
	S. 2019/20 SIN COVID	S 2019/20 CON COVID	S 2018/19	S 2017/18	S 2016/17	S 2015/16
Provisions	1,346,380	1,346,380	2,192,834	1,359,445	729,649	846,178
Staff expenses	48,793,508	50,041,361	43,084,760	34,462,375	42,689,070	27,172,021
Other operating expenses	16,226,064	16,982,587	14,201,587	12,659,470	11,675,635	7,655,994
Amortisation of player federative rights	19,740,584	19,740,584	14,803,696	10,701,524	6,604,195	5,116,200
Losses from the sale of fixed assets	2,726,333	2,726,333	1,334,570	1,491,693	7,980	0
Financial expenditure	61,728	61,728	86,616	116,612	223,947	754,344
<b>(B.1) TOTAL RELEVANT EXPENSES</b>	<b>88,894,598</b>	<b>90,898,974</b>	<b>75,704,063</b>	<b>60,791,120</b>	<b>61,930,477</b>	<b>41,544,737</b>
<b>(B.2) TOTAL COSTS AND EXPENSES IN AUDITED FINANCIAL STATEMENT</b>	<b>97,238,767</b>	<b>97,238,767</b>				
<b>(B.3) RECONCILIATION AMOUNT: (B.1) - (B.2)</b>	<b>-8,344,169</b>	<b>-6,339,793</b>	<b>RECONCILED PAST FINANCIAL YEAR</b>	<b>RECONCILED PAST FINANCIAL YEAR</b>	<b>RECONCILED PAST FINANCIAL YEAR</b>	<b>RECONCILED PAST FINANCIAL YEAR</b>
<b>Reconciliation item (examples)</b>	<b>Amount WITHOUT COVID</b>	<b>Amount WITH COVID</b>				
Impairment of tangible fixed assets	620,602	620,602				
Amortisation impairment of intangible fixed assets other than player federative rights	1,303,251	1,303,251				
Tax expenditure (Corporation Tax)	4,415,940	4,415,940				
Other expenses not classified in the foregoing items		0				
Estimated effect of COVID on the annual accounts for the 2019/2020 season	2,004,376					
<b>(B.4) TOTAL RECONCILIATION ITEMS</b>	<b>8,344,169</b>	<b>6,339,793</b>				

Reconciliation corrector (b.3)+(b.4)=0

## C) Calculation of the break-even point

	Amount WITHOUT COVID	Amount WITH COVID	
<b>(C.1) BREAK-EVEN T (19-20 FINANCIAL YEAR)</b>			
Relevant income	107,823,217	106,131,586	
Relevant expenses	88,894,598	90,898,974	
Break-even result	18,928,619	15,232,613	<b>Surplus</b>
<b>(C.2) BREAK-EVEN T-1 (18-19 FINANCIAL YEAR)</b>			
Relevant income	103,834,343	103,834,343	
Relevant expenses	75,704,063	75,704,063	
Break-even result	28,130,280	28,130,280	<b>Surplus</b>
<b>(C.3) BREAK-EVEN T-2 (17-18 FINANCIAL YEAR)</b>			
Relevant income	78,027,423	78,027,423	
Relevant expenses	60,791,120	60,791,120	
Break-even result	17,236,302	17,236,302	<b>Surplus</b>
<b>(C.4) BREAK-EVEN FOR T TO T-2: (C.1) + (C.2) + (C.3)</b>	<b>64,295,202</b>	<b>60,599,195</b>	<b>Surplus</b>
<b>(C.5) BREAK-EVEN T-3 (16-17 FINANCIAL YEAR)</b>			
Relevant income	94,583,181	94,583,181	
Relevant expenses	61,930,477	61,930,477	
Break-even result	32,652,705	32,652,705	<b>Surplus</b>
<b>(C.6) BREAK-EVEN T-4 (15-16 FINANCIAL YEAR)</b>			
Relevant income	54,110,394	54,110,394	
Relevant expenses	41,544,737	41,544,737	
Break-even result	12,565,656	12,565,656	<b>Surplus</b>
<b>(C.7) BREAK-EVEN FOR TO TO T-4: (C.4) + (C.5) + (C.6)</b>	<b>109,513,562</b>	<b>105,817,556</b>	<b>Surplus</b>

## FIRST TEAM EXPENSES

The members of the management body include in the calculation of the first team expenses (note 15.2 of this report), in accordance with the terms of Article 22 of Volume X of the General Regulations of the LNFP or any rules that replace it: *(table on the right)*:

## RATIO OF NET DEBT TO TOTAL INCOME

The members of the management body include in the calculation of the ratio of net debt to total income indicators, in accordance with the terms of Article 23 of Volume X of the General Regulations of the LNFP or any rules that replace it: *(table on next page)*:

A) Expenses associated with the first team	
<b>(A) TOTAL EXPENSES ASSOCIATED WITH THE FIRST TEAM</b>	<b>43,934,653</b>
	Amount
<b>(a.1)</b> Cost of playing staff eligible for LFP registration (without amortisation)	42,627,181
<b>(a.2)</b> Staff expenses related to the first team and not reflected in the cost of playing staff eligible for registration: technical secretary/director of football, doctors, physiotherapists, kitmen, delegate.	1,307,472
B) Reconciliation with financial statements	
<b>(B) TOTAL STAFF EXPENSES SET OUT IN P&amp;L AT 30/6/2020</b>	<b>50,041,361</b>
<b>(b.1)</b> Reconciliation amount: <b>(A) - (B)</b>	-6,106,708
Reconciliation entries	Amount
Expenses of playing staff NOT eligible for LFP registration	2,037,921
Expenses of non-playing staff except for those contemplated in (a.2)	4,068,787
<b>(b.2)</b> Total reconciliation amounts	6,106,708
Reconciliation corrector: <b>(b.1) + (b.2) = 0</b>	0
C) Relevant income at 30 June 2020	
<b>(C.) TOTAL RELEVANT INCOME</b>	<b>106,131,586</b>
RATIO OF EXPENSES ASSOCIATED WITH FIRST TEAM <b>(A/C)</b>	41%
	Complied with

A) Liability balance sheet entries to be considered for calculating net debt	
<b>(A) TOTAL DEBTS AND LOANS (A.1)+(A.2)</b>	<b>47,870,661</b>
<b>(A.1) Long-term debts</b>	<b>21,823,779</b>
Debts with financial institutions	2,115,643
Debts with sporting entities	19,477,175
Other financial liabilities	230,961
Insolvency debt	0
Debts with group companies (participating loans)	0
<b>(A.2) Short-term debts</b>	<b>26,046,882</b>
Debts with financial institutions	1,129,673
Debts with sporting entities for transfers/loans	24,196,858
Other financial liabilities	626,921
Short-term debts with group and associated companies	93,430
B) Asset balance sheet entries to be considered for calculating net debt	
<b>(B) TOTAL ASSET ENTRIES CONSIDERED</b>	<b>82,779,311</b>
Debtor sporting entities	52,835,763
Cash and other equivalent liquid assets	25,943,367
Short-term financial investments	4,000,180

C) Breakdown of relevant income	
<b>(C,) TOTAL RELEVANT INCOME</b>	<b>106,131,586</b>
	30-jun-20
Income from competitions	561,481
Income from season ticket holders and members	3,505,867
Broadcast income	52,406,865
Advertising income	7,472,333
Marketing and other income	1,119,604
Ancillary and other current management income	3,538,291
Income from non-football related operations (operating subsidies)	0
Profit from transfers of real estate	36,696,234
Other operating income	752,666
Financial income	78,247
D) Net debt figure at 30 June 2020	
<b>(D) TOTAL NET DEBT (A-B)</b>	<b>-34,908,649</b>
DEBT RATIO (D/C)	-33%
	Complied with



PROFIT AND LOSS ACCOUNT	ENVISAGED S 2019/2020	ACTUAL S 2019/2020
<b>A) CONTINUING OPERATIONS</b>		
1. Revenue	61,975,000.00	65,066,149.51
a) Income from competitions and participation in betting	1,050,000.00	561,480.63
b) Income from season ticket holders and members	4,200,000.00	3,505,866.97
c) Broadcast income	49,025,000.00	52,406,864.69
d) Advertising income	6,500,000.00	7,472,333.32
e) Marketing and other income	1,200,000.00	1,119,603.90
4. Supplies	(1,200,000.00)	(1,346,380.45)
5. Other operating income	429,244.00	4,107,337.45
a) Ancillary and other current management income	429,244.00	3,538,290.52
b) Operating subsidies included in results for the financial year	0.00	569,046.93
6. Staff expenses	(45,651,395.12)	(50,041,361.48)
a) Playing staff salaries and wages	(38,700,000.00)	(40,062,461.68)
b) Non-playing staff salaries and wages	(5,151,395.12)	(4,606,216.89)
c) Indemnification, miscellaneous	(500,000.00)	(3,989,231.15)
d) Social charges	(1,300,000.00)	(1,383,451.76)
7. Other operating expenses	(13,065,000.00)	(16,657,586.67)
a) External services	(7,715,000.00)	(5,654,395.86)
b) Taxes	(20,000.00)	(18,224.92)
c) Loss, impairment commercial securities		
d) Travel and organisation of friendlies	(1,460,000.00)	(1,179,469.41)
f) Other current management expenses	(3,870,000.00)	(9,590,421.73)
8. Amortisation of fixed assets	(22,368,213.36)	(21,664,437.44)
a) Amortisation of fixed assets	(700,000.00)	(678,737.49)
b) Amortisation of players	(20,423,097.44)	(19,740,584.15)
c) Amortisation of rights over assets assigned for use	(1,245,115.92)	(1,245,115.80)
9. Application of subsidies of non-financial fixed assets and others	1,245,115.92	1,245,115.80
11. Profit from sale of fixed assets and extraordinary results	23,500,000.00	34,834,293.46
a) Result of transfers and others		
b) Profit from the sale of players	23,500,000.00	34,834,293.46
13. Otros resultados	(100,000.00)	(611,675.55)
<b>A.1) OPERATING PROFIT</b>	<b>4,764,751.44</b>	<b>14,931,454.63</b>

