

**REAL CLUB CELTA DE VIGO, S.A.D. AND
ITS SUBSIDIARIES**

**Independent Auditor's Report,
Reformulated Consolidated Annual Accounts
and Consolidated Management Report
For the year ended June 30, 2022**

INDEPENDENT AUDITOR'S REPORT ON THE REFORMULATED CONSOLIDATED 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 consolidated annual accounts of REAL CLUB CELTA DE VIGO, S.A.D. and its subsidiaries, which comprise the balance sheet as at June 30, 2022, and the income statement, statement of changes in equity, cash flow statement and related notes, all of them consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at June 30, 2022, as well as its financial performance and cash flows, all of them consolidated, 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 consolidated annual accounts* section of our report.

We are independent of the Group 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.

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 consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated 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 Group has in the heading A) *1.1 Player acquisition rights*, 35.472.098,01 euros at 30th June 2022, net of amortisation and deterioration. These rights are amortised on a lineal basis according to the duration of the contracts. The Group 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 group'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 group for the valuation of player acquisition rights.
- We have verified the calculations made by the group in relation to the acquisition price.
- We have verified the calculations made by the group 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 3.7 and 7 of the attached consolidated annual accounts, information is included that are appropriate to what is required by that applicable financial reporting framework.

Emphasis paragraph

We draw attention to what is stated in note 2.1 of the attached report, which indicates that on August 1, 2022 the Board of Directors formulated the annual accounts for the 2021-2022 financial year, on which on August 24, 2022 we issue our audit report in which we express a favorable opinion. After said date, the Board of Directors on September 16, 2022, has decided to reformulate the annual accounts of the company as of June 30, 2022. The reformulation is carried out exclusively as a consequence of Circular number 9 of the 2022/2023 season of the National Professional Soccer League, dated September 12, 2022, in relation to the "homogenization of the treatment of the impact of COVID-19 for the purposes of calculating the break-even point and economic-financial ratios" exclusively affecting to the calculation of the break-even ratio under the criteria of the National Professional Soccer League, which is included in note 22.2 of the reformulated report and which represents an increase of 8.641.364 euros in the break-even ratio. Consequently, the restated annual accounts do not imply any changes to the balance sheet, profit and loss account, statement of changes in equity, statement of cash flows, or the budget for the 2022/2023 season. Our audit opinion has not been modified in relation to this matter.

Other information: Consolidated Management Report

Other information comprises only the Consolidated Management Report for the financial year ending on 30 June 2022, the formulation of which is the responsibility of the Parent Company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the Consolidated Management Report. Our responsibility for the Consolidated Management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the Consolidated Management report and the consolidated annual accounts as a result of our knowledge of the group 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 Consolidated 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 Consolidated Management report is consistent with that contained in the consolidated annual accounts for the financial year ending on 30 June 2022, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the parent company's directors for the consolidated annual accounts

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

In preparing the consolidated annual accounts, the Parent Company's directors are responsible for assessing the Group 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 parent company directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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:

- Identify and assess the risks of material misstatement of the consolidated 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's directors.
- Conclude on the appropriateness of the Parent Company's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group 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 consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and adequate evidence in relation to the financial information of the entities or business activities within the group to express an opinion on the consolidated annual accounts. We are solely responsible for our audit opinion.



We communicate with the Parent 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 Parent Company's directors, we determine those matters that were of most significance in the audit of the consolidated 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 N° S2347

*Original signed in Spanish by
Concepción Vilaboa Martínez
Registered in ROAC under N° 15.935
07th of october of 2022*



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REAL CLUB CELTA DE VIGO, S.A.D.
AND DEPENDANT COMPANIES
Reformulated Consolidated Annual Accounts
at 30 June 2022

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2022 AND 30 JUNE 2021

CONSOLIDATED ASSETS	Note	30/06/2022	30/06/2021
A) NON-CURRENT ASSETS		91,471,067.98	92,268,380.12
I. Intangible Fixed Assets		50,467,851.71	56,934,132.15
1. Player acquisition rights	7	35,472,098.01	40,678,091.47
4. Rights over assets assigned for use	6.1	14,995,753.70	16,256,040.68
II. Other intangible fixed assets	6.2	44,551.25	77,060.38
III. Tangible Fixed Assets	4	26,067,708.17	25,048,590.93
1. Land and buildings		23,062,322.46	11,065,518.89
2. Technical facilities and other tangible fixed assets		2,672,280.31	2,330,940.70
3. Fixed assets under construction and advances		333,105.40	11,652,131.34
VI. Long-term financial investments	10.1	29,256.32	29,256.32
5. Other financial assets		29,256.32	29,256.32
VII. Deferred tax assets	12.4	1,842,306.11	1,248,668.74
VIII. Non-current trade debtors	10.1	13,019,394.42	8,930,671.60
B) CURRENT ASSETS		65,230,557.45	43,199,211.93
II. Inventories	11	387,963.49	487,617.68
1. Comerciales		383,793.30	487,017.68
6. Advances to suppliers		4,170.19	600.00
III. Debtors		25,873,201.35	29,494,091.10
2. Sports entities, debtors	10.1	20,651,053.44	23,138,424.44
3. Clients for sales and services	10.1	250,518.53	171,859.69
4. Other receivables	10.1	2,600,298.20	3,969,464.65
5. Personnel	10.1	138,868.11	205,295.51
6. Current tax assets	12	215,264.00	2,002,909.07
6. Other credits with the Public Administrations	10.1 y 12.6	2,017,199.07	6,137.74
IV. Short-term investments in group and associate companies	10.1	2,293,083.46	2,000,000.00
5. Other financial assets		2,293,083.46	2,000,000.00
V. Short-term financial investments	10.1	100,180.30	2,000,180.29
5. Other financial assets		100,180.30	2,000,180.29
VI. Accruals	10.1	257,702.21	1,229,665.89
VII. Cash and equivalent liquid assets	10.1	36,318,426.64	7,987,656.97
1. Cash and banks		36,318,426.64	7,987,656.97
TOTAL ASSETS		156,701,625.43	135,467,592.05

The Company's reformulated consolidated annual accounts, which form a single unit, comprise these consolidated balance sheets, consolidated profit and loss accounts, statement of changes in consolidated equity, consolidated cash flow statements and the attached consolidated annual report.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2022 AND 30 JUNE 2021

CONSOLIDATED EQUITY AND LIABILITIES		Note	30/06/2022	30/06/2021
A) EQUITY			86,623,017.05	88,335,717.20
A-1) Net equity			75,404,474.52	76,178,337.75
I. Capital	10.6		4,308,145.54	4,308,145.54
1. Subscribed capital			3,770,210.00	3,770,210.00
2. Founding Capital			537,935.54	537,935.54
III. Reserves	10.6		71,870,192.21	81,453,940.75
1. Restricted reserves			5,089,162.07	5,089,162.07
2. Other reserves			67,230,365.83	76,701,057.82
3. Reserves in consolidated companies			(449,335.69)	(336,279.14)
VII. Results of the financial year	13.7		(773,863.23)	(9,583,748.54)
A-3) Subsidies, donations and endowments received	17		11,218,542.53	12,157,379.45
B) NON -CURRENT LIABILITIES			45,136,788.43	24,011,110.61
I. Long-term provisions	14		590,919.22	590,919.22
4. Other provisions			590,919.22	590,919.22
II. Long-term debts	10.2		35,978,688.78	15,082,557.65
2. Debts with financial institutions			149,536.52	6,178,641.65
3. Debts with sporting entities			2,351,650.69	8,669,166.00
5. Other financial liabilities			33,477,501.57	234,750.00
VI. Deferred tax liabilities	12.5		8,567,180.43	8,337,633.74
C) CURRENT LIABILITIES			24,941,819.95	23,120,764.24
II. Short-term provisions	14		0.00	252,194.17
2. Other provisions			0.00	252,194.17
III. Short-term debts	10.2		2,308,203.54	1,826,238.95
2. Debts with financial institutions			57,778.18	1,202,093.78
5. Other financial liabilities			2,250,425.36	624,145.17
V. Commercial creditors and other accounts payable			21,742,185.07	20,894,419.56
2. Debts due to purchases or provision of services	10.2		136,776.56	6,164.03
b) Short-term suppliers			136,776.56	6,164.03
3. Debts with sporting entities	10.2		12,447,474.05	11,030,326.53
4. Other payables	10.2		3,362,415.43	3,421,500.23
5. Staff (outstanding remuneration)	10.2		415,739.02	1,190,676.33
6. Other debts with Public Administrations	12.6		5,339,816.21	4,998,564.03
7. Client advances	10.2		39,963.8	247,188.41
VI. Short-term accruals	10.2 y 13.5.f		891,431.34	147,911.56
TOTAL EQUITY +LIABILITIES			156,701,625.43	135,467,592.05

The Company's reformulated consolidated annual accounts, which form a single unit, comprise these consolidated balance sheets, consolidated profit and loss accounts, statement of changes in consolidated equity, consolidated cash flow statements and the attached consolidated annual report.

CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2022 AND 30 JUNE 2021

A) CONTINUING OPERATIONS	Note	30/06/2022	30/06/2021
1. Revenue	13.1	70,940,586.88	66,842,416.12
a) Income from competitions		1,022,928.44	330,267.90
b) Income from season ticket holders and members		3,165,678.85	740,063.71
c) Broadcast income		53,872,149.93	53,691,288.43
d) Advertising income		10,104,697.97	9,960,444.27
e) Marketing and other income		1,593,575.17	1,327,978.99
f) Provision of clinical services		257,884.98	185,274.15
g) Member quotas		609,979.39	524,877.20
h) Income from promotions, sponsors and collaborators		313,692.15	82,221.47
4. Supplies	13.4	(1,105,603.49)	(1,223,108.31)
a) Goods' acquisition		(1,079,713.15)	(1,004,213.22)
b) Raw materials and other consumables acquisition		0.00	(886.36)
c) Subcontracted work		(103,237.69)	(101,393.98)
d) Impairment/Reversion of merchandise, raw materials and other provisioning	12	77,347.35	(116,614.75)
5. Other operating income		1,337,787.31	4,867,262.88
a) Ancillary and other current management income		607,635.51	4,279,535.05
b) Operating subsidies included in results for the financial year	17	730,151.80	587,727.83
6. Staff expenses		(53,654,232.47)	(57,291,945.34)
a) Playing staff salaries and wages	13.2.b	(46,443,034.52)	(50,161,971.74)
b) Non-playing staff salaries and wages	13.2.a	(5,319,870.79)	(5,468,500.35)
c) Social charges	13.2.a y 13.2.b	(1,891,327.16)	(1,661,473.25)
7. Other operating expenses		(18,992,459.33)	(17,324,181.48)
a) External services		(6,665,264.82)	(4,700,558.92)
b) Levies		(31,546.84)	(26,696.99)
c) Impairment, losses and variation of provisions for commercial operations	10.1	(412,495.00)	(117,587.96)
d) Travel		(1,751,242.63)	(2,830,476.46)
e) Player acquisition expenses	13.2.b	(3,208,286.73)	(3,416,307.81)
f) Monetary Aid		(440,179.73)	(363,332.34)
g) Other current management expenses		(6,483,443.58)	(5,869,221.00)
8. Amortisation of fixed assets		(17,384,315.87)	(17,558,013.41)
a) Amortisation of player acquisition rights	7 y 13.2.b	(15,407,650.91)	(15,576,955.52)
b) Other amortisation	4 y 6	(1,976,664.96)	(1,981,057.89)
9. Application of subsidies of non-financial fixed assets and others	17	1,250,115.84	1,247,615.82
11. Impairment and result of fixed asset sales		16,657,473.48	6,608,488.76
b) Results from the sale of players	7 y 13.5.e	16,657,473.48	6,608,488.76
13. Other results	13.5.c	528,821.06	398,759.06
A.1) OPERATING PROFIT		(421,826.59)	(13,432,705.90)
14. Financial income	13.5.d	91,494.46	231,186.08
b) From negotiable securities and other financial instruments		91,494.46	231,186.08
b 1) In group and associated companies		36,664.80	38,000.00
b 2) From third parties		54,829.66	193,186.08
15. Financial expenses	13.5.d	(485,219.92)	(192,438.36)
b) From debts with third parties		(485,219.92)	(192,438.36)
16. Variation in fair value of financial instruments	13.5.d	(28,741.24)	0.00
17. Exchange differences	13.5.a y 13.5.d	17,618.30	0.00
A.2) FINANCIAL PROFIT		(404,848.40)	38,747.72
A.3) PROFIT/(LOSS) BEFORE INCOME TAX	12.1	(826,674.99)	(13,393,958.18)
20. Income tax expense		52,811.76	3,810,209.64
A.4) FINANCIAL YEAR PROFIT FROM CONTINUING OPERATIONS		(773,863.23)	(9,583,748.54)
A.5) CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	13.7	(773,863.23)	(9,583,748.54)

Profit attributed to the dominant company (773,863.23) (9,583,748.54)

The Company's reformulated consolidated annual accounts, which form a single unit, comprise these consolidated balance sheets, consolidated profit and loss accounts, statement of changes in consolidated equity, consolidated cash flow statements and the attached consolidated annual report.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 30 JUNE 2022 AND 30 JUNE 2021

A) STATEMENT OF RECOGNISED CONSOLIDATED INCOME AND EXPENSES		Note	30/06/2022	30/06/2021
A) CONSOLIDATED PROFIT /(LOSS) FOR THE PERIOD		13.7	(773,863.23)	(9,583,748.54)
Income and expenditure charged directly to consolidated equity:				
III. Subsidies, donations and endowments received		19	0.00	20,000.00
VII. Tax effect		14	0.00	0.00
B) TOTAL INCOME AND EXPENSES CHARGED DIRECTLY TO CONSOLIDATED EQUITY			0.00	20,000.00
Transfers to the consolidated profit and loss account				
X. Subsidies, donations and endowments received		17	(1,250,115.84)	(1,247,615.82)
XIII. Tax effect			311,278.92	311,130.45
C) TOTAL AMOUNTS TRANSFERRED TO THE CONSOLIDATED INCOME STATEMENT			(938,836.92)	(936,485.37)
TOTAL RECOGNISED CONSOLIDATED INCOME AND EXPENSES			(1,712,700.15)	(10,500,233.91)
Profit attributed to the dominant company				(10,500,233.91)

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STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY AT 30 JUNE 2022 AND 30 JUNE 2021

B) STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY

	Subscribed capital	Reserves	Profit/(loss) for the period	Subsidies, donations and endowments received	TOTAL
A. BALANCE AT THE END OF THE 2019-2020 SEASON	4,308,145.54	72,015,640.21	9,438,300.54	13,073,864.82	98,835,951.11
I. Adjustments due to change of criteria for the 2019-2020 season	0.00	0.00	0.00	0.00	0.00
II. Adjustments due to errors for the 2019-2020 season	0.00	0.00	0.00	0.00	0.00
B. ADJUSTED BALANCE, START OF THE 2020-2021 SEASON	4,308,145.54	72,015,640.21	9,438,300.54	13,073,864.82	98,835,951.11
I. Total recognised income and expenses	0.00	0.00	(9,583,748.54)	(916,485.37)	(10,500,233.91)
II. Operations with shareholders or owners	0.00	0.00	0.00	0.00	0.00
III. Other variations in net equity	0.00	9,438,300.54	(9,438,300.54)	0.00	0.00
1. Movement of the capitalisation reserve	0.00	0.00	0.00	0.00	0.00
2. Other variations	0.00	9,438,300.54	(9,438,300.54)	0.00	0.00
C. BALANCE AT THE END OF THE 2020-2021 SEASON	4,308,145.54	81,453,940.75	(9,583,748.54)	12,157,379.45	88,335,717.20
I. Adjustments due to change of criteria for the 2020-2021 season	0.00	0.00	0.00	0.00	0.00
II. Adjustments due to errors for the 2020-2021 season	0.00	0.00	0.00	0.00	0.00
D. ADJUSTED BALANCE, START OF THE 2021-2022 SEASON	4,308,145.54	81,453,940.75	(9,583,748.54)	12,157,379.45	88,335,717.20
I. Total recognised income and expenses	0.00	0.00	(773,863.23)	(938,836.92)	(1,712,700.15)
II. Operations with shareholders or owners	0.00	0.00	0.00	0.00	0.00
III. Other variations in net equity	0.00	(9,583,748.54)	9,583,748.54	0.00	0.00
1. Movement of the capitalisation reserve	0.00	0.00	0.00	0.00	0.00
2. Other variations	0.00	(9,583,748.54)	9,583,748.54	0.00	0.00
E. BALANCE AT THE END OF THE 2021-2022 SEASON	4,308,145.54	71,870,192.21	(773,863.23)	11,218,542.53	86,623,017.05

The Company's reformulated consolidated annual accounts, which form a single unit, comprise these consolidated balance sheets, consolidated profit and loss accounts, statement of changes in consolidated equity, consolidated cash flow statements and the attached consolidated annual report.

CONSOLIDATED CASHFLOW STATEMENT AT 30 JUNE 2022 AND 30 JUNE 2021

	Note	30/06/2022	30/06/2021
A) Cashflows from Operating Activities			
1. Pre-tax profit for the financial year		(826,674.99)	(13,393,958.18)
2. Adjustments to results		15,195,033.75	16,262,231.19
a) Depreciation of fixed assets (+)	4; 6; 7 & 13.2.b	17,384,315.87	17,558,013.41
b) Impairment adjustments (+/-)	10.1	345,959.88	160,577.23
c) Variation of provisions (+/-)	13.4	(252,194.17)	115,767.85
d) Allocation of subsidies (-)	17	(1,250,115.84)	(1,247,615.82)
e) Result of removals and transfers of fixed assets (+/-)	4; 7 & 13.5.e	(1,426,657.45)	(5,400.00)
g) Financial income (-)	13.5.d	(97,194.45)	(236,886.08)
h) Financial expenditure (+)	13.5.d	490,919.91	198,138.36
k) Other income and expenditure (+/-)	13.5.a & 13.5.d	0.00	(280,363.76)
3. Changes in current capital		(5,478,154.24)	(26,189,534.60)
a) Inventories (+/-)		177,001.54	146,937.62
b) Debtors and other accounts receivable (+/-)		1,535,442.10	3,952,979.12
c) Other current assets (+/-)		(11,760.82)	161,664.86
d) Creditors and other accounts payable (+/-)		(8,687,754.45)	(28,926,789.46)
e) Other current liabilities (+/-)		1,508,917.39	(1,498,639.74)
f) Other non-current assets and liabilities (+/-)		0.00	(25,687.00)
4. Other cashflows from operating activities		(608,989.46)	(2,748,562.73)
a) Payment of interest (-)		(490,919.91)	(198,138.36)
c) Receipt of interest (+)		97,194.45	236,886.08
d) Profit tax collections/(payments) (+/-)		(215,264.00)	(2,787,310.45)
5. Cashflows from operating activities		8,281,215.06	(26,069,824.32)
B) Cashflows from investment activities			
6. Investment payments (-)		(9,403,173.94)	(13,065,677.80)
a) Group and associated companies	11.1	(200,000.00)	0.00
b) Intangible fixed assets	6.2 & 7	(7,400,448.00)	(3,066,667.00)
c) Tangible fixed assets.	4	(1,702,538.09)	(9,991,342.80)
e) Other financial assets		(100,000.00)	(7,668.00)
h) Other assets		(187.85)	0.00
7. Divestment receipts (+)		2,578,847.84	16,949,424.55
a) Group and associated companies		3,933.75	
b) Intangible fixed assets	7	0.00	870,000.00
c) Inmovilizado material.	4	574,914.09	0.00
e) Other financial assets		2,000,000.00	16,079,424.55
8. Cashflows from investment activities		(6,824,326.10)	3,883,746.75
C) Cashflows from financing activities			
9. Collections and payments for equity instruments.		0.00	19,851.53
e) Grants, donations and endowment received (+)		0.00	19,851.53
10. Collections and payments for financial liability instruments		26,873,880.71	3,832,400.95
a) Issue		34,334,741.61	5,000,000.00
2. Debts with financial institutions (+).		34,334,741.61	5,000,000.00
b) Return and repayment of		(7,460,860.90)	(1,187,450.58)
2. Debts with financial institutions (-).		(7,173,420.73)	(1,187,450.58)
5. Other debts (-).		(287,440.17)	0.00
12. Cashflows from financial activities		26,873,880.71	3,832,400.95
D) Impact of exchange rate variations			
E) Net increase/decrease of cash or equivalents		28,330,769.67	(18,353,676.62)
Cash or equivalents at the start of the financial year		7,987,656.97	26,341,333.59
Cash or equivalents at the end of the financial year		36,318,426.64	7,987,656.97

The Company's reformulated consolidated annual accounts, which form a single unit, comprise these consolidated balance sheets, consolidated profit and loss accounts, statement of changes in consolidated equity, consolidated cash flow statements and the attached consolidated annual report.

REAL CLUB CELTA DE VIGO, S.A.D. AND DEPENDENT COMPANIES

Report on the Reformulated Consolidated Annual Accounts corresponding to the financial year ending 30 June 2022 (in euros)

I. GROUP COMPANIES.

I. Dominant Company.

Real Club Celta de Vigo, S.A.D. is the dominant company of the RCCelta Group.

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 Calle del Príncipe, 44, Vigo, and it performs its activity at the following facilities (notes 3.7 and 3.8):

- Estadio Abanca, the facility at which the first team plays.
- Estadio de Barreiro, the facility at which the company’s reserve teams, Celta B and Celta C, play.
- A Madroa sports facilities and the Ciudad Deportiva Afouteza (Mos); 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 9).

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 dominant company corresponds to the participation in professional sports competitions, in the category of football, with the first team playing in the 2021/2022 season in the First Division National League Championship and in the King's Cup and the reserve team, Celta B, in Primera RFEF. Moreover, according to the affiliation agreement signed on 30 June 2021, the company sponsors the Gran Peña, C.F. 1st team in the Regional Preferente division, thus becoming a feeder club of Real Club Celta de Vigo, S.A.D., valid from the 2021/2022 season to the 2023/2024 season.

The dominant company is defined by the capacity to control and, consequently, to accumulate the voting rights held by the company, for the sole purpose of determining the existence of control, all voting rights are taken into account, including potential ones that are convertible or exercisable on the date to which the evaluation of control refers, regardless of the intention or financial capacity of the company to exercise or convert them.

The principles applied in drawing up the Consolidated Annual Accounts for the group, as well as the consolidation perimeter are described in note 1.2 of this consolidated report.

The Consolidated Annual Accounts include the financial statements of the companies directly or indirectly controlled by the dominant company at 30 June 2022.

2. Dependent companies.

“Dependent companies” are those companies, including special purpose entities, over which the Group holds or may hold control, directly or indirectly, understood as holding the majority of the voting rights in the general meeting of shareholders, whether itself or by means of pacts or agreements with other shareholders or holds the majority on the management body, either because it appointed the majority or has the power to appoint or remove it.

However, there are cases of control without an explicit power of management. This situation is common in special purpose entities, which are entities, commercial or otherwise, created to reach a specific objective defined in advance, meaning that they essentially act as an extension of the group’s activities. In order to assess whether such entities form part of the group, the factors taken into account include the participation of the group in the risks and profits of the entity, as well as its capacity for participating in its operating and financial decisions.

The breakdown of the **dependent companies of the group** is set out in the following table:

Companies	Direct %	Amount of holding	Activity
Afouteza e Corazón, S.L.U.	100%	€500,000	(1)
Fundación Celta de Vigo	(a)	-	(2)
Galicia Sport 360, S.L.U.	100%	€100,000	(3)

The registered office of the dependent companies of the group is Calle del Príncipe, 44, Vigo, and they are both audited by Auren Auditores.

(a) It is a special purpose entity.

(1) The activities carried out by **Afouteza e Corazón, S.L.U.**, at the closing date of these Consolidated Annual Accounts, are:

1. Provision of physiotherapy and orthopaedics services, as well as other services related to sports medicine (cardiology, nutrition, personalised rehabilitation, ...) at the A Sede Sports Clinic,
2. Management of certain areas at the base of the dominant company Real Club Celta de Vigo, S.A.D., A Sede such as:

- a. Salón Regio, which offers cultural, educational and artistic content all year round and where business events, talks, concerts, etc. can be held.
- b. Lease of the A Sede café, and
- c. Lease of the restaurant.

(2) **Fundación Celta de Vigo**, has the following main activities:

- Promote grassroots sport.
- Develop sports campuses, academies and clinics for young people, mainly directed at playing football.
- Investigate and promote the values of sport, as well as holding talks and debates on its importance in society.
- Develop different leisure-sports activities for the promotion of the practice of sports among people of all ages.
- Raise awareness of the social and sporting assets of Real Club Celta de Vigo, S.A.D., including by means of visits to the Fundación Celta de Vigo Museum.
- Promote citizens' participation in social activities by means of the promotion of solidarity campaigns.

It is considered a special purpose entity because the Fundación generates income and/or provides services and/or incurs costs in relation to football-related activities such as the academy or grassroots football at RCCelta.

(3) **Galicia Sport 360, S.L.U.**, incorporated on 06 April 2022, has the following main activity, among others:

- The holding, organisation and operation of leisure and entertainment activities.

In accordance with article 155 of the Spanish Companies Act, the dominant company has notified the dependent companies, Afouteza e Corazón, S.L.U. and Galicia Sport 360, S.L.U. that it holds more than 10% of the capital.