### 22.3. BUDGET OUTTURN FOR THE 2019/2020 SEASON AND BUDGET FOR THE NEXT SEASON IN ACCORDANCE WITH THE LNFP REGULATIONS

(continue from the previous table)

PROFIT AND LOSS ACCOUNT	ENVISAGED S 2019/2020	ACTUAL S 2019/2020
12. Financial income	0.00	59,699.22
13. Financial expenditure and similar expenses	(310,000.00)	(61,727.74)
14. Exchange rate differences	(10,000.00)	0.00
15. Reasonable value variations in financial instruments	0.00	18,547.75
<b>A.2) FINANCIAL PROFIT</b>	<b>(320,000.00)</b>	<b>16,519.23</b>
<b>A.3) PROFIT (LOSS) BEFORE INCOME TAX</b>	<b>4,444,751.44</b>	<b>14,947,973.86</b>
20. Income tax expense	(1,111,187.86)	(4,240,991.61)
<b>A.4) FINANCIAL YEAR PROFIT FROM CONTINUING OPERATIONS</b>	<b>3,333,563.58</b>	<b>10,706,982.25</b>
<b>A.5) PROFIT (LOSS) FOR THE PERIOD</b>	<b>3,333,563.58</b>	<b>10,706,982.25</b>

PROJECTED BUDGET INCOME AND EXPENDITURE	Season 2020/2021
<b>A) CONTINUING OPERATIONS</b>	
1. Revenue	60,060,000.00
a) Income from competitions and participation in betting	650,000.00
b) Income from season ticket holders and members	2,600,000.00
c) Broadcast income	46,410,000.00
d) Advertising income	9,400,000.00
e) Marketing and other income	1,000,000.00
4. Supplies	(600,000.00)
5. Other operating income	2,719,244.00
a) Ancillary and other current management income	2,719,244.00
6. Staff expenses	(42,100,000.00)
a) Playing staff salaries and wages	(35,000,000.00)
b) Non-playing staff salaries and wages	(5,750,000.00)
c) Indemnification, miscellaneous	0.00
d) Social charges	(1,350,000.00)
7. Other operating expenses	(9,443,604.22)
a) External services	(4,623,645.89)
b) Taxes	(20,000.00)
c) Travel and organisation of friendlies	(1,210,000.00)
d) Other current management expenses	(2,789,958.33)
8. Amortisation of fixed assets	(18,853,941.89)
a) Amortisation of fixed assets	(700,000.00)
b) Amortisation of players	(16,908,825.97)
c) Amortisation of rights over assets assigned for use	(1,245,115.92)
9. Application of subsidies of non-financial fixed assets and others	1,245,115.92
11. Profit from sale of fixed assets and extraordinary results	7,500,000.00
b) Profit from the sale of players	7,500,000.00
13. Other results	(50,000.00)
<b>A.1) OPERATING PROFIT</b>	<b>476,813.81</b>

(continue from the previous table)

**SEASON  
2020/2021**

12. Financial income	0.00
13. Financial expenditure and similar expenses	(300,000.00)
15. Exchange rate differences	(5,000.00)
<b>A.2) FINANCIAL PROFIT</b>	<b>(305,000.00)</b>
<b>A.3) PROFIT/(LOSS) BEFORE INCOME TAX</b>	<b>171,813.81</b>
20. Income tax expense	(42,953.45)
<b>A.4) FINANCIAL YEAR PROFIT FROM ONGOING OPERATIONS</b>	<b>128,860.36</b>
<b>A.5) PROFIT/(LOSS) FOR THE PERIOD</b>	<b>128,860.36</b>

#### **22.4. SECURITIES LISTED FOR TRADING ON A REGULATED MARKET IN THE EUROPEAN UNION**

The company does not issue listed securities.

#### **22.5. REMUNERATION OF AUDITORS**

These annual accounts will be audited by Auren and its remuneration for this task amounts to 26,620 euros (26,620 euros last season).

The audit company has also invoiced fees for other verification services amounting to 25,500.75 euros (5,808 euros last season).

#### **22.6. COMPANY AGREEMENTS**

There are no company agreements other than those appearing in the balance sheet or informed about in other notes of this report, except in relation to the agreements for the loan of players for the 2020/2021 season, which appear in the following season, as the players begin their contractual relationship in the 2020/2021 season.



## 23. SEGMENTED INFORMATION

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Being a Public Limited Sports Company, the company can only participate in official professional competitions in a single category of sports, football in this case (according to the provisions of Article 19.4 of the Sports Act).

As for the different sports sections of the company, these are the first team (playing in the First Division) and Celta B (playing in the Second Division B), the most significant data on the latter being as follows;

- Expenses on playing personnel not eligible for registration with the LNFP (note 15.2.b),
- Refereeing fees of 21,045.89 euros (at 30 June 2019 the figure was 27,771.54 euros),
- Player acquisition expenses (note 15.2.b),
- Transport expenses of 55,394.91 euros (at 30 June 2019 the figure was 99,274.15 euros).

- Other expenses (mutual insurance, sporting penalties...) amounting to 15,715.00 euros (at 30 June 2019 the figure was 17,415.00 euros).
- Public income of 4,669.43 euros (at 30 June 2019 the figure was 8,173.57 euros).
- Income from advertising and marketing (note 15.5).

The annual accounts were drawn up by the members of the Management Body of the company in a meeting held for that purpose

The annual accounts were issued on 13 August 2020 and this document is a literal translation of them.

# REAL CLUB CELTA DE VIGO, S.A.D.

## Management Report for the financial year ending

30 June 2020

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#### 1. EVOLUTION OF THE COMPANY AND FUTURE PROSPECTS

##### 1.1. MAIN FIGURES.

##### 1.2. MAIN INDICATORS OF TRANSPARENCY OF FOOTBALL CLUBS (INFUT)

##### 1.3. SPORTING AREA.

##### 1.4. INSTITUTIONAL AREA.

##### 1.5. QUALITY MANAGEMENT.

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#### 2. EVENTS PRIOR TO CLOSING.

#### 3. RESEARCH AND DEVELOPMENT ACTIVITIES.

#### 4. ACQUISITIONS OF TREASURY STOCK.

#### 5. FINANCIAL INSTRUMENTS.

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#### 7. AVERAGE EMPLOYMENT FOR THE YEAR.

#### 8. DEFERRAL OF PAYMENTS TO SUPPLIES FOR COMMERCIAL TRANSACTIONS.



## 1. Evolution of the company and future prospects

Below is our report on the evolution of the company:

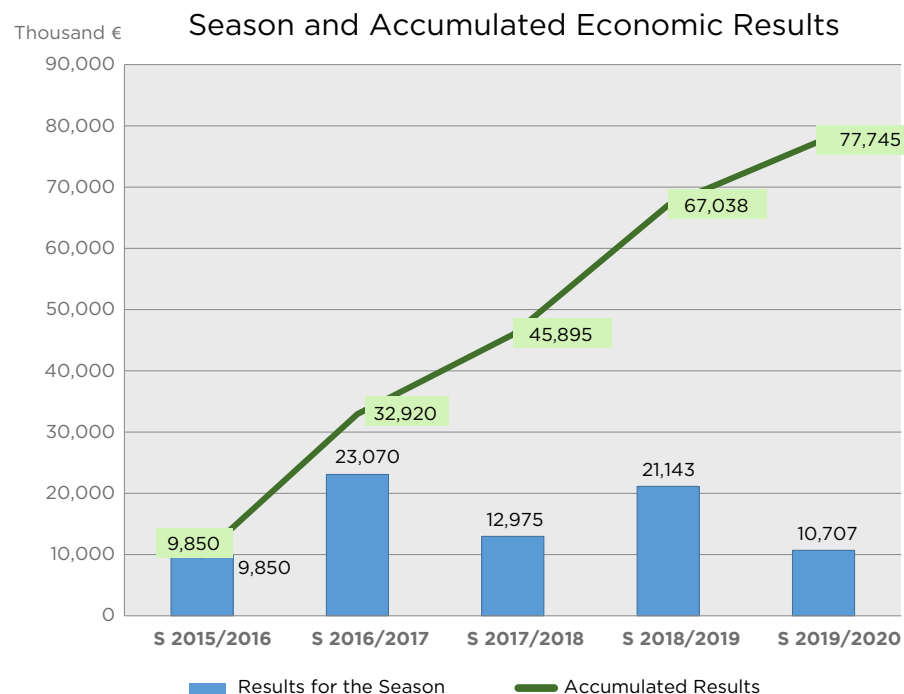
### 1.1. MAIN FIGURES:

The 2019/2020 season was dominated by the health pandemic, the impact of which has been unprecedented in the world in general and in Spain in particular, with hitherto unheard-of falls in GDP and all sectors of the economy being affected, with companies opting to apply temporary collective dismissal proceedings (ERTEs).

Real Club Celta de Vigo, S.A.D. has been able to manage the situation in economic and financial terms, improving the forecast of profits and assuming a social commitment with all employees until the end of the 2019/2020 season without having to apply collective dismissal proceedings.

The main figures:

### ECONOMIC RESULTS



The company continues to post the good Economic Results that have been recorded in recent seasons. In the 2019/2020 season, despite COVID-19, with a pre-Corporation Tax profit of 14,947,973.86 euros this season in particular, which translates as 10,706,982.25 euros of net positive results in the financial year.

The company has been generating positive financial results for the last 5 seasons on a continuous basis.