The last individual annual accounts of Afouteza e Corazón, S.L.U., Galicia Sport 360, S.L.U. and Fundación Celta de Vigo are those used to reformulate these Consolidated Annual Accounts.

The annual accounts of the dependent companies and the special purpose entity are consolidated with those of the dominant company by means of the full consolidation method.

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

The members of the Board of Directors of the dominant company reformulate these Consolidated Annual Accounts in accordance with the regulatory framework on financial reporting applicable to the group 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.
- Royal Decree 1/2021 of 12 January 2021 which amends the General Chart of Accounts approved by Legislative Royal Decree 1514/07, of 16 November, which approved the General Chart of Accounts (GCA), 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, and
- 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).

I. True and fair picture.

The consolidated annual accounts for the 2021/2022 season were drawn up by the members of the Board of Directors of the parent company at a meeting held on 1 August 2022. On 16 September 2022 the Board of Directors of the parent company decided to reformulate the annual accounts of Real Club Celta de Vigo, S.A.D. on 30 June 2022. Consequently, it has also decided to reformulate the consolidated annual accounts of Real Club Celta de Vigo, S.A.D and its subsidiaries as of 30 June 2022.

As a result of that reformulation, there is no change in the parent company's balance sheet, profit and loss account, statement of changes in equity, statement of cash flows or budget for the 2022/2023 season or in the consolidated balance sheet, consolidated profit and loss account, statement of changes in consolidated equity and statement of consolidated cash flows

The reformulation of the annual accounts of the dominant company is carried out exclusively as a consequence of Circular No 9 of the 2022/2023 season of the National Professional Football League, dated September 12, 2022, in relation to the "homogenization of the treatment of the impact of VOCID-19 for the purpose of calculating the break-even point and economic-financial ratios" affecting exclusively the calculation of the break-even-point ratio at the discretion of the Liga Nacional de Fútbol Profesional, which is included in note 22.2 of the reformulated report of Real Club Celta de Vigo, S.A.D.

Both the reformulated annual accounts of Real Club Celta de Vigo, S.A.D. and the consolidated annual accounts of Real Club Celta de Vigo, S.A.D. and their subsidiaries will be deposited, once approved by the General Meeting of shareholders, in the Commercial Register of Pontevedra.

The consolidated annual accounts for the 2020/2021 season were approved by the Ordinary and Extraordinary General Meeting on December 18, 2021.

The Consolidated Annual Accounts of the season have been reformulated on the basis of the accounting records as of 30 June 2022 of the parent company and its subsidiaries and include the adjustments and reclassifications necessary for the temporary and valuation homogenization with the accounting criteria established by the Group, in order to show the true and fair view of the group's assets, financial position and results, as well as of the group's cash flows.

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

2. Critical aspects of the valuation and estimation of uncertainty.

These Consolidated Annual Accounts have been formulated on the assumption that the Group's activity continues on a going-concern basis, having taken into account the current situation caused by COVID-19 as well as its possible effects on the economic in general and on the group in particular. We believe that there are no significant risks that could entail significant changes to the value of the consolidated assets and liabilities or affect the continuity of the group's activity.

The reformulation of these Consolidated Annual Accounts requires the use of certain estimations and judgements regarding the future by management of the dominant company 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 dominant 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 group 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 consolidated profit and loss statement.

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

- Useful life of technical facilities and other fixed assets (Note 3.8 and 4):

The Group 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 3.7, 6.1 and 7):

The group 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 7), at the end of the season the group 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 staff, the corresponding loss due to impairment is provisioned.

3. Comparison of information.

The annual accounts of the group companies to be consolidated must refer to the same closing date and period as the Consolidated Annual Accounts, which establish the same closing date and same period as the annual accounts of the dominant company.

However, if a dependent company of the group closes its financial statements on a different date, there is a different treatment according to that closing having a difference of three months with regard to the closing date of the annual accounts of the dominant company. The year-end for all companies within the consolidation perimeter is 30 June 2022.

In January 2022, as a result of the dominant company taking into consideration the difference between the deduction activated at 30 June 2021 and the final deduction (when the corporation tax was presented), together with the adjustment of the capitalisation reserve, the dominant company restated the following balance sheet entries:

Consolidated balance	Restated Information 2020/2021 Season 30/06/2021	Information approved Annual Accounts 30/06/2021
CURRENT ASSETS B) Current tax assets	2,002,909.07	1,941,479.19
CONSOLIDATED EQUITY AND LIABILITIES A.1) VII. Results of the financial year	-9,583,748.54	-9,645,178.42
CONSOLIDATED EQUITY AND LIABILITIES A.1) III.1. Restricted reserves	5,089,162.07	9,075,516.14
CONSOLIDATED EQUITY AND LIABILITIES A.1) III.2. Other reserves	76,701,057.82	72,714,703.75

In addition, in accordance with LaLiga's criterion as regards the reflection of the amounts corresponding to revenue from audiovisual rights, the parent company has decided to follow the same criterion as LaLiga by charging the gross amounts under the corresponding heading Net Amount of the Turnover and the amounts to be deducted from that income under other operating expenses. These expenses correspond to the obligations associated with the compensation fund for downstream equipment, the RFEF, the promotion of the LaLiga brand in national and international markets, the CSD and the ability to cover the costs of public systems, for aid to women's football, associations and trade unions. These amounts currently amount to 9% of audiovisual revenue.

As a result, the following items have been restated in the consolidated profit and loss account:

Income Statement	Restated Information 2020/2021 Season 30/06/2021	Information approved Annual Accounts 30/06/2021
I. Revenue	66,842,416.12	62,054,776.12
c) Broadcast income	53,691,288.43	48,903,648.43
7. Other operating expenses	-17,324,181.48	-12,536,541.48
f) Other current management expenses	-5,869,221.00	-1,081,581.00

4. Changes in accounting criteria

On 30 January 2021 the Official State Gazette published Royal Decree 1/2021, of 12 January, amending the General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November; the General Chart of Accounts for Small and Medium-Sized Companies and for the drawing up of Consolidated Annual Accounts.

As a result of this, the First Transitional Provision of Royal Decree 1/2021 establishes that the annual accounts corresponding to the first financial year will be presented including comparative information, but it will not be obligatory to state the comparative information of the previous year again. The Group has opted not to restate the comparative figures and to apply the new criteria using 01 July 2021 as the transition date.

The main changes in the Royal Decree affect: financial instruments, income from sales and services, stock and foreign currency.

5. Grouping of items

With a view to facilitating comprehension of the consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes in net equity and consolidated cashflow statement, certain headings have been grouped, with the required analysis included in the notes corresponding to this consolidated report.

6. Operations between companies within the consolidation perimeter

As all the group companies close their accounting year at 30 June, there are no significant operations between companies within the consolidation perimeter that have not been contemplated in the consolidation adjustments.

3. REGISTRATION AND VALUATION RULES.

The members of the Board of Directors of the dominant company hereby set out the accounting criteria applied in relation to the items applicable to the company, for the reformulation of these Consolidated Annual Accounts:

1. Consistency in timing.

According to what is stated in note 2.3 of this consolidated report, the Consolidated Annual Accounts refer to 30 June 2022, covering the period running from 1 July 2021 to 30 June 2022, like the annual accounts of the dominant company, Real Club Celta de Vigo, S.A.D., the dependent companies, Afouteza e Corazón, S.L.U. and Galicia Sport 360, S.L.U. and of the special purpose entity, Fundación Celta de Vigo.

2. Consistency in valuation.

The asset and liability elements, income and expenditure and other entries in the annual accounts of the group companies have been valued using uniform methods. Those asset or liability items, or income or expenditure entries valued using non-uniform criteria with respect to those applied in consolidation, have been re-valued, making the necessary adjustments, for the purposes of the consolidation.

3. Consistency with sector-specific rules.

The dependent company is subject to general accounting rules, the special purpose entity is subject to the Accounting Plan for Non-Profit Entities and the dominant company complies with the Order of 27 June 2000 which approves the rules on adaptation of the General Chart of Accounts to sports companies (*sociedades anónimas deportivas*), for all aspects that do not contravene RDL 1514/07, of 16 November, and other applicable legal provisions (specifically, the Regulations on the Economic Control of Clubs and Sports Companies belonging to the LNFP and the resolutions of the Joint Committee of the High Council for Sports and the LNFP, which approves the Report on the Annual Accounts of Clubs and Sports Companies belonging to the LNFP), meaning that for the purposes of the group, the specific rules on each of the activities must be observed, providing details explanations of the criteria used,

notwithstanding ensuring the necessary consistency where different options exist for generally applied criteria.

In this regard, the objective of a true and fair picture must be considered, something that makes ensuring the consistency of operations necessary, considering the criterion applied in the individual annual accounts of the company whose relative importance in the group is greater for that operation, the dominant company in this case.

4. Consistency in internal operations.

When the amounts of the items derived from internal operations do not match, or there are any pending inclusion, the necessary adjustments must be made in order to perform the corresponding eliminations.

5. Consolidation goodwill and negative difference.

The investment-net worth elimination is the set-off of the accounting values representing the equity instruments of the dependent company that the dominant company directly or indirectly owns, with the proportional part of the new worth items of such dependent company attributable to those participations. Except in those cases in which the acquisition of the participation takes place at the moment the corresponding equity instruments are issued, the book value of the participation does not have to match the proportional part that such value represents in relation to the fair value of the identifiable assets acquired and liabilities assumed, including provisions, of the dependent company on the acquisition date, leading to a difference that can be positive or negative.

There is a positive difference or consolidation goodwill when the book value of the participation is greater than the proportional part of the fair value of the assets acquired and liabilities assumed, including provisions, of the dependent company on the date of taking control. Generally speaking, this difference is due to the value of unidentifiable assets or the synergies of the company as a whole.

There is a negative consolidation difference when the book value of the participation is lower than the proportional part of the fair value of the assts acquired and liabilities assumed, including provisions, of the dependent company on the acquisition date.

Acquisition date is understood as the date on which the dominant company obtains control of the dependent one. When the date of the first consolidation is after the acquisition date, the figures resulting from applying the full consolidation method refer to the acquisition date (NOFCAC article 24).

6. Transactions between companies within the consolidation perimeter.

The credits and debts, income and expenditure and cashflow between group companies are eliminated in their entirety. Likewise, all results of internal operations are eliminated and deferred until carried out vis-à-vis third parties outside the group.

7. 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 dominant 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 RCCelta 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 net asset value assigned to each of the rights 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 dominant 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 assets 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.

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 dominant 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 dominant 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:

This heading includes:

- The [computer applications](#) that meet the identifiability criterion are included in the assets, whether acquired from third parties or developed by the Group itself, using the means at its disposal.

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

- 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. They are fully depreciated.
- The amount paid for the ownership, use right or concession for use of the different manifestations of [industrial property](#) that, due to their characteristics, must be inventoried by the group. This includes trade marks and development of the corporate image of the dependent company. Amortisation of industrial property elements is according to a lineal criterion, according to the estimated useful life, which is considered to be 10 years.

8. 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. This heading includes:

- [Technical installations, machinery and tools](#) are measured at acquisition price or manufacture and construction cost until brought into operating condition.

- The group's building situated on Calle del Príncipe (known as **A Sede**) (note I.1), as well as the 23 parking spaces (in calle Colón) and the works carried out on the Museo de Arte Deportivo and the Museo del Real Club Celta (situated in the Estadio Abanca Balaidos), are valued 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 (in the case of the building, following refurbishment of the same).
- The construction of Ciudad Deportiva Afouteza, located in Mos, is valued at production cost, which is 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 are 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 Group 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 dominant company assesses the net book value of its fixed assets in order to ascertain whether there are losses due to impairment of the assets.

When a **lease agreement is classed as operational**, the different investments made by the lessee that are not separable from the leased asset, they must be accounted for as tangible fixed assets when they comply with the definition of asset.

The depreciation of these investments is carried out according to their useful life, which is the duration of the lease agreement, including the renewal period when there is evidence that a renewal will take place, when it is shorter than the economic life of the asset.

9. Assets comprising Historic Wealth.

The different items comprising Historic Wealth are valued at acquisition price, with the corresponding provisions for depreciation being funded, as the case may be.

The acquisition price will include the conditioning expenses, according to the original characteristics, but substantial installations and elements that form part of them will not be included, even if permanent.

These installations and elements will be included in the consolidated balance sheet in the corresponding entry according to their nature.

10. Leases.

The group does not have any financial leasing agreements.

The expenses derived from the operating lease agreements are charged to the consolidated profit and loss account in the season in which they accrue (note 9).

The income derived from the operating lease agreements, for the facilities at A Sede (note 1.2) specifically the lease of the A Sede Café and the restaurant, respectively, as well as the lease of the Salón Regio for holding events, are recorded using the accrual method, that is, when there is an actual flow of the services that they represent (note 9).

11. 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 each date of the consolidated balance sheet in case the losses have been reversed.