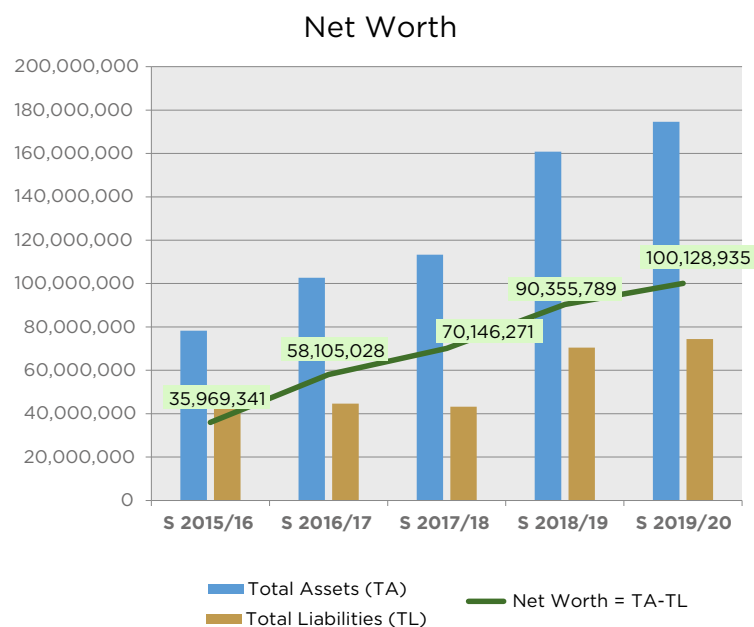
These profits have been capitalised in full, without distribution of dividends, allowing the company to assume ambitious future challenges with the necessary solvency to embark on them.

Economic results (thousand €)	S 2015/2016	S 2016/2017	S 2017/2018	S 2018/2019	S 2019/2020	Total
Pre-Tax Profit	12,121	30,678	17,077	27,678	14,948	<b>102,502</b>
Financial Year Profit	9,850	23,070	12,975	21,143	10,707	<b>77,745</b>

## NET WORTH

This absence of distribution of dividends implies that ...

The company is highly capitalised, with net worth at 30 June 2020 of 100,128,934.62 euros (at 30 June 2019 net worth totalled 90,355,789.25 euros).

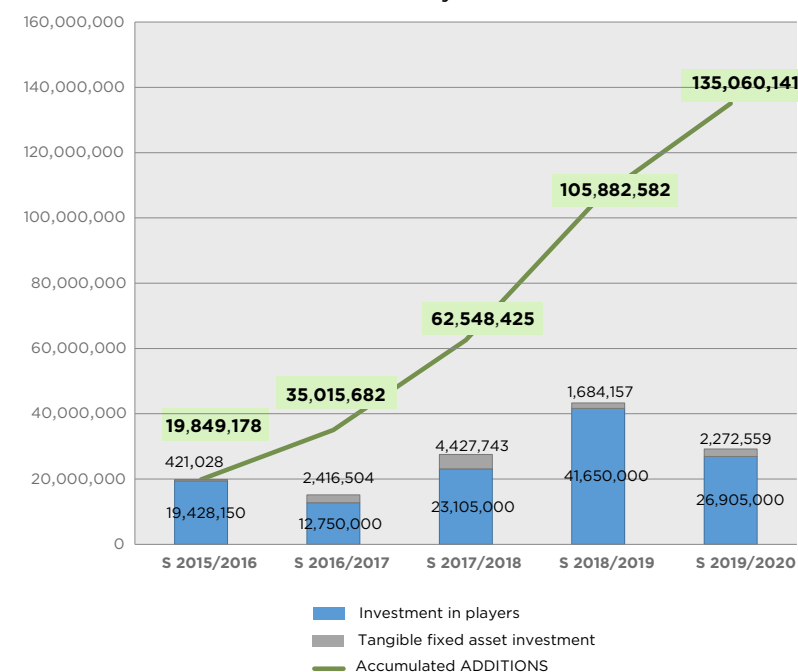


## INVESTMENTS

As the vision of RCCelta is that of a global company, the investments in each area are developed as part of the Company's Global Strategic Plan.

The company has made important investments in digitalisation projects, and is in the process of reviewing its website and developing an E-commerce platform to facilitate its international growth and expansion as well as a new website that enables us to connect and better communicate with our shareholders.

Investments by Season



## INCOME

At present, income for the company corresponds to:

- Season tickets and gate receipts,
- Audio-visual rights,
- Advertising and marketing,
- Ancillary and other current management,
- Allocation of subsidies,
- Sale of players,
- Extraordinary, and
- Financial.

The company has been increasing its total income figure year on year and this is the result of a greater or lesser degree of growth in almost all areas.

### BREAKDOWN OF INCOME OBTAINED IN RECENT SEASONS:

The company's income remains in excess of 100 million euros and has improved on the 2018/2019 season, despite COVID-19.

#### UEFA

Income	Season 2015/2016	Season 2016/2017	Season 2017/2018	Season 2018/2019	Season 2019/2020
Season and other tickets	8,061,308	21,407,303	7,046,774	5,841,264	4,067,348
Audio-visual	33,210,759	47,573,750	48,907,931	51,632,445	52,406,865
Advertising and shops	5,743,091	5,808,284	6,116,070	9,533,023	8,591,937
Other operating income	782,242	1,913,590	2,325,344	6,369,405	4,107,337
Application of subsidies	1,245,116	1,245,116	1,245,116	1,245,116	1,245,116
Players	5,022,777	17,195,585	13,608,655	28,841,365	36,696,234
Extraordinary	1,077,129	814,839	213,313	1,750,387	752,666
Financial	213,088	50,722	12,537	26,334	78,247
<b>Total Income</b>	<b>55,355,509</b>	<b>96,009,188</b>	<b>79,475,740</b>	<b>105,239,340</b>	<b>107,945,749</b>

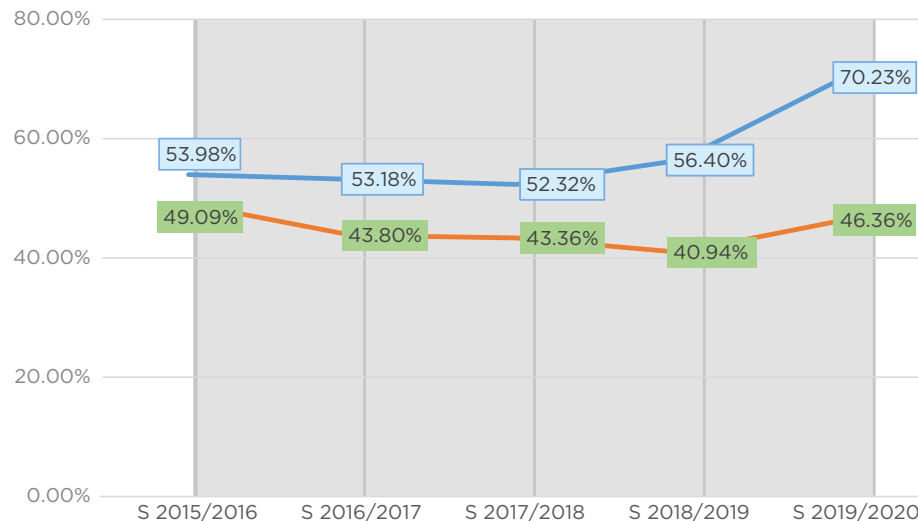
## OPERATING EFFICIENCY

Operating efficiency, is the most commonly-used indicator to show the future viability of a public limited sports company or football club. This variable compares the salary costs (EXPENSES on playing personnel, non-playing personnel) incurred by the company with the total income for the season. It is usually calculated by subtracting from the total income, that derived from player transfers (Adjusted Operating Efficiency).

The lower the ratio, the more efficient the company.

When the operating efficiency ratio is below 50% the company is deemed to be on the threshold of excellence. The maximum level recommended by the European Club Association is lower than 70%.

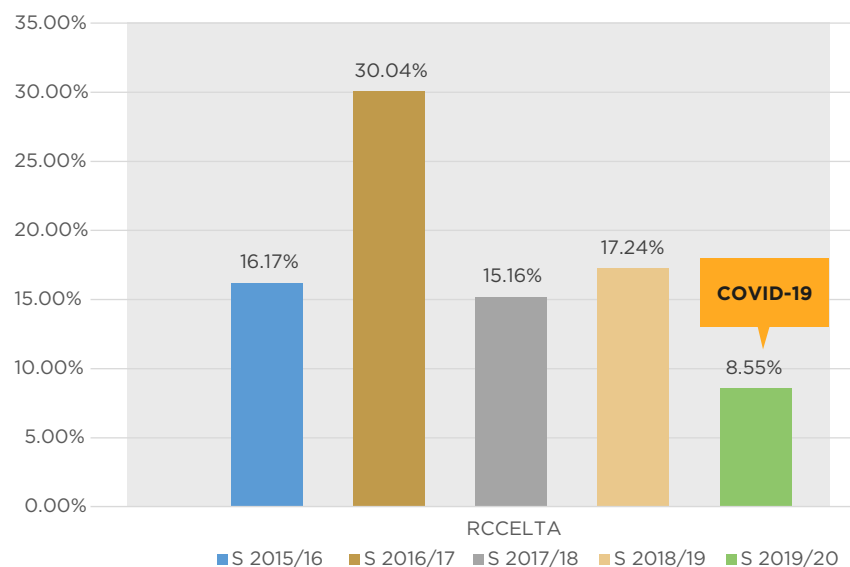
### Operating Efficiency and Adjusted Operating Efficiency



— RC Celta Operating Efficiency = Salary Costs / Total Income

— RC Celta Adjusted Operating Efficiency = Salary Costs / (Total Income - Player transfer profit)

### Economic Profitability (EBIT/TA)



### ECONOMIC AND FINANCIAL PROFITABILITY

Despite the pandemic and its serious financial and economic impact, the company has highly solvent positive ratios.

**Economic profitability** is obtained by comparing the profit obtained by the activities performed by the company before interest and tax and total assets.

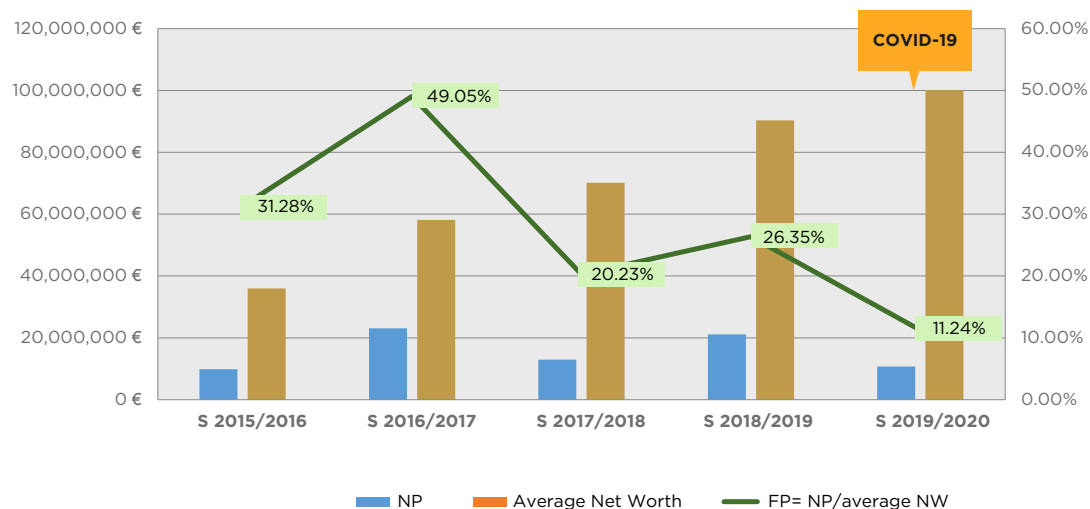
Economic profitability measures the degree of efficiency of the company when it comes to using its economic resources or assets to obtain profits.

It is clear that the higher the ratio, the better, as it will indicate higher “productivity” of assets and a more efficient company, while a lower ratio may indicate an excess of investment (assets) and other causes and, therefore indicate lower “productivity”.

**Financial profitability** is obtained by comparing after-tax profits and net worth.

Financial profitability measures a company’s capacity to remunerate its shareholders. In this regard, the companies that assume more risks tend to have higher financial profitability which serves to offset the investment risk assumed by the owners.

### Financial Profitability





## DEBT RATIO

Indebtedness is of major importance when it comes to analysing the financial situation of the company in the long term. The debt ratio makes it possible to measure the degree of dependency that a company has according to the origin of the financial resources it uses. This ratio indicates, in relation to each monetary unit of own funds contributed to the activity, how much outside resources are used.

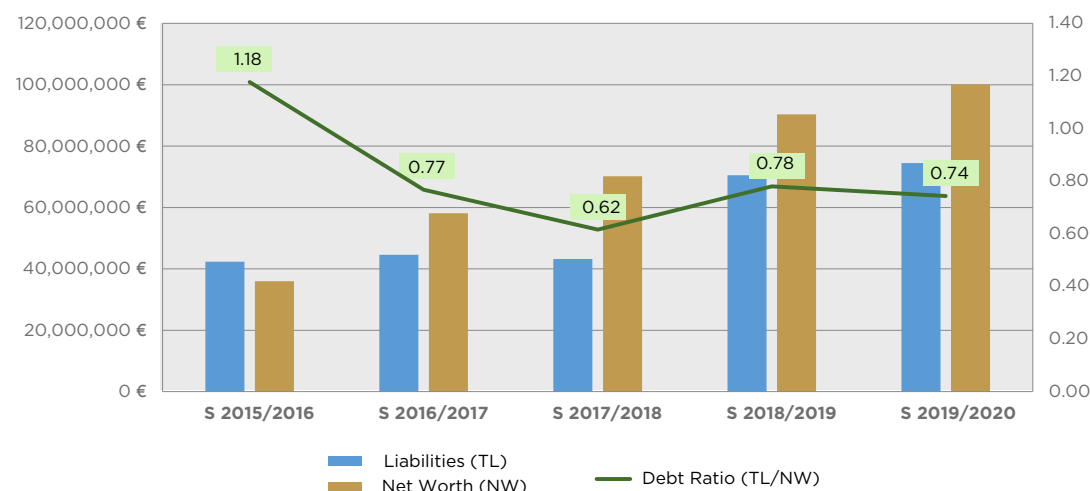
One fundamental rule is that the total debts incurred by the company should never exceed the value of the net worth. According to this, the value of the debt coefficient should never be more than one, with values of less than one being advisable. The main source of financing is the net worth, with the total debts of the company on a secondary plane and optimising the financial EXPENSES figure.

In view of the chart, the company maintains financial equilibrium.

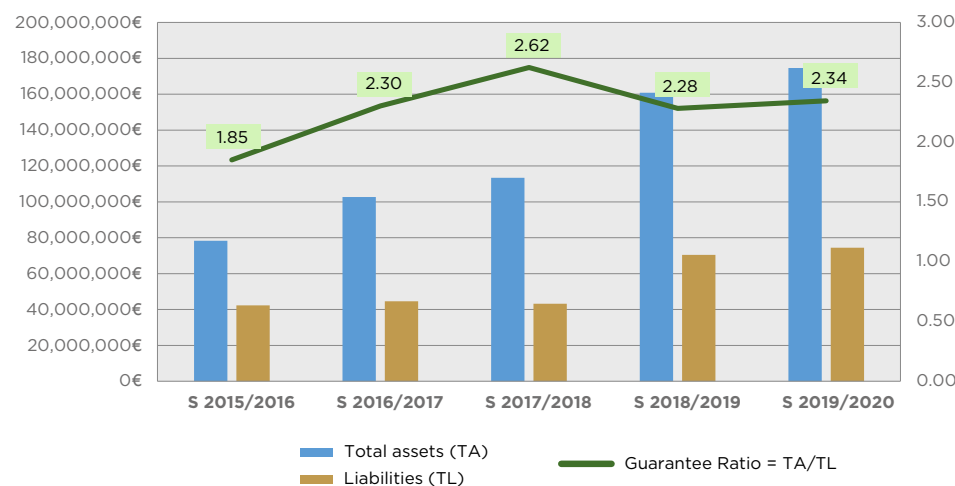
## GUARANTEE RATIO OR TOTAL SOLVENCY

Guarantee ratio or total solvency measures the capacity of the company as a whole to honour all the obligations assumed. This financial equilibrium is obtained by comparing assets with the realisation value against all liabilities, regardless of maturity.

### Indebtedness



### Guarantee Ratio or Total Solvency



This ratio indicates the payment security that the company offers its creditors as informs of what is termed “distance to technical bankruptcy” and its value has to be higher than one, with a figure of between 1.5 and 2.5 being considered generally appropriate.

The higher the value of the ratio, the greater the guarantee that the company can pay all of the debts it has incurred.

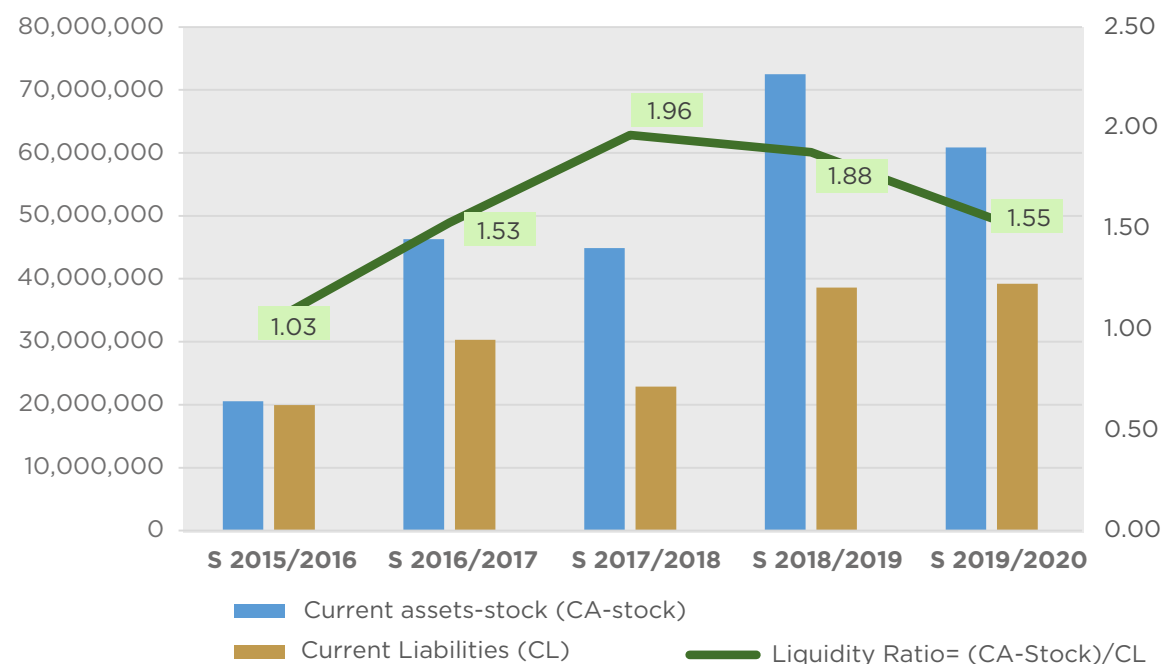
### LIQUIDITY RATIO

The liquidity ratio measures a company's capacity to meet its financial obligations, debts or liabilities in the short term. It shows how many current assets we will have to cover or honour the possible payables in the short term. The higher the (positive) result, the greater the company's solvency and capacity to make payment, thus constituting a short-term monetary guarantee for the company.

**If the ratio is less than 1:** this shows that the company has liquidity problems and is possibly facing difficulties with the obligations assumed in the short term.

**If the ratio is higher than 1:** it means that current assets are higher than current liabilities, which in due measure is a sign of health.