12. Financial Assets.

The group's financial assets (note 10.1) 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,
- Users and other debtors of the activity of Fundación Celta de Vigo, such as the honorary members, protectors and collaborators,
- Beneficiaries of the Fundación, such as the children in the schools, campus...,
- 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 consolidated profit and loss account.

A financial asset or a part thereof will be retired when contractual rights have expired or have been assigned.

13. Financial liabilities.

Financial liabilities (note 10.2) include debt with financial institutions, as well as the debt from the participating financing between LaLiga and the clubs, debt derived from debits due to commercial or non-commercial transactions for the purchase of goods and services by the group (sporting goods and equipment and services received) and for the acquisition/loan of players, measured at fair value, which is the price of the transaction, plus attributable expenses.

A financial liability is retired when the obligation has expired.

14. Stock.

The goods contained in stock 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 sporting goods.

The management of the dominant company checks annually whether the sporting goods and equipment have suffered a loss due to impairment, according to the accounting policy on stock.

At season closing, the dominant company makes the provisions it deems appropriate, depreciating the value of stock, if necessary, in line with best expectations.

15. Foreign currency transactions.

Functional and accounting currency

The functional currency is the currency of the main economic sphere in which the group operates, that is, the currency of the environment in which the group generates and uses cash.

The currency used in the Consolidated Annual Accounts and in the individual annual accounts of the group companies, as well as its functional currency, is the euro.

Transactions and balances in foreign currency

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

The monetary assets and liabilities stated in foreign currency have been converted into euros, applying the exchange rate existing at season close.

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

16. Tax on profits.

Consolidated tax on profits.

On 28 June 2018, the members of the Board of Directors of Real Club Celta de Vigo, S.A.D., approved the decision to opt for the Tax Consolidation Regime for the tax year starting on 01 July 2018 and subsequent years, according to the terms of the Corporation Tax Act, Chapter VI, Title VII. The company, as dominant company, forms part of the Consolidated Group which also includes dependent company, Afouteza e Corazón, S.L.U. And, as of 01 July 2021, Galicia Sport 360, S.L.U. is included in the tax consolidation group.

In these cases, the taxpayer is the tax group. The representative entity assumes the representation of the tax group and all entities are severally obliged to pay the corresponding tax debt, except for sanctions.

All entities are subject to the obligations established in the individual corporation tax regime, with the exception of that of paying the tax debt. The payment must be made by the representative entity on behalf of the group.

The accounting of the tax effect is performed applying the rule on recording and valuation for profit tax (mentioned in the individual annual accounts of each company) considering the group as an accounting entity, taking into account the following particularities:

- Temporary differences must not be recorded at the difference between the book and tax value derived from the initial recognition of the goodwill. However, deferred tax liabilities related to goodwill will be recorded provided they are not derived from their initial recognition.
- Temporary differences will be recorded derived from the valuation according to the rules on the recording and valuation of business combinations of identifiable assets and liabilities assumed from the acquired company.
- Liabilities due to temporary differences derived from the difference from conversion of financial statement sin foreign currency must be recognised.

Deferred tax assets derived from the conversion of financial statements (prior to assignment, if applicable, to external members) will be recognised according to general criteria.

- Deferred tax assets and liabilities will be measured according to the rates expected at the time of review. That is;
 - In the case of temporary differences derived from the valuation of asset elements (excluding goodwill) of the acquired entity, the tax rate expected at the moment of reversal of the dependent entity.
 - In the case of temporary differences derived from eliminations of internal results, the tax rate expected at the moment of reversal of the company selling the asset or providing the service whose internal result is realised vis-à-vis third parties.

Current tax is the amount paid by the group as a result of the tax settlement of profit tax on the consolidated tax outcome for a financial year.

The corporation tax expense incurred that should appear in the individual profit and loss account of each company paying tax under the consolidated declaration regime is determined by taking into account, in addition to the parameters to be considered for individual taxation, both the temporary and permanent differences occurring as a result of the elimination and inclusion of results of operations between group companies, derived from the process of determining the consolidated tax base, as well as the deductions and rebates that correspond to each company in the tax group under the consolidated declaration regime.

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 group 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.

Tax regime of Non-Profit Entities and Tax Incentives for Sponsorship.

The Fundación is subject to Act 49/2002, of 23 December, on the Tax Regime of Non-Profit Entities and Tax Incentives for Sponsorship, which regulates the tax regime for this kind of entity for the purposes of corporation tax and local taxes.

Subsequently, 24 October 2003 saw the entry into force of Royal Decree 1270/2003, of 10 October, approving the Regulations for Application of the Tax Regime of Non-Profit Entities and Tax Incentives for Sponsorship.

The **Foundation**, complying with the requirements envisaged in such regulations, **is exempt**, for Corporation Tax purposes, in relation to the income generated in the exercise of the activities that constitute the object of the foundation or specific purpose, for donations and bequests received to collaborate with the aims of the Fundación, including contributions or donations for funding the same or the economic aid received by virtue of business collaboration arrangements and the income generated by the wealth of the Fundación, such as interest.

The Foundation calculates the income/expenditure for profit tax according to the pre-tax financial results, increased or decreased, as appropriate, by the permanent differences with the tax results, understood as the tax base for the tax in question.

17. Income and expenditure.

Income and expenditure are recorded when there is a transfer of control of goods and services committed to clients. At that time, income is valued at the amount reflecting the consideration to which the Group expects to be entitled and that the income represents.

The Group's main income is comprised of:

- **Income from competitions** (note 13.1), sporting acts recognised when League, King's Cup, UEFA, friendlies or other matches are played.
- **Income from season-ticket holders and members** (note 13.1), 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 10.2).
- **Income from broadcasts** (note 13.1), this refers to the audio-visual rights assigned for the broadcast of matches.

- **Income from advertising** (note 13.1) 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 13.1), including sales of sporting goods and equipment in the official RC Celta stores and the sale of shirts in the season ticket holder campaign,
- **Provision of clinical services** (note 13.1),
- **Quotas of protector members, collaborators and honorary members, quotas from the different schools, ... from the Fundación Celta de Vigo** (note 13.1),
- **Income from promotions, sponsors and collaborations with the Fundación Celta de Vigo** (note 13.1),
- **Ancillary income and other current management income** (includes income from the lease of facilities, income from loans of players and the training rights of the same) (notes 9 and 13.5.b) and
- **Income from the sale of players** (notes 7 and 15.5.f).

As for the interest from the participating loan between LaLiga and the clubs (note 10.2), as it is directly linked to the broadcast income, as such, it must be correlated to the evolution of such income and not the outstanding capital of the financing received. The dominant company records the expenses invoiced for this amount by LaLiga in each season, so that the financial expense of the participating financing, recorded in the profit and loss account of each of the seasons will be 1.52% of the broadcast income corresponding to each of the seasons.

18. 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 group includes losses at the time of the claim and income at the time it receives payment.

19. Staff expenses.

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

- **Playing staff 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 13.2.b. of this consolidated report contains the playing staff 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 expenditure derived from the loan are included.

A distinction is made between:

- Expenses of playing staff eligible for registration with the LNFP.

Playing staff eligible for registration is comprised of players linked to the dominant 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 staff eligible for registration is that he represent a cost for the dominant company, and not the validity of his contract in the current season.

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

The playing staff not eligible for registration is comprised of players linked to the dominant 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 staff.**

- Technical non-playing staff: this includes the director of football, technical secretary, doctors, delegate, physiotherapists and kitmen.

- Other non-playing staff, which includes the rest of staff linked to the group by means of a contract of employment, including management personnel (other than the members of the board of directors of the dominant company), administrative staff, junior team coaches, scouts, staff responsible for marketing and communication, commercial duties, the clinic and ground maintenance.

20. Provisions and contingent liabilities.

Provisions for restructuring costs and lawsuits are recognised when the group 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 group's control. These contingent liabilities are not recorded in the accounts, but the details thereof are supplied in the consolidated report.

21. Subsidies, donations and endowments.

In the case of rights of use obtained free of charge, as mentioned in note 3.7 of this consolidated report, they are generally recognised as income directly attributed to consolidated 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.

22. Criteria used in related-party transactions

In general, the criterion applied by the group companies in relation to 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 note 19 of this consolidated report.

4. TANGIBLE FIXED ASSETS.

1. Analysis of movements.

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

2021/2022 SEASON				
	Land and buildings	Technical installations and other tangible fixed assets	Fixed assets under construction and advances	Total
COST				
Initial balance	12,673,877.14	6,106,226.44	11,652,131.34	30,432,234.92
Inclusions	0.00	322,841.49	1,379,696.60	1,702,538.09
Removals	0.00	0.00	0.00	0.00
Transfers	12,182,722.50	516,000.04	-12,698,722.54	0.00
Final balance	24,856,599.64	6,945,067.97	333,105.40	32,134,773.01
ACCUMULATED DEPRECIATION				
Initial balance	-1,608,358.25	-3,775,285.74	0.00	-5,383,643.99
Inclusions	-185,918.93	-497,501.92	0.00	-683,420.85
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	-1,794,277.18	-4,272,787.66	0.00	-6,067,064.84
NET BOOK VALUE				
Initial	11,065,518.89	2,330,940.70	11,652,131.34	25,048,590.93
Final	23,062,322.46	2,672,280.31	333,105.40	26,067,708.17

2020/2021 SEASON				
	Land and buildings	Technical installations and other tangible fixed assets	Fixed assets under construction and advances	Total
COST				
Initial balance	12,673,877.14	5,208,228.74	2,686,514.52	20,568,620.40
Inclusions	0.00	897,997.70	8,965,616.82	9,863,614.52
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	12,673,877.14	6,106,226.44	11,652,131.34	30,432,234.92
ACCUMULATED DEPRECIATION				
Initial balance	-1,427,302.48	-3,267,529.41	0.00	-4,694,831.89
Inclusions	-181,055.77	-507,756.33	0.00	-688,812.10
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	-1,608,358.25	-3,775,285.74	0.00	-5,383,643.99
NET BOOK VALUE				
Initial	11,246,574.66	1,940,699.33	2,686,514.52	15,873,788.51
Final	11,065,518.89	2,330,940.70	11,652,131.34	25,048,590.93

In the 2021/2022 season, the additions correspond essentially to the works on the Abanca Balaídos Stadium related to the relocation of the TV broadcast cameras in the main stand.

In the 2020/2021 season, most significant additions of real estate corresponded to real estate under construction at the works on the Ciudad Deportiva Afouteza, as well as the LED lighting for Balaídos stadium for the amount of 667,520.89 euros, acquisitions of IT equipment and technical installations

2. Other information.

The group 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 companies outside the consolidation perimeter or from associated companies.

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

No financial expenses were capitalised during the season.

The group 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 30/06/2022
Constructions	971,399.36
Technical facilities	471,895.48
Machinery	497,043.85
Furniture	615,476.30
Information processing equipment	698,509.60
Transport elements	62,455.93
Other tangible fixed assets	187,235.13
Total Fully Depreciated Assets	3,504,015.65

The group has the following tangible fixed assets attached to a guarantee (note 10.2):

- The dominant company does not have assets used as collateral. At 30 June 2021, the building on Calle del Príncipe was attached to a guarantee, with the amount of the debt with a mortgage guarantee totalling 2,115,642.93 euros.
- The parking spaces, with the amount of the debt with a mortgage guarantee, at 30 June 2022, totalling 202,314.70 euros (at 30 June 2021, the figure was 255,092.50 euros).

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

The group 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.

In the course of the season and the preceding season, the Group received subsidies related to tangible fixed assets (note 17). The Group has not received donations related to tangible fixed assets.

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

The members of the Board of Directors of the dominant company estimate that the insurance policies taken out are sufficient to provide adequate cover for possible claims affecting tangible fixed asset elements.

The group has leases and other operations of a similar nature over tangible fixed assets whose information is supplied in note 9 of this consolidated report.

In the case of real estate, the value of the land totalled 2,784,205.40 euros and that of buildings 22,072,394.24 euros (9,889,671.74 euros in the previous season) corresponding to (note 3.8):

- A building on Calle del Príncipe, known as A Sede, in Vigo
- Ciudad Deportiva Afouteza, in Mos,
- 23 parking spaces in the building at number 28 calle Colon, Vigo, and
- Works carried out on the Museo de Arte Deportivo and Museo del Real Club Celta, in the Abanca Balaidos Stadium.

5. SPORTS FACILITIES ON ASSIGNED LAND.

The Group 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 consolidated profit and loss account.