### Liquidity Ratio



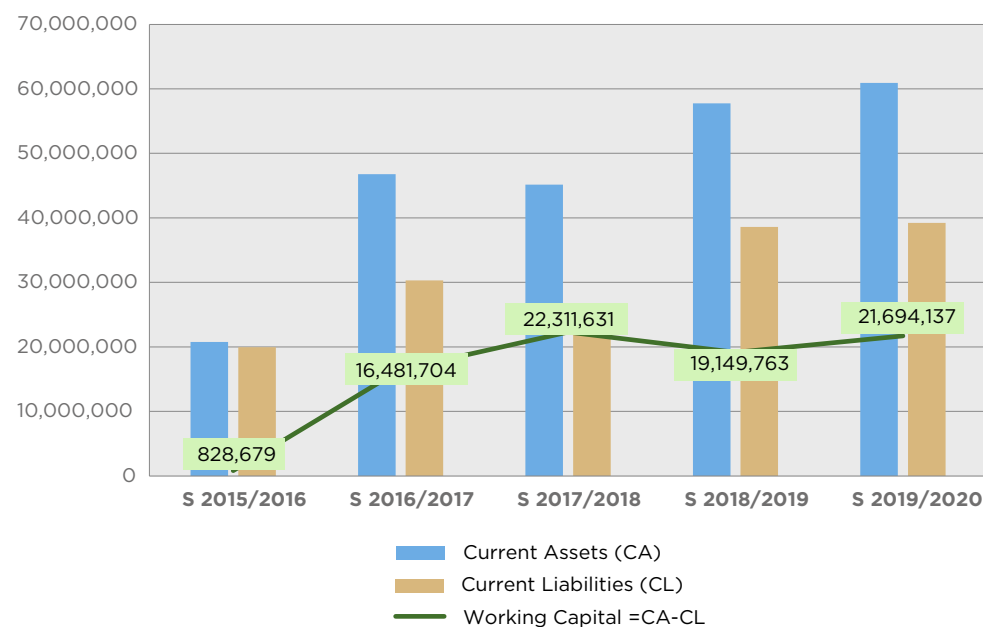
## WORKING CAPITAL

Working capital is defined as the total permanent financial resources (net worth or equity plus long-term liabilities or payables) that are invested in current assets, that is, the permanent resources that the company needs to perform its operational cycle.

This economic indicator offers a guarantee to third parties outside the company in relation to its capacity to meet its obligations in the short term without causing stress on cash and banks and is calculated as the difference between Current Assets and Current Liabilities.

The lower the operating capital, the more complicated the situation, because in order to meet its short-term commitments, the company must sell all its inventories and exercise all its collection rights, which is not always possible. However, having a positive operating capital or working capital is a guarantee of the company's stability.

### Working Capital



## 1.2. MAIN TRANSPARENCY INDICATORS FOR FOOTBALL CLUBS (INFUT):

On our website, we comply with the Transparency Index for Football Clubs (INFUT). This is an index that consists of a collection of indicators that cover five areas of transparency, which are assessed by an independent expert body working on a not-for-profit basis, "Transparency International Spain". These indicators are:

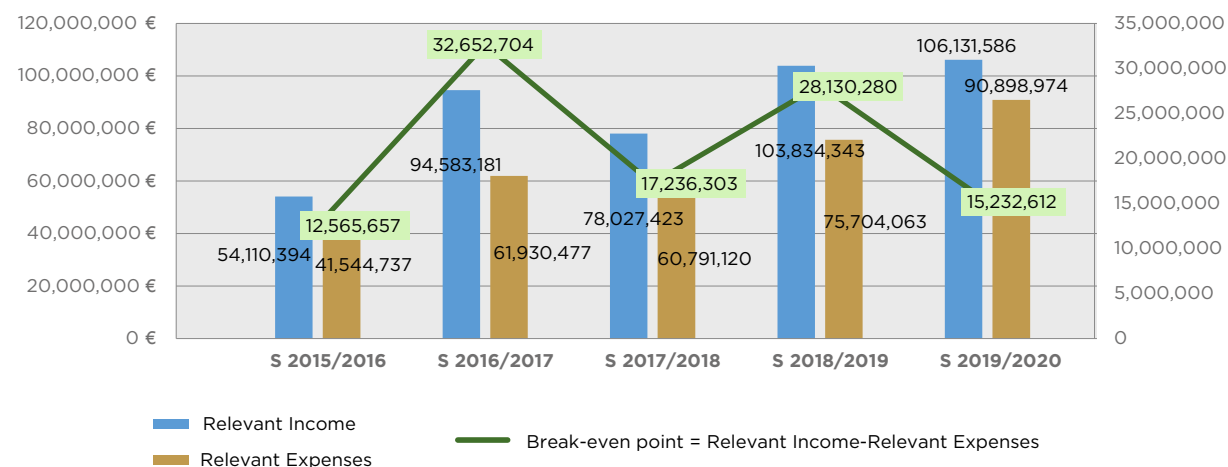
- Information on the Football Club,
- Relations with members, fans and the general public,
- Economic-Financial Transparency
- Transparency in hiring and supplies, and
- Transparency Act indicators.

The main transparency indicators for football clubs (INFUT), are the following:

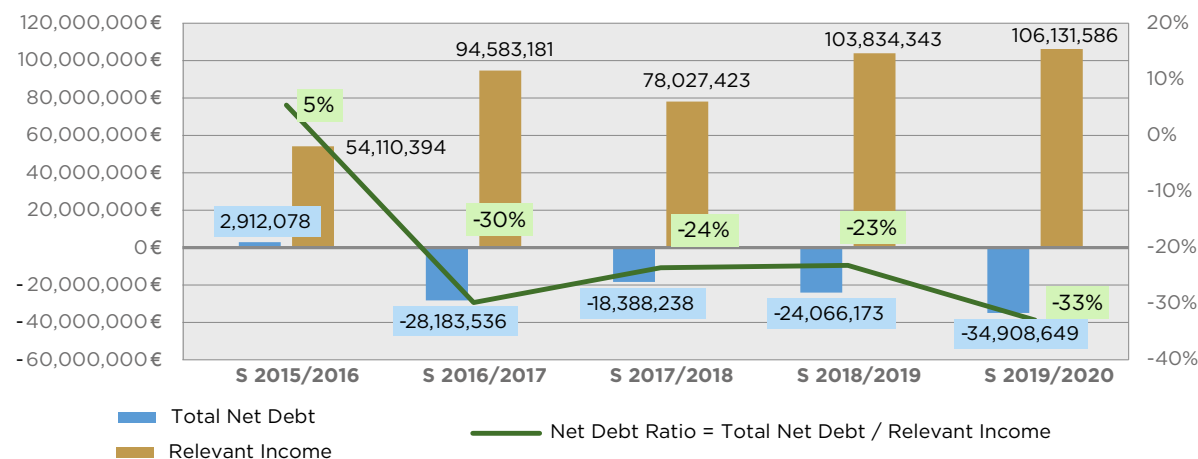
### BALANCING POINT

#### NET DEBT RATIO

Break-even Point



Net Debt Ratio

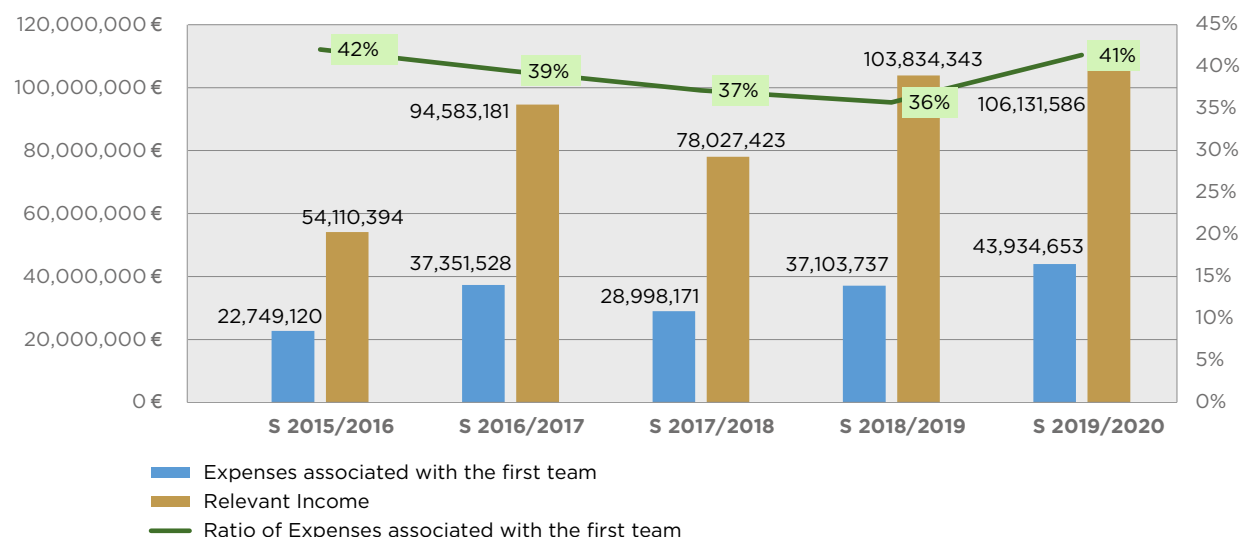


The net debt ratio has improved considerably on past seasons.

## RATIO OF EXPENSES ASSOCIATED WITH THE FIRST TEAM

The breakdown of expenses associated with the first team includes remuneration received by first-team players and coaches, as well as non-sports technical personnel linked to the first team.