6. INTANGIBLE FIXED ASSETS.

1. Intangible sports fixed assets.

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

2021/2022 SEASON				
	Sports competition participation rights (1)	Rights over investments made in assigned facilities (2)	Rights over assigned assets (3)	Total
COST				
Initial balance	265,000.00	3,759,498.25	31,279,608.09	35,304,106.34
Inclusions	0.00	0.00	0.00	0.00
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	265,000.00	3,759,498.25	31,279,608.09	35,304,106.34
ACCUMULATED DEPRECIATION				
Initial balance	-265,000.00	-3,759,498.25	-15,023,567.41	-19,048,065.66
Inclusions	0.00	0.00	-1,260,286.97	-1,260,286.97
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	-265,000.00	-3,759,498.25	-16,283,854.38	-20,308,352.63
NET BOOK VALUE				
Initial	0.00	0.00	16,256,040.68	16,256,040.68
Final	0.00	0.00	14,995,753.70	14,995,753.70

2020/2021 SEASON				
	Sports competition participation rights (1)	Rights over investments made in assigned facilities (2)	Rights over assigned assets (3)	Total
COST				
Initial balance	265,000.00	3,759,498.25	31,279,608.09	35,304,106.34
Inclusions	0.00	0.00	0.00	0.00
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	265,000.00	3,759,498.25	31,279,608.09	35,304,106.34
ACCUMULATED DEPRECIATION				
Initial balance	-265,000.00	-3,759,498.25	-13,763,280.44	-17,787,778.69
Inclusions	0.00	0.00	-1,260,286.92	-1,260,286.92
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	-265,000.00	-3,759,498.25	-15,023,567.41	-19,048,065.66
NET BOOK VALUE				
Initial	0.00	0.00	17,516,327.65	17,516,327.65
Final	0.00	0.00	16,256,040.68	16,256,040.68

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 dominant company and Vigo City Council in relation to the facilities we use in Balaidos, Barreiro and A Madroa, as indicated in note 17 of this consolidated 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 dominant company on the basis of 25-year term (Note 3.7).

The net asset value, at 30 June 2022, amounted to 14,941,390.32 euros (at 30 June 2021, it was 16,186,506.18 euros).

- b) relaying the pitch at Balaídos Stadium, which cost 151,711.40 euros.

The net asset value, at 30 June 2022, amounted to 54,363.38 euros (at 30 June 2021, it was 69,534.50 euros).

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

The amount of the assets fully amortised is supplied below:

Description	At 30/06/2022	At 30/06/2021
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
Total Fully Amortised Assets	4,024,498.25	4,024,498.25

2. Other intangible fixed assets.

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

2021/2022 SEASON				
	Patents, licences, trade marks	Transfer rights	IT Applications	Total
COST				
Initial balance	11,347.71	30,050.61	259,803.32	301,201.64
Inclusions	0.00	0.00	448.00	448.00
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	11,347.71	30,050.61	260,251.32	301,649.64
ACCUMULATED AMORTISATION				
Initial balance	-9,048.07	-30,050.61	-185,042.58	-224,141.26
Inclusions	-492.78	0.00	-32,464.35	-32,957.13
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	-9,540.85	-30,050.61	-217,506.93	-257,098.39
NET BOOK VALUE				
Initial	2,299.64	0.00	74,760.74	77,060.38
Final	1,806.86	0.00	42,744.39	44,551.25

2020/2021 SEASON				
	Patents, licences, trade marks	Transfer rights	IT Applications	Total
COST				
Initial balance	11,347.71	30,050.61	240,068.32	281,466.64
Inclusions	0.00	0.00	19,735.00	19,735.00
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	11,347.71	30,050.61	259,803.32	301,201.64
ACCUMULATED AMORTISATION				
Initial balance	-8,555.29	-30,050.61	-153,576.54	-192,182.44
Inclusions	-492.78	0.00	-31,466.04	-31,958.82
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	-9,048.07	-30,050.61	-185,042.58	-224,141.26
NET BOOK VALUE				
Initial	2,792.42	0.00	86,491.78	89,284.20
Final	2,299.64	0.00	74,760.74	77,060.38

Patents, licences, trade marks and similar items correspond to the activation of the trade marks: Fundación Celta, Celestino, 75 Aniversario and "A&C"

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

Description	At 30/06/2022	At 30/06/2021
Trade marks	6,419.71	6,419.71
Transfer rights	30,050.61	30,050.61
IT applications	93,593.95	93,593.95
Total Assets Fully Amortised	130,064.27	130,064.27

7. PLAYER ACQUISITION RIGHTS.

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

PLAYER ACQUISITION RIGHTS		
	2021/2022 Season	2020/2021 Season
COST		
Initial balance	82,715,000.00	90,605,000.00
Inclusions	11,775,000.00	4,400,000.00
Removals	-7,500,000.00	-12,290,000.00
Transfers	0.00	0.00
Final balance	86,990,000.00	82,715,000.00
ACCUMULATED AMORTISATION		
Initial balance	-42,036,908.53	-36,435,316.77
Inclusions (note 13.2.b)	-15,407,650.91	-15,574,038.86
Removals	5,926,657.45	9,972,447.10
Transfers	0.00	0.00
Final balance	-51,517,901.99	-42,036,908.53
NET BOOK VALUE		
Initial	40,678,091.47	54,169,683.23
Final	35,472,098.01	40,678,091.47

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

Inclusion of player acquisition rights	Acquisition price	Agency fees	Total
30/06/2021 amount (aggregate)	3,500,000.00	900,000.00	4,400,000.00
30/06/2022 amount (aggregate)	10,275,000.00	1,500,000.00	11,775,000.00

The average duration of the contracts of employment of playing staff eligible for registration with the Professional Football League corresponding to this asset entry, is approximately 5 seasons (at 30 June 2021, it was approximately 5 seasons).

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

Removal of player acquisition rights (aggregate)	Removal cost	Removal accumulated amortisation	Profit removal players	Profits arising from the removal of players (note 13.5.f)
30/06/2021 amount	12,290,000.00	9,972,447.10	7,419,237.85	6,608,488.76
30/06/2022 amount	7,500,000.00	5,926,657.45	16,657,473.48	16,657,473.48

The 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 S 2021/2022	Eligible for registration LNFP	Not eligible for registration LNFP	Total
COST			
Initial balance	79,915,000.00	2,800,000.00	82,715,000.00
Inclusions	11,500,000.00	275,000.00	11,775,000.00
Removals	-7,500,000.00	0.00	-7,500,000.00
Transfers	2,800,000.00	-2,800,000.00	0.00
Final balance	86,715,000.00	275,000.00	86,990,000.00
ACCUMULATED AMORTISATION			
Initial balance	-41,476,908.53	-560,000.00	-42,036,908.53
Inclusions	-15,338,900.87	-68,750.04	-15,407,650.91
Removals	5,926,657.45	0.00	5,926,657.45
Transfers	-560,000.04	560,000.04	0.00
Final balance	-51,449,151.95	-68,750.04	51,517,901.99
NET BOOK VALUE			
Initial	38,438,091.47	2,240,000.00	40,678,091.47
Final	35,265,848.05	206,249.96	35,472,098.00

Breakdown player acquisition rights S 2020/2021	Eligible for registration LNFP	Not eligible for registration LNFP	Total
COST			
Initial balance	90,415,000.00	190,000.00	90,605,000.00
Inclusions	1,600,000.00	2,800,000.00	4,400,000.00
Removals	-12,100,000.00	-190,000.00	-12,290,000.00
Transfers	0.00	0.00	0.00
Final balance	79,915,000.00	2,800,000.00	82,715,000.00
ACCUMULATED AMORTISATION			
Initial balance	-36,399,606.46	-35,710.31	-36,435,316.77
Inclusions	-14,968,727.36	-605,311.50	-15,574,038.86
Removals	9,891,425.29	81,021.81	9,972,447.10
Transfers	0.00	0.00	0.00
Final balance	-41,476,908.53	-560,000.00	-42,036,908.53
NET BOOK VALUE			
Initial	54,015,393.54	154,289.69	54,169,683.23
Final	38,438,091.47	2,240,000.00	40,678,091.47

8. IMAGE RIGHTS OF PLAYERS AND MANAGERS.

Neither in the 2021/2022 season nor in the preceding one were any amounts 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.

9. LEASES AND SIMILAR OPERATIONS.

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

1. Operating leases as lessee.

The amount of the leases and canons recorded under this heading in the consolidated profit and loss account, external services, totals 161,286.69 euros (on 30 June 2021 it was 184,718.64 euros) corresponding essentially to:

- **Lease of facilities for the Ciudad Deportiva Afouteza** for the amount of 150,000.00 euros (on 30 June 2021 it was 150,000.00 euros).

On January 18, 2018, an agreement was signed between the Community of Neighborhood Mountains in Common Hand of the Parish of Pereiras (Mos) and the parent company that regulates the bases of the acquisition transaction in compromise within the framework of an expropriation procedure on the estate "Montes de Pereiras" for the development of a complex by the company Real Club Celta de Vigo, S.A.D.

A disposal contract (assignment, right of area or lease) for a period of 30 years is also the subject of this agreement.

The superficiary could withdraw from the contract in advance, provided that, two months before the end of the calendar year, it announces this will to the community. It can only be exercised once you have paid the first two years of the contract.

Since 18 January 2020, the parent company has paid a fee of €1/m² plus VAT to the Community of Montes. This fee is paid in advance every six months.

The amount of the investment in said land totals 13,039,228.16 euros at 30 June 2022 (11,652,131.34 euros at 30 June 2021).

- **Other leases** totalling 11,286.69 euros, of which details are not provided as they are not significant expenses (they totalled 7,829.85 euros at 30 June 2021).

2. Operating leases as lessor.

The amount of lease income recorded under the heading in the consolidated profit and loss account, accessory and other current management income is 125,059.86 euros (91,637.22 euros at 30 June 2021), corresponding essentially to:

- **The lease of the premises on the mezzanine of the A Sede building**, used by the A Sede Café, for the amount of 30,487.50 euros (at 30 June 2021 the figure was 30,000.00 euros) according to the agreement entered into on 21 November 2018 and updated on 22 February 2019.

On 8 August 2019, the duration of the lease was set to run until 30 June 2024, renewable by mutual agreement of the parties.

The rent agreed has a fixed part (in line with market price) and a variable one (depending on results)

- **Lease of the premises on the sixth floor of the A Sede building**, used for a restaurant, for the amount of 57,086.96 euros (at 30 June 2021, the figure was 55,887.22 euros), according to the agreement formalised on 13 December 2017. The company places the equipment and facilities at the disposal of the tenant, which includes the kitchen, dining room furniture and tableware.

On 20 August 2019 the duration of the agreement was set to run until 30 June 2024, renewable for terms of one year.

The rent agreed has a fixed part (in line with market price) and a variable one (depending on results), in addition to the additional rent related to the depreciation of the lessor's assets.

- **Lease of the Salón Regio** for different events for the amount of 8,100.00 euros (at 30 June 2021 the figure was 350.00 euros).
- The rest corresponds essentially to the **lease of spaces for aerals**.

All leases are valued at market rates. The market value of the leases is revised and updated regularly.

10. FINANCIAL INSTRUMENTS.

1. Financial Assets.

Non-current financial assets:

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

Description	Amount S 2021/2022	Amount S 2020/2021
Intangible fixed assets (note 6.1 and 7)	50,467,851.71	56,934,132.15
Other intangible fixed assets (note 6.2)	44,551.25	77,060.38
Tangible fixed assets (note 4)	26,067,708.17	25,048,590.93
Other long-term financial assets	29,256.32	29,256.32
Deferred tax assets (note 12.4)	1,842,306.11	1,248,668.74
Non-current trade debtors	13,019,394.42	8,930,671.60
Total Consolidated Non-Current Assets	91,471,067.98	92,268,380.12

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

Description	Amount S 2020/2021	Amount S 2020/2021
Other long-term financial assets (1)	29,256.32	29,256.32
Non-current trade debtors (2)	13,019,394.42	8,930,671.60
Total Consolidated Non-Current Financial Assets	13,048,650.74	8,959,927.92

(1) The group has long-term deposits and guarantees amounting to 29,256.32 euros (at 30 June 2021 the figure was 29,256.32 euros).