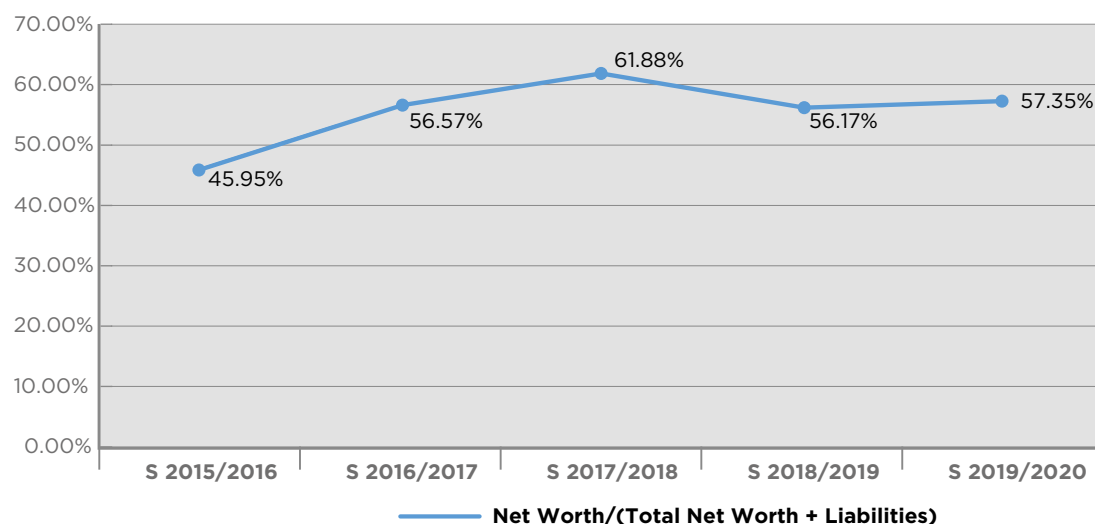
Ratio of Expenses associated with the first team



## FINANCIAL AUTONOMY

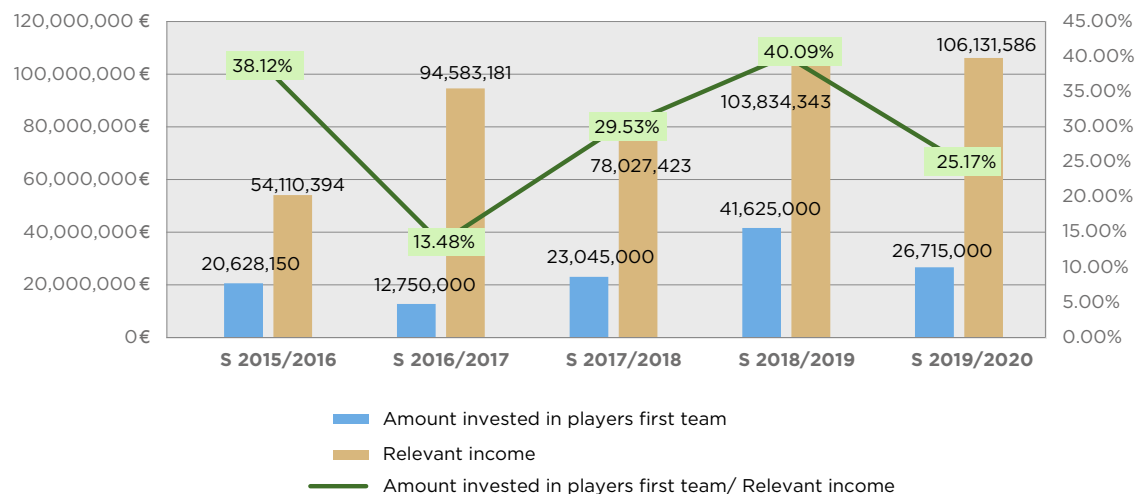
The ratio of financial autonomy is inverse to the ratio of indebtedness and makes it possible to measure the degree of independence of a company depending on the origin of the financial resources it uses. For each monetary unit of outside resources used, it shows how much own resources are employed.

Financial Autonomy Ratio



## AMOUNT INVESTED IN FIRST TEAM PLAYERS / RELEVANT INCOME

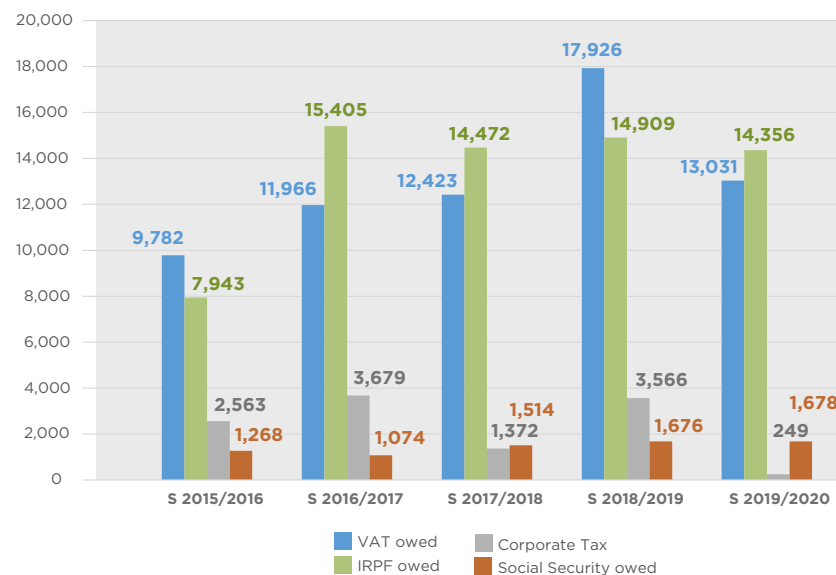
Amount invested in first team players/ relevant income



## CONTRIBUTION AND PAYMENTS TO PUBLIC ADMINISTRATIONS

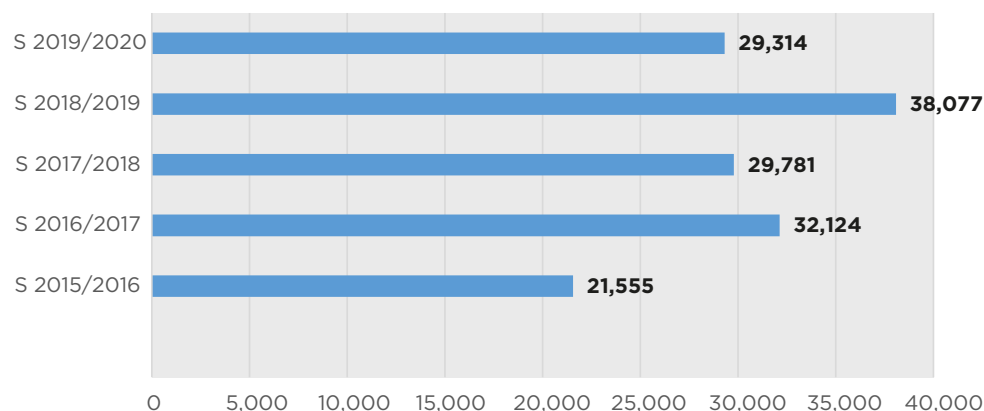
The amount of 249 thousand euros corresponds to payments on account worth 2,149 thousand euros and a corporation tax refund from the previous season worth 1,900 thousand euros.

Payments made to Public Administrations (thousand €)





Total Amount Paid to the Public Administrations (thousand €)



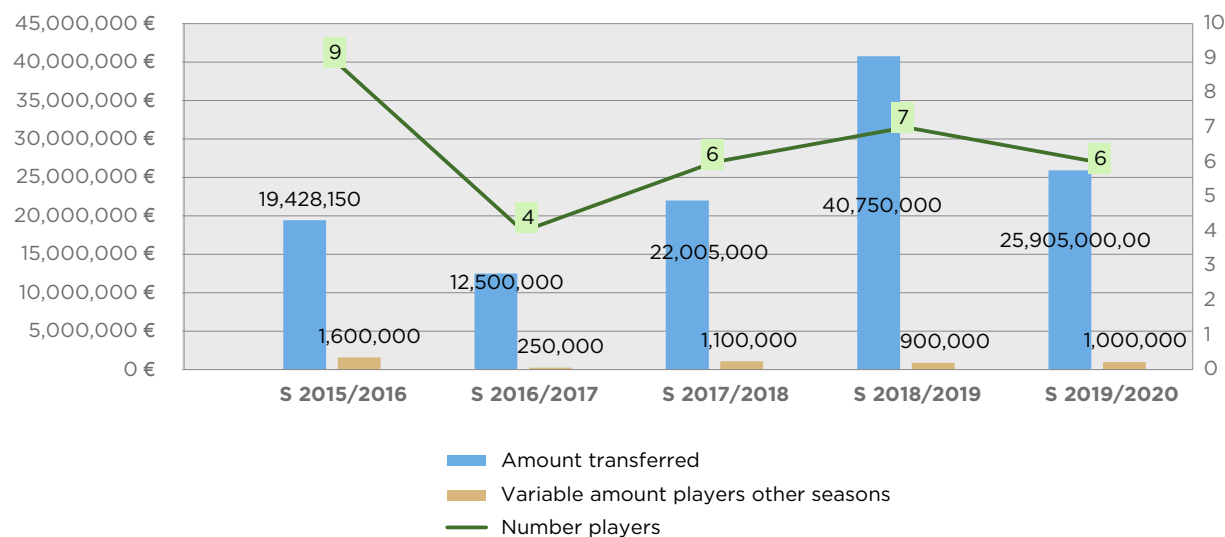
### PLAYER TRANSFER EXPENSES

- In the 2019/2020 season, the signing of 8 loan players implied 3,175,074.87 euros in expenses.
- In the 2018/2019 season, the signing of 4 loan players implied 200,000.00 euros in expenses.
- In the 2017/2018 season, the signing of one loan player implied 200,000.00 euros in expenses.

### SIGNINGS COMPLETED IN RECENT SEASONS

The variable amount for players in past seasons is due to the fact that, player acquisition agreement establish clauses that oblige the company to pay certain financial compensation in the event they are triggered, being recognised at that time, in line with the accrual principle.

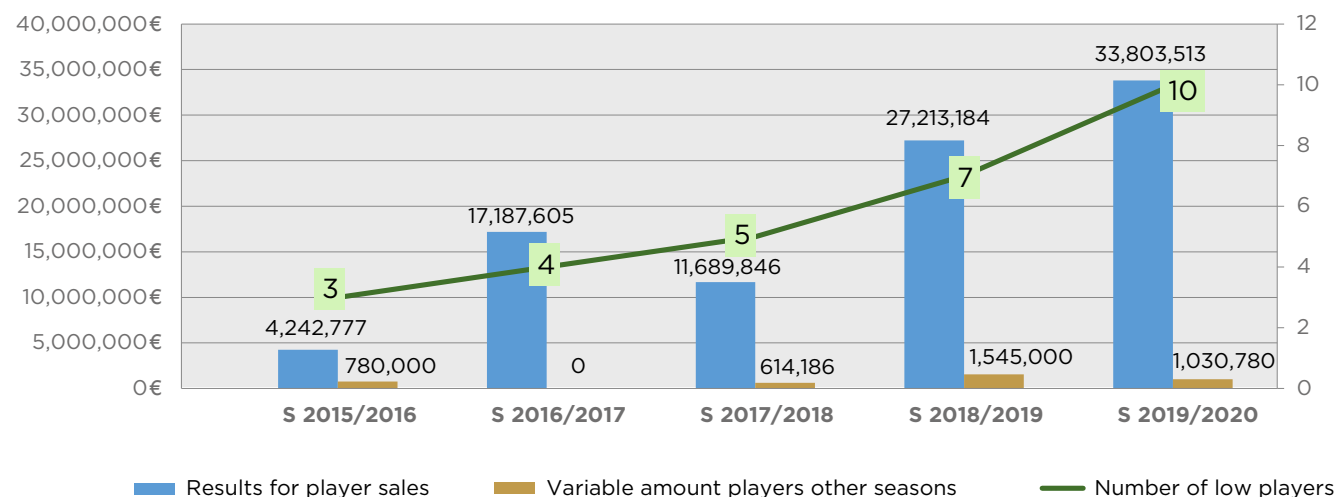
Transfers last seasons



## RESULTS FROM THE SALE OF PLAYERS

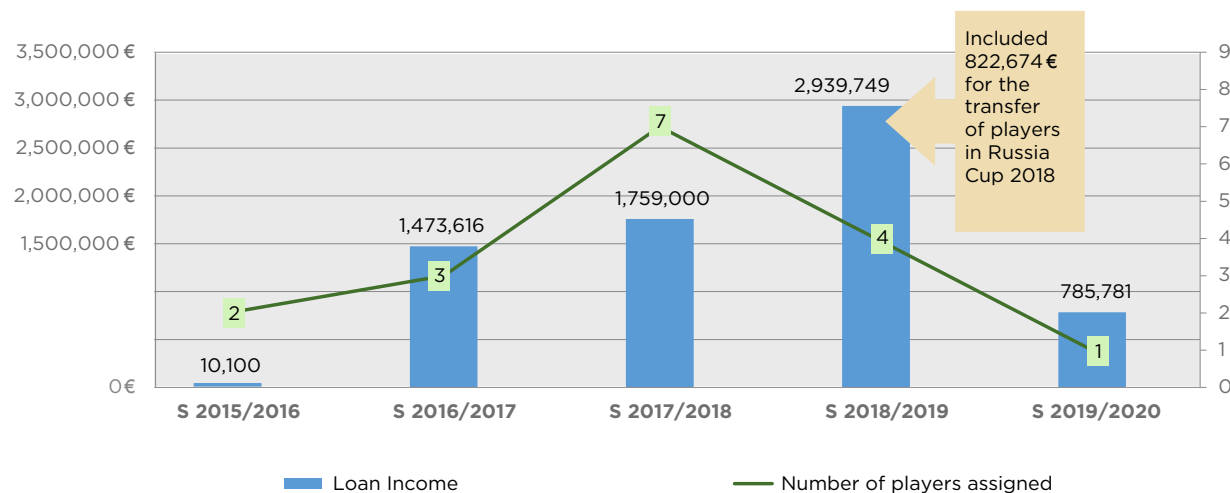
This section includes the results from the transfer of players in the corresponding season together with the income generated in previous sales due to variable targets reached.

### Results from the sale of players



## INCOME FROM THE LOAN OF PLAYERS

### Income from the loan of players



### SALARY CAP (THOUSAND €)

With regard to the 2020/2021 season, at the date of drafting this management report, we only have the personnel cost limit notified by LaLiga, dated 15 July 2020.

Season	Limit staff cost at the start of the season	Limit staff cost at the end of the season	Cost of workforce consumed
<b>S2018/2019</b>	47,475.00	53,975.00	52,274.00
<b>S2019/2020</b>	52,123.00	67,323.00	69,783.67
<b>S2020/2021</b>	54,019.00		

On 10 August 2020 the results of the Football Club Transparency Index (INFUT 2019) was published, highlighting RCCelta's commitment to transparency.

**Transparency International Spain** has prepared the Third Edition of the INFUT 2019 Index, with a twofold objective:

- Assess the degree of transparency of football clubs and sports companies (sociedades anónimas deportivas), and
- Promote and encourage an increase in the information offered to citizens and society as a whole.

The 42 clubs and sports companies in the First and Second Division have been assessed, by means of an assessment procedure based on 48 indicators grouped into the five areas mentioned at the start of this point 1.2.

By applying these indicators, each football club / SAD obtains an individual score, resulting in a ranking or classification of the degree of transparency.

### NUMBER OF UNDERAGE PLAYERS UNDER CONTRACT IN THE DIFFERENT LEVELS AND SECTIONS

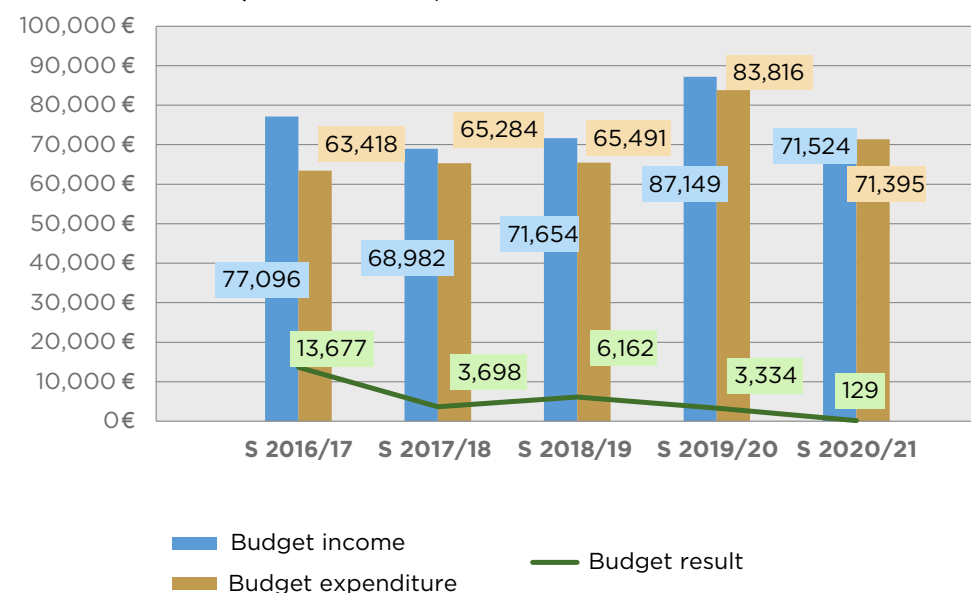
At 30 June 2020 the number of underage players under contract in the different levels and sections was 7.

At 30 June 2019 the number of underage players under contract in the different levels and sections was 7.

### BUDGETARY INFORMATION

The budgets drawn up by the Board of Directors of the company aim to guarantee the progress in economic terms of the projects that the company has underway in each season, being always positive..

### Projected budget income and expenditure (thousand €)



Below is a comparison of the evolution of RC Celta in the different editions of INFUT, as well as the overall average evaluation of First Division football clubs/SAD, showing the release of information on our website as well as our commitment to transparency.

### GLOBAL RATING FIRST DIVISION (GENERAL MEAN: 97.55%)

Team	Score (%)
Athletic Club	100
C. At. Osasuna	100
C.D. Alavés	100
F.C. Barcelona	100
Levante U.D.	100
<b>R.C. Celta de Vigo</b>	<b>100</b>
Real Betis B.S.	100
Real Madrid C.F.	100
Real Sociedad	100
Real Valladolid	100
S.D. Eibar	100
Sevilla F.C.	100

### COMPARISON OF THE EVOLUTION OF RC CELTA IN THE DIFFERENT EDITIONS OF INFUT

Score (%)	INFUT 2015	INFUT 2016	INFUT 2019
<b>RC CELTA</b>	<b>48.3</b>	<b>58.3</b>	<b>100</b>
Overall valuation (overall average First Division teams)	49.6	71.8	97.55

### 1.3. SPORTING AREA

On a strictly sporting level, there are several “sporting milestones” worth highlighting from the 2019/2020 season:

- Ninth consecutive season in the First Division,
- Eleven academy players trained at A Madroa form part of the first team,
- Rubén Blanco reached 100 First Division games (the youngest goalkeeper in the history of the club to reach that milestone),
- Iago Aspas reached 150 official goals with RC Celta,
- RC Celta conceded fewer goals in the 2019/2020 season than in any of the last 5 seasons.
- Highest number of Galician footballers with minutes in the First Division in the history

of the club (tied with the 2012/2013 and 2013/2014 seasons), and

- First Division club with the second-highest number of minutes played by footballers born in its province (almost 16,000).

The most relevant sporting “landmarks” in the 2019/2020 season with regard to the academy are:

- Eighth consecutive season of Celta B in the Second Division B,
- Best “división de honor” youth team in history and qualification for the Youth League.

## 1.4. INSTITUTIONAL AREA

A report prepared by Off the Pitch, a website that studies business relations with football has us in third place. The analysis is based on different parameters:

- EBITDA,
- ROA
- Level of capital

## Top 10: Europe's top financial performers in 2019

Club	EBITDA-margin	Return on assets	Equity Ratio	Weighted Score
 Leganés	21.6	40.8	58.9	40
 Eibar	30	18.7	69.3	38.9
 Celta Vigo	21.3	17.2	56.2	31.2
 Ajax	19.1	17.8	54	30
 Borussia Dortmund	10.4	4.2	75.8	29.8
 Burnley	27.1	3.7	59.3	29.7
 Atalanta	30.4	22.6	35.2	29.1
 Manchester City	22.1	0.9	64	28.7
 Bayern Munich	8.5	10.3	68	28.6
 Napoli	22.5	14.1	42.8	26.2

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## 1.5. QUALITY MANAGEMENT

The company strives for value creation and is based on three main pillars:

- 1. Business excellence**, centring on client focus, process management, continual improvement, ...implementing different Quality systems under the UNE EN ISO 9001:2015 standard (for the Corporate Area and Security and Installations Department) certified by standards entity AENOR.
- 2. Social responsibility and business ethics**, by virtue of which we voluntarily draw up a Non-Financial Information Statement for the RCCelta Group for the 2018/2019 season with a view to promoting transparency with regard to the activity of the group and sustainability. We implement the Criminal Compliance management system under the UNE 19601:2017 standard.
- 3. Optimise resource and waste management** which sets the company apart from its competition and positively reinforces the image it portrays to society in general. The company integrates the environment into its overall management and implements an environmental management system pursuant to the ISO 14001:2015 standard.