(2) 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. The maturity of the long-term payment rights with debtor sporting entities is set out in the following table:

S 2021/2022	2023/24	2024/25	2025/26
Sports entities	4,425,839.42	3,843,555.00	4,750,000.00
Total	4.425,839.42	3,843,555.00	4,750,000.00

S2020/2021	2022/23	2023/24	2024/25
Sports entities	8,168,561.60	668,555.00	93,555.00
Total	8,168,561.60	668,555.00	93,555.00

Current financial assets:

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

Description	Amount S 2021/2022	Amount S 2020/2021
Stock (note 11)	387,963.49	487,617.68
Debtor sports entities	20,651,053.44	23,138,424.44
Clients for sales and services	250,518.53	171,940.49
Miscellaneous debtors	2,600,298.20	3,969,383.84
Staff	138,868.11	205,295.51
Current tax assets	215,264.00	2,002,909.07
Other credits with the Public Administrations (note 12.6)	2,017,199.07	6,137.74
Loans to group companies	2,293,083.46	2,000,000.00
Other financial assets	100,180.30	2,000,180.30
Accruals	257,702.21	1,229,665.89
Cash and banks	36,318,426.64	7,987,656.97
Total Consolidated Current Assets	65,230,557.45	43,199,211.93

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

Description	Amount S 2021/2022	Amount S 2020/2021
Debtor sports entities (1)	20,651,053.44	23,138,424.44
Clients for sales and services	250,518.53	171,940.49
Miscellaneous debtors (2)	2,600,298.20	3,969,383.84
Staff	138,868.11	205,295.51
Loans to group companies (3)	2,293,083.46	2,000,000.00
Other financial assets (4)	100,180.30	2,000,180.30
Short-term accruals (5)	257,702.21	1,229,665.89
Cash and banks (6)	36,318,426.64	7,987,656.97
Total Consolidated Current Financial Assets	62,610,130.89	40,702,547.44

(1) 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 18,550,594.42 euros (at 30 June 2021 it amounted to 22,159,820.27 euros);
- b. credit right against Federations for the amount of 0.00 euros (at 30 June 2021 it totalled 63,876.86 euros); and
- c. credit right against the LNFP for the amount of 2,100,459.02 euros (at 30 June 2021 it totalled 914,727.31 euros).

(2) The amount appearing in miscellaneous debtors corresponds essentially to

- a. Collection rights from different collaboration and static advertising right exploitation agreements in accordance with the agreements signed for the amount of 2,534,107.46 euros (3,908,533.90 at 30 June 2021).
- b. Users and other debtors of the activity of Fundación Celta de Vigo, for the amount of 33,410.74 euros (21,960.21 euros at 30 June 2021) for the quotas of honorary members, protectors and collaborators pending receipt. The breakdown of the members of Fundación Celta de Vigo, according to the different categories, is set out in the following table:

Members Fundación 2022	Start	Incoming	Outgoing	End
Honorary Member	10	0	0	10
Protector Member	49	3	0	52
Collaborator Member	1,919	78	136	1,861
Total	1,978	81	136	1,923

Members Fundación 2021	Start	Incoming	Outgoing	End
Honorary Member	7	3	0	10
Protector Member	44	5	0	49
Collaborator Member	2,207	72	360	1,919
Total	2,258	80	360	1,978

- c. Beneficiaries of the activity carried out by Fundación Celta de Vigo for the amount of 32,780.00 (at 30 June 2021 for the amount of 38,970.54 euros) for campus, school quotas, ...

According to Decree Law 14/2009 which implements Act 12/2006 of Foundations of Galician Interest, the beneficiaries of the activities of the Fundación were the following:

	01 June 2021 to 30 June 2022		01 June 2020 to 30 June 2021	
Fundación Beneficiaries	Natural persons	Natural persons	Natural persons	Legal persons
Football schools	287	9	304	5
Youth campus	1,069	3	404	3
Technical preparation course	329	1	298	0
Celeste Solidario	0	2	0	2
Eurorregión Celeste	330	0	0	0
Torneo Padel	0	4	0	0
Stage A Canteira	63	0	0	0
Designation of Origin course	300	0	0	0
Total	2,378	19	1,006	10

- (3) corresponds to a loan, granted on 26 September 2019, to Grupo Corporativo Ges, S.L., for the amount of 2,293,083.46 euros maturing on 31 May 2023 and a fixed interest rate of 1.90% (at 30 June 2021 the amount was 2,000,000.00 euros).

- (4) Other financial assets includes a 100,000 euro deposit with the RFEF to cover any economic obligations arising as a result of the participation of Celta B in the Primera RFEF competition. The deposit is returned by the RFEF in July 2022.
- (5) The amount of short-term accruals corresponds to the expenses accounting for in the season that correspond to the following season.
- (6) Cash and banks includes a term deposit of 175,000 dollars maturing on 26 July 2022 (at 30 June 2021 5,000,000.00 euros was included in fixed-term deposits, maturing on 25 July 2021).

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

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

Description	Amount
At 30/06/2020	4,525,425.33
Impairment	117,587.96
Application of impairment	0.00
At 30/06/2021	4,643,013.29
Impairment	737,495.00
Application of impairment	-325,000.00
At 30/06/2022	5,055,508.29

Neither at 30 June 2022 nor in the previous season were any amounts retired as uncollectable.

The group does not have hedge accounting.

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

2. Financial liabilities.

Non-current financial liabilities:

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

Description	Amount S 2021/2022	Amount S 2020/2021
Long-term provisions (note 14)	590,919.22	590,919.22
Long-term debts with financial institutions	149,536.52	6,178,641.65
Debts with sports entities	2,351,650.69	8,669,166.00
Other financial liabilities	33,477,501.57	234,750.00
Deferred tax liabilities (note 12.5)	8,567,180.43	8,337,633.74
Total Consolidated Non-Current Liabilities	45,136,788.43	24,011,110.61

The information on **consolidated non-current financial liabilities** is supplied in the following table:

Description	Amount S 2021/2022	Amount S 2020/2021
Long-term debts with financial institutions (1)	149,526.52	6,178,641.65
Debts with sports entities (2)	2,351,650.69	8,669,166.00
Debts related to the acquisition of players (2)	475,000.00	230,000.00
Other financial liabilities	4,750.00	4,750.00
Other financial liabilities (CVC Funds –LaLiga Impulso) (3)	32,997,751.57	0.00
Total Consolidated Long-Term Financial Liabilities	35,978,678.78	15,082,557.65

(1) This corresponds to the following debt with financial institutions:

- In the 2021/2022 season the financial debt derived from the participating financial agreement between LaLiga and the dominant company was cancelled, as mentioned in this consolidated report. In the 2020/2021 season, it corresponded to two mortgage loans, with a mortgage guarantee over the dominant company's building situated on calle del Príncipe (Vigo). The following table sets out the characteristics of the loans:

Description			S 2020/2021	
Guarantee	Capital	Maturity	Short-term debt	Long-term debt
Mortgage (1)	2,750,000.00	01/07/2025	275,000.04	824,999.72
Mortgage 2 (a)	3,400,000.00	30/08/2022	869,315.91	146,327.26
Total	6,150,000.00		1,144,315.95	971,326.98

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

- In the 2021/2022 season the financial debt derived from an ICO loan with a principal of 5,000,000.00 euros maturing on 30 June 2026, with a two-year grace period, was cancelled. The long-term maturity, at 30 June 2021, is 5,000,000.00 euros.
- An ICO loan signed on 13 April 2016, with a principal of 475,000 euros maturing on 20 April 2026 and an annual rate of interest of 1.995%, with a grace period of one year. The long-term maturity is 149,536.52 euros (at 30 June 2021 it totalled 202,314.67 euros) and short-term 52,778.18 euros (at 30 June 2021 it totalled 52,777.83 euros).
- Loan granted by financial institution Abanca, in the 2012 financial year, for a nominal amount of 50,000 euros and annual repayment (proportional parts) until 01 July 2022. The long-term maturity was 0.00 euros (at 30 June 2021 it totalled 5,000.00 euros) and short-term 5,000.00 euros (the amount was 5,000.00 euros at 30 June 2021).

The maturity in the next five years, at 30 June 2022, is set out in the following table:

Loan	2022/23	2023/24	2024/25	2025/26	Total
ICO Loan	52,777.80	52,777.80	52,777.80	43,981.30	202,314.70
Abanca Loan	5,000.00	0.00	0.00	0.00	5,000.00
Total	57,777.80	52,777.80	52,777.80	43,981.30	207,314.70

The maturity in the next five years, at 30 June 2021, is set out in the following table:

Loan	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Loan (1)	275,000.04	275,000.04	275,000.04	274,999.64	0.00	1,099,999.76
Loan (2)	869,315.91	146,327.26	0.00	0.00	0.00	1,015,643.17
ICO Loan	0.00	1,217,405.05	1,238,881.35	1,260,736.54	1,282,977.06	5,000,000.00
ICO Loan	52,777.83	52,777.80	52,777.80	52,777.80	43,981.27	255,092.53
Abanca Loan	5,000.00	5,000.00	0.00	0.00	0.00	10,000.0
Total	1,202,093.75	1,696,510.15	1,566,659.19	1,588,513.98	1,326,958.36	7,380,735.46

(2) The debt with sports entities worth 2,351,650.69 euros (at 30 June 2021 the figure was 8,669,166.00 euros) corresponds to:

- Player acquisition debt worth 2,250,000.00 euros (at 30 June 2021 the figure was 7,391,666.00 euros),
- Contingent liability debt derived from the sale of players worth 0.00 euros (at 30 June 2021 the figure was 1,277,500.00 euros), and
- Training expense and solidarity debt worth 101,650.69 euros (at 30 June 2021 the figure was 0.00 euros).

The debt related to player acquisitions was 475,000.00 euros (at 30 June 2021 the figure was 230,000.00 euros) corresponds to debt with agents due to the acquisition of players.

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

S 2021/2022	2023/24	2024/25	Total
Sports entities	1,175,825.35	1,175,825.36	2,351,650.69
Player acquisitions	425,000.00	50,000.00	475,000.00
Total	1,600,825.35	1,225,825.36	2,826,650.69

S 2020/2021	2022/23	2023/24	Total
Sports entities	8,669,166.00	0.00	8,669,166.00
Player acquisitions	205,000.00	25,000.00	230,000.00
Total	8,874,166.00	25,000.00	8,899,166.00

(3) This corresponds to a participating financing agreement between LaLiga and the clubs, known as CVC Funds –LaLiga Impulso. The amount granted to the dominant company was 86,641,012.34 euros, the drawdowns of the same will take place in the 2021/2022 season and the 2023/2024 season. The amount drawn in the 2021/2022 season was 34,334,741.61 euros.

According to the development plan, the funds will be used for:

- i. Investment necessary for growth: strengthening infrastructures (stadiums and/or sports facilities), technological innovation and reduction of financing by 70%.
- ii. Cancellation and/or refinancing of existing financial debt at the moment of approval of the Plan (max. 15%).
- iii. Registration of players (max. 15%), with the following conditions, among others:
 1. Maximum season cost of the registration of players distributed over the 2021/2022 and 2023/2024 seasons, equivalent in the aggregate of those seasons to 15% financing.
 2. The increase will apply whether or not the club has already exceeded its playing staff cost limit.

The most significant characteristics of the participating financing are:

- Variable interest rate of 1.52% of income from operation and marketing of broadcast rights.
- No early repayments will be made without the prior, written consent of LaLiga.

Maturity in the following five years, at 30 June 2022, of the total amount granted (86,641,012.34 euros) is set out in the following table, taking into account capital amortised in the 2021/2022 season:

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
CVC Funds –LaLiga Impulso	1,049,549.87	1,570,164.73	2,116,002.17	2,116,002.17	79,501,853.23	86,353,572.17
Total	1,049,549.87	1,570,164.73	2,116,002.17	2,116,002.17	79,501,853.23	86,353,572.17

Current financial liabilities:

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

Description	Amount S 2021/2022	Amount S 2020/2021
Short-term provisions (note 14)	0.00	252,194.17
Short-term debt with financial institutions	57,778.18	1,202,093.78
Other short-term financial liabilities	2,250,425.36	624,145.17
Debts from purchases and services	136,776.56	6,164.03
Debts with sports entities	12,447,474.05	11,030,326.53
Miscellaneous creditors	3,362,415.43	3,421,500.23
Outstanding remuneration	415,739.02	1,190,676.33
Other debts with public administrations (note 12.6)	5,339,816.21	4,998,564.03
Advances to clients	39,963.80	247,188.41
Short-term accruals/deferrals	891,431.34	147,911.56
Total Consolidated Current Liabilities	24,941,819.95	23,120,764.24

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

Description	Amount S 2021/2022	Amount S 2020/2021
Short-term debt with financial institutions (1)	57,778.18	1,202,093.78
Other short-term financial liabilities (2)	1,200,875.49	624,145.17
Other short-term financial liabilities (CVC Funds – LaLiga Impulso) (3)	1,049,549.87	0.00
Debts from purchases and services (3)	3,499,191.99	3,421,500.23
Debts with sports entities (4)	12,447,474.05	11,030,326.53
Outstanding remuneration (5)	415,739.02	1,190,676.33
Advances to clients	39,963.80	247,188.41
Short-term accruals/deferrals (6)	891,431.34	147,911.56
Total Consolidated Short-Term Financial Liabilities	19,602,003.74	17,870,006.04

- (1) This corresponds in the short-term to the ICO loan and the loan granted by Abanca (also mentioned in the non-current financial liabilities) (in the 2020/2021 season it corresponded in the short term to the mortgage loans, the ICO loans and the loan granted by Abanca).
- (2) The amount of other financial liabilities includes, essentially, providers of real estate).
- (3) This corresponds to the short term of the participating financing agreement between LaLiga and the clubs, known as CVC Funds – LaLiga Impulso (also mentioned in other long-term financial liabilities).
- (4) Debts for purchases or provision of services includes:

- a. Debt with agents related to the acquisition of players totalling 1,155,000.00 euros (at 30 June 2021 it totalled 623,750.00 euros)
- b. Debt with agents related to the sale of players worth 72,973.80 euros (at 30 June 2021 it amounted to 820,473.80 euros), and
- c. Debt due to the normal activity of the Group.

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

- a. Debt from the acquisition of players worth 9,655,683.34 euros (at 30 June 2021 it totalled 7,858,167.00 euros),
- b. Debt for contingent liabilities derived from the sale of players worth 1,597,562.50 euros (at 30 June 2021 it totalled 2,713,125.00 euros)
- c. Debt with Federations worth 480,775.11 euros (at 30 June 2021 it totalled 183,392.13 euros),
- d. Debt with the LNFP worth 481,402.63 euros (at 30 June 2021 it was 10,950.26 euros), and
- e. Debt for training and solidarity worth 232,050.47 euros (at 30 June 2021 it totalled 264,692.14 euros).

(6) Outstanding remuneration corresponds to the extraordinary payments for non-playing staff, while the previous season they corresponded largely to variable remuneration established in the contracts of playing staff as well as, where applicable, outstanding indemnification, paid according to the conditions established in the respective agreements.

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

- at 30 June 2022, totals 28,165,588.21 euros with the amount corresponding to the 2022/2023 season being 24,941,819.95 euros and the amount for the 2023/2024 season being 3,223,768.26 euros
- at 30 June 2021, totals 33,691,440.39 euros, with the amount corresponding to the 2021/2022 season being 23,120,764.24 euros and the amount corresponding to the 2022/2023 season being 10,570,676.15 euros

Liabilities due with a maturity of two years or less is understood as total current liabilities plus long-term debt maturing in 2023/2024.

At the date these Consolidated Annual Accounts are formulated, the Group does not have any other debt with special characteristics (same situation the previous season).

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

The Group holds no debts with an *in rem* guarantee (in the 2020/2021 season the Group held debts with an *in rem* guarantee over the building of the dominant company, on Calle del Príncipe, and the garage spaces).

The Group 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.

3. 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 Group has debts due for more than 30 days with suppliers for commercial operations amounting to 16,249,027.04 euros (at 30 June 2021 the amount was 21,851,546.83 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 2,826,650.69 euros (at 30 June 2021, the long-term amount recognised was 8,899,166.00 euros).

4. Information on the nature and level of risk derived from financial instruments.

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

- **Future impact of the outbreak of the war in Ukraine:** At the time of reformulation of the consolidated management report, it is not possible to estimate the future impacts of the crisis caused by the war in Ukraine on the Group or on society in general. The Group will evaluate during the 2022/2023 season the future impact on its economic-financial situation.
- **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 group currently has a procedure for carrying out all operations strictly monitoring risk and the grant of credit. The group carries out monthly reviews to identify situations of risk and delays in receiving payment.
- **Liquidity risk:** This arises due to the possibility of the group not being able to dispose of liquid funds or access them in the amount necessary in order to meet payment obligations. The group 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 group pays the debt for purchases and provision of services and sporting entities in accordance with the law and the respective agreements. The group receives:

- Season ticket purchases when issued,
 - Advertising rights according to the terms of the respective contracts and agreements,
 - The provision of clinical services and marketing income (RC Celta stores) in cash,
 - Quotas of collaborator members, football schools and campus via direct debit and transfers from the rest of members, campus fees as well as collaboration 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 group. The group applies a very prudent policy of financial indebtedness and in fact the main source of financing for the group is the net worth, with debts being relegated to a secondary plane and optimising the figure of financial expenditure.

5. Equity

Share capital of the dominant company.

The share capital of the dominant company 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 dominant 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 dominant company for it to become a public limited sports company at 3,449,911.65 euros.

The part of the capital of the dominant company 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 30/06/2022	% at 30/06/2021
Grupo Corporativo Ges, S.L.	67.92%	67.92%

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 30/06/2022	% at 30/06/2021
Grupo Corporativo Ges, S.L.	67.92%	67.92%

Founding capital of Fundación Celta de Vigo.

The initial founding capital of Fundación Celta de Vigo, dated 08 July 1996, totalled 6,010.12 euros, at closing the figure was 537,935.54 euros as a result of the application of positive remnants from past financial years (at 30 June 2021 it totalled 537,935.54 euros).

Act 49/2002, of 23 December, and Act 12/2006, of 1 December, establish that foundations must devote at least 70% of the income they obtain to the objectives of the same, within a term of four years as of when it is obtained.

For the purposes of determining the income and revenue, the expenses necessary for obtaining the gross income are deducted, including taxes and depreciation. At closing, the Fundación complies with these requirements.

Reserves.

The breakdown of the reserves is set out in the following table:

Description	Amount S2021/2022	Amount S2020/2021
Reserves of the dominant company:		
<u>Restricted reserves:</u>		
Legal reserve	754,042.00	754,042.00
Capitalisation reserve	4,335,120.07	4,335,120.07
<u>Unrestricted reserves:</u>		
Voluntary reserves	67,696,267.46	77,168,551.31
Negative remnants from past years (Fundación Celta de Vigo)	-465,901.63	-467,493.49
Reserves in Consolidated Companies	-449,335.69	-336,279.14
Total Reserves	71,870,192.21	81,453,940.75

- Legal reserve of the dominant company.

The legal reserve of the dominant company 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.

- Capitalisation reserve of the dominant company.

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 2022 is 4,335,120.07 euros (4,335,120.07 euros at 30 June 2021) (note 12). This reserve is restricted for the five-year term in which the amount of the increase in equity must be maintained.

Other information.

The dominant company does not hold treasury stock.

The dominant company does not hold options or other agreements issued over its own shares, which would qualify as equity.

Neither the shares of the dominant company nor the participations of the dependent company are listed on an official market.

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

The dominant company has not distributed dividends in the last 5 years.

II. STOCK.

The amount of stock at closing was 383,793.30 euros (487,017.68 euros at 30 June 2021) and corresponds to sporting goods and equipment for use by the first team, Celta B and Celta C, as well as products from the RCCelta stores managed by the company (Balaídos, Príncipe and Web stores as well as other brand points of sale).

The Group recognised a reversal of impairment of stock at closing worth 77,347.35 euros at season end (at 30 June 2021 the loss from impairment of stock was 116,614.75 euros).

The group does not have any definitive purchase or sale undertakings or future agreements regarding stock, with the exception of the agreement with our usual supplier of sporting goods and equipment.

The amount of prepaid suppliers is 4,170.19 euros (600.00 euros at 30 June 2021).

The group does not possess stock appearing in assets for a fixed amount.

The group does not capitalise financial expenses.

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

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

The group has sufficient stock at sports facilities and the shop.

The method for assigning value used by the group to value stock is FIFO.

12. TAX SITUATION AND BALANCES WITH PUBLIC ADMINISTRATIONS.

1. Reconciliation of accounting profit and taxable base of the tax consolidation group.

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 1 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 (“LIS”). The company is the dominant company in the Consolidated Group (the “Group”), which also contains, as dependent companies, Afouteza e Corazón, S.L.U. and Galicia Sport 360, S.L.U.

During the 2021/2022 season, Galicia Sport 360, S.L.U. was incorporated, with the dominant company as its sole member. Consequently, and pursuant to the regulations governing the Tax Consolidation Regime, as it is an entity that meets the requirements established in such regulations and is a newly incorporated entity, it has been integrated into the Group this season.

Each company belonging to the Group will quantify 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 carries out the necessary activity to be able to apply the deduction or discount.

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 2021/2022 and 2020/2021 seasons is as follows:

Description	Profit and loss account		
2021/2022 Season	Increases	Decreases	Total
Pre-tax accounting profit			32,963.04
Permanent differences			
Derived from profits	1,173,270.74		1,173,270.74
Derives from changes in equity			
Temporary differences			
Derived from profits	11,714,815.55	-13,704,992.03	-1,990,176.48
Previous tax base			-783,942.70
Capitalisation reserve			
Tax base at 30 June 2020			-783,942.70

Description	Profit and loss account		
2020/2021 Season	Increases	Decreases	Total
Pre-tax accounting profit			-13,395,550.04
Permanent differences			
Derived from profits	2,105,176.27		2,105,176.27
Derives from changes in equity		-2,348,505.65	-2,348,505.65
Temporary differences			
Derived from profits	18,947,561.10	-750,738.71	18,196,822.39
Previous tax base			4,557,942.97
Capitalisation reserve			-455,794.30
Tax base at 30 June 2020			4,102,148.67

Permanent differences.

Positive permanent differences originating from profits generated over the 2020/2021 season of 1,173,270.74 euros (2,105,176.27 euros the previous season) correspond to expenses recorded by the group, which are not considered tax-deductible expenses in accordance with Article 15 of the Corporation Tax Act.

Meanwhile, the previous season, 2,348,505.65 euros corresponding to the adjustment of the final settlement of broadcast rights for the 2019/2020 season were consigned as a negative adjustment, the amount of which was reduced from the initial estimate derived from the health crisis derived from COVID-19.

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 11,336,697.57 euros (18,829,973.14 euros the previous season), and a decrease in accounting results for the amount of 13,500,000.00 euros (443,334.64 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 278,300.00 euros (117,587.96 euros the previous season) correspond 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.

Meanwhile, the dominant company has established a long-term staff remuneration plan under which it has paid an amount of 99,817.98 euros which has not been allocated to the beneficiaries of the same, meaning that the requirements of section 2 of article 14 LIS have not been met.

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 at total amount of 204,992.03 euros (307,404.07 euros the previous season).

Capitalisation Reserve.

In the 2021/2022 season and as a result of the negative tax base generated by the dominant company, it was not possible to apply the tax benefit of the capitalisation reserve (405,888.79 euros the previous season)

In accordance with the terms of Article 25 LIS, the Company did not generate a capitalisation reserve in the 2021/2022 season (at 30 June 2021 it was 943,478.97 euros) as there was no increase in equity in accordance with the requirements envisaged in that article.

The Group has accounted for a capitalisation reserve of the amount of 4,335,120.07 euros which corresponds to the reduced amount as capitalisation reserve applied in the last 5 seasons.

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 was made, in accordance with the terms of Article 42 of the Restated Text of the Corporation Tax Act, as the dominant 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 900,000.00 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 2018/2019 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.

In addition, in the 2021/2022 season, the Group generated a deduction for donations to non-profit entities subject to the terms of Act 49/2002 for an amount of 350,000.00 euros (509,390.28 euros the previous season). As a result of the negative tax base generated, it was decided not to apply any amount in this regard, leaving 614,083.34 euros pending application in future financial years, corresponding to the 2019/2020 season, an amount of 509,390.28 corresponding to the deduction generated in the 2020/2021 season and an amount of 350,000.00 corresponding to the deduction generated in the 2021/2022 season.

In the 2021/2022 season, the right to apply a deduction for the creation of employment for people with disabilities was not generated (27,000.00 in the 2020/2021 season). No right has been generated to apply deductions for technological innovation (61,429.88 euros in the previous season).

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 (4,370.20 euros the previous season).

2. Reconciliation of accounting profit and corporation tax expense for the tax consolidation group.

The reconciliation of the consolidated accounting profit and the Corporation Tax expenses for the tax consolidation group is as follows:

Reconciliation of tax profit and tax expense	Season 2021/2022	Season 2020/2021
Pre-tax accounting profit	32,963.04	-13,395,550.04
25% rate	0.00	-3,348,887.51
Impact of permanent differences derived from profits	0.00	4,488,373.25
Deductions applied in the season	0.00	-236,375.29
Impact from capitalisation reserve	0.00	-113,948.57
Total expense/ (income) from tax recognised in profit and loss account	0.00	789,161.87

3. Breakdown of corporation tax expense of the tax consolidation group.

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

Description	Season 2021/2022	Season 2020/2021
For ongoing operations	0.00	789,161.87
For ongoing operations	-52,811.76	-4,599,371.51
Total tax expense	-52,811.76	-3,810,209.64

4. Deferred tax assets recorded.

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

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

2021/2022 Season				
Credit for losses to be offset 2016 (Afouteza)	11,711.16	0.00	0.00	11,711.16
Credit for losses to be offset 2017 (Afouteza)	8,945.13	0.00	0.00	8,945.13
Credit for losses to be offset 2018 (Afouteza)	8,631.82	0.00	0.00	8,631.82
Loss credits to compensate companies Group	0.00	17,308.34	0.00	17,308.34
Act 16/2012 depreciation limit	104,884.89	4,370.20	(21,851.02)	87,408.48
Impairment of commercial credits	69,297.04	69,575.00	(29,396.99)	109,475.05
Pension provisions	0.00	24,954.40	0.00	24,954.50
Credit for deductions to be applied	1,045,198.70	350,000.00	0.00	1,395,198.70
Loss credit to be offset T 2021/2022	0.00	178,677.34	0.00	178,677.34
Total deferred tax assets	1,248,668.74	627,577.04	(51,248.01)	1,842,306.11
2020/2021 Season				
Credit for losses to be offset 2016 (Afouteza)	11,711.16	0.00	0.00	11,711.16
Credit for losses to be offset 2017 (Afouteza)	8,945.13	0.00	0.00	8,945.13
Credit for losses to be offset 2018 (Afouteza)	8,631.82	0.00	0.00	8,631.82
Act 16/2012 depreciation limit	131,106.11	0.00	(26,221.22)	104,884.89
Impairment of commercial credits	94,900.05	29,396.99	(55,000.00)	69,297.04
Credit for deductions to be applied	679,383.63	509,390.28	(143,575.21)	1,045,198.70
Total deferred tax assets	934,677.90	538,787.27	(224,796.43)	1,248,668.74

Afouteza e Corazón, S.L.U. has an amount of tax bases pending offsetting in future financial years generated prior to its inclusion in the tax consolidation group of 117,152.42 euros (same amount as the previous season).