Following the crisis caused by COVID-19, the company has implemented measures to address the return to normality, contributing value in the business continuity processes, **implementing best**

**practice in management of the risks derived from COVID-19** under the standard COVID-19 Protocol. And generating trust among its stakeholders (customers, employees and the general public).

## 1.6. FUTURE PROSPECTS

In this regard, we would highlight:

On and operational level, the company works pursuant to a Strategic Plan which centres on three areas of action, namely:

- 1. Capitalisation of the company,**
- 2. Strategic investment plan,**
  - Investments in players,
  - Construction of the new Ciudad Deportiva,
  - Data Warehouse, introduced in order to contain all data necessary and/or useful in the future for extracting information for the purposes of focusing business and marketing actions,
  - Consolidation of A Sede as a Business Centre, and
  - Optimising, to the extent possible, the comfort of the Abanca Balaidos football stadium, currently being refurbished by Vigo City Council.

### 3. Image and transparency objective in order to favour economic growth and social development.

RCCelta is much more than a football team, and as a public limited sports company it aspires to **excellence** in sporting and business terms, with social involvement via the Celta de Vigo Foundation and a brand image and positioning that is ever more global through the company Afouteza e Corazón.

## 2. Events subsequent to closing

As the company has been focussing on digitalisation for several seasons and investing in digitalisation projects, we were able to telework efficiently and safeguard personnel health during the COVID-19 lockdown. Continuing along the same lines, the company is working on a project to develop an Ecommerce platform to facilitate its international growth and expansion as well as a new website that enables us to connect and better communicate with our shareholders.

At the date of formulation of this management report, there are no subsequent events that indicate circumstances that already existed at the closing date of the season but that have not represented, according to their nature, the inclusion of an adjustment to the figures contained in the annual accounts and in this management report.

Neither are there any subsequent events that illustrate conditions that did not exist at closing and that, given their importance, are supplied in the annual accounts and in this management report.

No events occurred subsequent to the closing of the annual accounts and this management report that affected the application of the going concern principle.

## 3. Research and development activities

The company, as part of its research, development and innovation strategy, has been habitually using innovative solutions applied to the sphere of sport. In the course of the 2019/2020 season, the innovation strategy has been transferred to other spheres, opting to create an ecosystem of open innovation in its different areas and supported by collaboration with third parties.

From an organisational standpoint, the company began its commitment to innovation by implementing a digitalisation process with a view to reaching zero paper, using certified digitalisation systems for all its processes, supported by certified and biometric electronic signatures. The second step in its technification strategy involved starting a process to become a data-fuelled company, with advanced data analysis systems.

Moreover, as part of its collaborative and open culture of innovation, it has initiated the Celta-

Lab1923 project, which looks to support start-ups focused on generating new developments applied to the work of sports, adopting the role of beta user of the developments.

## 4. Acquisition of treasury stock

The company has not acquired and does not intend to acquire treasury stock.

## 5. Financial instruments

Risk management is controlled by the company, identifying, assessing and covering the financial risks in line with the policies approved by the Board of Directors.

- **Future impact of COVID-19:** the company has quantified all possible loss of income from the 2019/2020 season associated with COVID-19.

In this regard, LaLiga offered two alternatives with the possibility of charging the COVID-19 effect to the 2019/2020 season or to the 2020/2021 season, if the parameters of the company are balanced. The company's parameters are balanced, but applying the principle of prudence, the reduction in income and increase in EXPENSES due to the pandemic are charged to the 2019/2020 season in these annual accounts.



At the date of drafting this management report, like the rest of society in general, Real Club Celta de Vigo, S.A.D. does not know how the COVID-19 situation will evolve in the future.

- **Credit risk:** This arises due to the possibility of non-recovery of financial assets in the amount recorded in the accounts and within the established term. The company currently has a procedure for carrying out all operations strictly monitoring risk and the grant of credit. The company carries out monthly reviews to identify situations of risk and delays in receiving payment.
- **Liquidity risk:** This arises due to the possibility of the company not being able to dispose of liquid funds or access them in the amount necessary in order to meet payment obligations. The company has established a procedure by virtue of which it maintains the necessary liquid funds available for both its day-to-day activity and for making different investments.

The company paid the insolvency debt in accordance with the terms of the arrangement with creditors approved (note 2.4) and to the rest of creditors (for purchases and provision of services and sporting entities) in accordance with the law and the respective agreements, collects payments when issued and advertising rights in accordance with the terms of the respective contracts or agreements.

- **Market risk:** this is the interest rate risk caused by uncertainty regarding the future evolution of the financial markets and of the interest rates, with the resulting possible impact on results and cashflows for the company. The company applies a very prudent policy of financial indebtedness and in fact the main sources of financing for the company is the net worth, with debts being relegated to a secondary plan and optimising the figure of financial EXPENSES.

The company does not use financial derivatives.

## 6. Securities listed for trading

The company does not issue securities listed for trading on any of the regulated markets of the Member States of the European Union.

## 7. Average employment for the period

The average number of persons employed, as well as personnel at closing, distributed by categories and gender, is set out in the following tables:

Breakdown	Season 2019/2020		Season 2018/2019	
	MEN	WOMEN	MEN	WOMEN
<b>Average personnel</b>				
<b>Playing personnel (players)</b>	47	0	47	0
<b>Other personnel</b>	61	20	59	17
<b>Total average personnel</b>	<b>108</b>	<b>20</b>	<b>106</b>	<b>17</b>

Breakdown	Season 2019/2020		Season 2018/2019	
	MEN	WOMEN	MEN	WOMEN
<b>Closing personnel</b>				
<b>Playing personnel (players)</b>	46	0	58	0
<b>Other personnel</b>	65	19	61	17
<b>Total closing personnel</b>	<b>111</b>	<b>19</b>	<b>119</b>	<b>17</b>

## 8. Deferral of payments to suppliers for commercial transactions

The deferral of payments is not within the limit of 30 days established by the Commercial Operations Prompt Payment Act. The regulatory term for payment is 30 calendar days, which may be extended by virtue of an agreement between the parties, but cannot exceed 60 calendar days.

The company has debts due for more than 30 days with suppliers for commercial operations amounting to 44,125,239.06 euros (at 30 June 2019 the figure was 23,999,577.53 euros), which corresponds largely to the acquisition of players (payment of which is carried out in accordance with the terms of the agreement signed with the different sports entities and agents, with the amount recognised long term being 19,662,175.42 euros (at 30 June 2019 the figure was 17,975,530.96 euros).

Without taking into consideration the acquisition of players (sports entities and intermediary agencies), the list of the five most important suppliers / creditors of the company is:

- Constructora San Jose, S.A.,
- Adidas España, S.A.,
- ACS España Servicios de Charter Aereo, S.L.U.,
- Francisco Gómez y Cía, S.L., and
- Irisarri-Piñera, S.L.N.E.P.

This management report was drawn up by the members of the Management Body of the company at a meeting held for that purpose.

The management report was issued on August 13, 2020 and this document is a literal translation of it.



## INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation or information, views opinions, the original language version of our report takes precedence over this translation.*

To the shareholders of REAL CLUB CELTA DE VIGO, S.A.D.:

### Opinion

We have audited the annual accounts of REAL CLUB CELTA DE VIGO, S.A.D. (the Company), which comprise the balance sheet as at June 30, 2020, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at June 30, 2020, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in Note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

### Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Member of



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## Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

## Player acquisition rights

### Description

The company has in the heading A) *I.1 Player acquisition rights*, 54.169.683,23 euros net of amortisation and deterioration. These rights are amortised on a lineal basis according to the duration of the contracts. The company has established procedures that enable it to assess the reasonableness of the net book value assigned to these rights at any given time, as well as to periodically assess a possible impairment of such assets, verifying that their market value is higher than their net book value.

The value of the player acquisition rights has a significant impact on the valuation of the entity's total assets and on the expense of amortization of the income statement.

For all the circumstances described above it has been considered that the value corresponding to player acquisition rights, is one of the most relevant aspects of the audit.

### Our Answer

In relation to this aspect, our audit procedures have included among others:

- Understanding and checking the reasonableness of the criteria used by the company for the valuation of player acquisition rights.
- We have verified the calculations made by the company in relation to the acquisition price.
- We have verified the calculations made by the company in relation to the amortisation made during the year.
- We have verified the market value of the player acquisition rights.
- We have verified that in notes 4.1 and 8 of the attached annual accounts, information is included that are appropriate to what is required by that applicable financial reporting framework.

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### Other information: Management report

Other information comprises only the Management Report for the financial year ending on 30 June 2020, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the Management Report. Our responsibility for the Management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the Management report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, and does not include information different to that obtained as evidence during our audit. Likewise, our responsibility is to evaluate and report on whether the content and presentation of the Management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work done, as described in the previous paragraph, the information contained in the Management report is consistent with that contained in the annual accounts for the financial year ending on 30 June 2020, and its content and presentation are in accordance with the applicable regulations.

### Responsibility of the directors for the annual accounts

The Company's directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Company's directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 legislation governing the audit practice in Spain 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 annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's directors 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.

From the significant risks communicated with the Company's directors, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are, therefore, considered to be the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

AUREN AUDITORES SP, S.L.P.  
Registered in ROAC under Nº S2347

*Original signed in Spanish by  
Concepción Vilaboa Martínez  
Registered in ROAC under Nº 15.935  
13<sup>rd</sup> of August of 2020*

Member of



AUREN AUDITORES SP, S.L

2020 Núm.04/20/01194

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Informe de auditoría de cuentas sujeto  
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