5. Deferred tax liabilities recorded.

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

	Derechos sobre activos cedidos en uso (nota 7.1 y 19)	Operaciones a plazo	Total
Temporada 2019/2020			
Saldo inicial	4.046.626,66	4.291.007,08	8.337.633,74
Aumentos	0,00	3,375,000.00	3,375,000.00
Disminuciones	-311,278.92	-2,834,174.39	-3,145,453.31
Saldo final	3,735,347.74	4,831,832.69	8,567,180.43
Temporada 2020/2021			
Saldo inicial	4.357.905,58	8.576.387,76	12.934.293,34
Aumentos	0,00	422.112,60	422.112,60
Disminuciones	-311.278,92	-4.707.493,28	-5.018.772,20
Saldo final	4.046.626,66	4.291.007,08	8.337.633,74

6. Current balances with the Public Administration.

The amount of **current tax assets of the tax group** totals 215,264.00 euros (2,002,909.07 euros at 30 June 2021).

The breakdown of other **credits with the Public Administration** is contained in the following table:

Description	Amount 30/06/2022	Amount 30/06/2021
Inland Revenue VAT credit	8,152.26	0.00
Inland Revenue CT credit	2,009,046.81	6,137.74
Total other credits with the Public Administrations (note 10.1)	2,017,199.07	6,137.74

The breakdown of other **debts with the Public Administration** is set out in the following table:

Description	Amount 30/06/2022	Amount 30/06/2021
Inland Revenue IRPF debt	1,710,001.24	3,978,514.15
Inland Revenue VAT debt	3,448,730.87	781,875.13
Social Security owed	181,084.10	238,174.75
Total other debts with the Public Administrations (note 10.2)	5,339,816.21	4,998,564.03

7. Reconciliation of accounts and tax base of Fundación Celta de Vigo.

Fundación Celta de Vigo is subject to the terms of Act 50/2002, of 26 December, and Act 12/2006, of 1 December, and the special tax regime established by Act 49/2002, of 23 December, on the tax regime for non-profit entities and tax incentives for sponsorship, understood to mean, among others, those recorded at the Registry of Foundations.

According to this, the foundations that meet certain requirements will be exempt from Corporate Tax on the earnings derived from the income obtained without a consideration, that coming from the foundation's assets and property, such as dividends, interest, levies and rent, that derived from acquisitions or transfers of goods or rights by any means, that obtained in the exercise of exempt economic operations and that attributed and charged to non-profit entities in accordance with the regulations.

At 24 November 2021, Fundación Celta de Vigo presented the economic report on the season ending 30 June 2021 to the Tax Authorities.

The positive permanent differences, worth 1,934,679.69 euros (at 30 June 2021 they totalled 2,175,630.91 euros), correspond to expenses that are not considered deductible as they are attributable exclusively to exempt earnings, pursuant to the terms of Article 8.2 of Act 49/2002. Negative permanent differences, worth 2,794,317.72 euros (at 30 June 2021 they totalled 2,174,039.05 euros) correspond to earnings that are exempt pursuant to Articles 6 and 7 of Act 49/2002.

8. 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 2021/2022 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 dominant 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 consolidated annual accounts.

13. INCOME AND EXPENDITURE.

1. Net turnover.

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

Net turnover	Amount S 2021/2022	Amount S 2020/2021
Income from competitions		
League	984,688.91	0.00
Others (distribution LNFP football pools)	38,239.53	330,267.90
Total income from competitions	1,022,928.44	330,267.90
Income from Season Ticket Holders and Members	3,165,678.85	740,063.71
Broadcast income	53,872,149.93	53,691,288.43
Advertising income		
Static advertising	6,904.84	26,366.04
Dynamic advertising	10,097,793.13	9,934,078.23
Total advertising income	10,104,697.97	9,960,444.27
Marketing income		
Shop sales/ Sale of sports equipment	1,590,352.10	1,316,102.07
Other	3,223.07	11,876.92
Total marketing income	1,593,575.17	1,327,978.99
Provision of clinical services	257,884.98	185,274.15
Member quotas	609,979.39	524,877.20
Income from promotions, sponsors and collaborators	313,692.15	82,221.47
Total Net turnover	70,940,586.88	66,842,416.12

2. Staff expenses.

a. Non-playing staff expenses.

The breakdown of non-playing staff expenses, in accordance with the provisions of note 3.19, is set out in the following table:

Non-playing staff expenses	Salaries and wages	Social Security and others	Total
Season 2021/2022			
Non-playing technical staff (a)	977,390.69	191,644.91	1,169,035.60
Other non-playing staff (b)	4,342,480.10	904,553.37	5,247,033.47
Total	5,319,870.79	1,096,198.28	6,416,069.07
Season 2020/2021			
Non-playing technical staff (a)	1,325,724.10	181,319.14	1,507,043.24
Other non-playing staff (b)	4,142,776.25	824,849.53	4,967,625.78
Total	5,468,500.35	1,006,168.67	6,474,669.02

- (a) **Non-playing technical staff** includes: director of football, delegate, medical personnel (includes healthcare professionals and physiotherapists) and kitmen.
- (b) Other **non-playing staff** includes the rest of staff linked to the group by means of contracts of employment, including junior level coaches, scouts, administrative, marketing, communication, commercial, stores, clinic and ground maintenance staff.

The dominant company has taken the decision to externalise the commitments assumed with employees regarding retirement premiums, in accordance with the terms of the collective agreement. The contribution was 99,817.98 euros at 30 June 2022.

b. Expenditure on playing staff.

The breakdown of expenditure on playing staff, distinguishing between playing staff eligible for registration with the LNFP and those ineligible, in accordance with the provisions of note 3.19 of the consolidated report, is set out in the following table:

Playing staff expenditure	Fixed contract	Variable contract	Image rights	Indemnification	Other remuneration	Collective premiums	Social Security	Loan income/ expenditure	Agents' fees	Amortisation acquisition rights (nota 8)	Impairment/ loss
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EXPENDITURE LNFP-ELIGIBLE PLAYING STAFF Season 2021/2022

Players	32,604,341.17	3,313,497.88	0.00	1,688,149.74	3,302,404.16	0.00	302,692.61	507,000.00	2,381,789.73	15,338,900.65	0.00
Coaches	3,413,500.08	0.00	0.00	0.00	0.00	0.00	67,186.56	0.00	150,000.00	0.00	0.00
Total LNFP-eligible Staff	36,017,841.25	3,313,497.88	0.00	1,688,149.74	3,302,404.16	0.00	369,879.17	507,000.00	2,531,789.73	15,338,900.65	0.00

EXPENDITURE LNFP-INELIGIBLE PLAYING STAFF Season 2021/2022

Players	1,526,938.62	135,800.00	0.00	132,499.67	40,000.00	0.00	278,297.11	56,000.00	10,500.00	68,750.00	0.00
Coaches	215,903.20	70,000.00	0.00	0.00	0.00	0.00	47,134.62	0.00	0.00	0.00	0.00
Total LNFP-ineligible Staff	1,742,841.82	205,800.00	0.00	132,499.67	40,000.00	0.00	325,431.73	56,000.00	10,500.00	68,750.00	0.00
TOTAL PLAYING STAFF S 2021/2022	37,760,683.07	3,519,297.88	0.00	1,820,649.41	3,342,404.16	0.00	695,310.90	563,000.00	2,542,286.73	15,407,650.65	0.00

Wages and salaries playing staff S 2021/2022= 46,443,034.52 euros

Playing staff expenditure	Fixed contract	Variable contract	Image rights	Indemnification	Other remuneration	Collective premiums	Social Security	Loan income/ expenditure	Agents' fees	Amortisation acquisition rights (nota 8)	Impairment/ loss
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EXPENDITURE LNFP-ELIGIBLE PLAYING STAFF Season 2020/2021

Players	35,495,513.74	3,269,578.92	0.00	1,089,325.94	3,499,567.90	300,000.00	247,356.88	(304,349.87)	2,597,273.89	14,971,643.92	701,770.90
Coaches	1,609,178.24	518,824.28	0.00	1,779,466.65	0.00	0.00	74,761.61	0.00	536,221.29	0.00	0.00
Total LNFP-eligible Staff	37,104,691.98	3,788,403.20	0.00	2,868,792.59	3,499,567.90	300,000.00	322,118.49	(304,349.87)	3,133,495.18	14,971,643.92	701,770.90

EXPENDITURE LNFP-INELIGIBLE PLAYING STAFF Season 2020/2021

Players	1,812,339.60	116,000.00	0.00	237,576.47	0.00	120,600.00	271,519.19	176,500.00	8,662.50	605,311.49	108,978.19
Coaches	204,000.00	110,000.00	0.00	0.00	0.00	0.00	61,666.90	0.00	0.00	0.00	0.00
Total LNFP-ineligible Staff	2,016,339.60	226,000.00	0.00	237,576.47	0.00	120,600.00	333,186.09	176,500.00	8,662.50	605,311.49	108,978.19
TOTAL PLAYING STAFF S 2020/2021	39,121,031.58	4,014,403.20	0.00	3,106,369.06	3,499,567.90	420,600.00	655,304.58	(127,849.57)	3,142,157.68	15,576,955.41	810,749.09

Wages and salaries playing staff S 2020/2021= 50,161,971.74 euros

The group 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 30/06/2022	Amount 30/06/2021
Player acquisition fee expenses (a)	2,542,286.73	3,142,157.68
Player loan expenses	666,000.00	274,150.13
Total player acquisition expenses	3,208,286.73	3,416,307.81

- (a) The agents' fees also include miscellaneous acquisition expenses and training and solidarity expenses worth 433,915.73 euros (the figure at 30 June 2021 was 306,379.65 euros).

3. Losses, impairment and variation of provisions for commercial operations.

The information is supplied in notes 10.1 of this consolidated report.

4. Consumption of merchandise

The breakdown of the group's consumption is set out in the following table:

Description	Amount 30/06/2022	Amount 30/06/2021
Purchase of merchandise	1,079,713.15	1,004,213.22
Consumption of raw materials and other consumables	0.00	886.36
Work for other companies	103,237.69	101,393.98
Impairment/Reversal of merchandise, raw materials and others	-77,347.35	116,614.75
Total Provisioning	1,105,603.49	1,223,108.31

5. Other information.

a. Foreign currency transactions.

There were no foreign currency transactions in the 2021/2022 season or in the 2020/2021 season.

The Group has a term deposit for the amount of 175,000 dollars that generates exchanged rate differences worth 17,656.77 euros (Note 13.5.e).

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 30/06/2022	Amount 30/06/2021
Lease income (1)	125,059.86	91,637.22
Player release income (2)	290,285.62	403,329.53
Player training rights income	46,399.93	2,865,532.19
Miscellaneous service income (3)	145,890.10	919,036.11
Total ancillary income and other current management income	607,635.51	4,279,535.05

(1) The breakdown of lease income is set out in note 9.2.

(2) Player release income includes the amount resulting from the profits received from UEFA from the release of players to their respective national teams for the amount of 187,285.62 euros (the figure at 30 June 2021 was 1,329.53 euros).

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

- a. Income from stays by foreign players worth 0.00 euros (at 30 June 2021 the amount was 660,073.92 euros), and
- b. Other current management income worth 145,890.10 euros (at 30 June 2021 the amount was 258,962.19 euros).

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

The average number of persons employed in the season, together with the number of persons employed at 30 June, broken down by category and gender, is set out in the following table:

Breakdown	Average Staff 2021/2022		Closing Staff 2021/2022	
	Men	Women	Men	Women
Playing staff (players)	41	0	36	0
Other staff	95	24	148	34
Total staff	136	24	184	34

Breakdown	Average Staff 2020/2021		Closing Staff 2020/2021	
	Men	Women	Men	Women
Playing staff (players)	45	0	38	0
Other staff	95	25	113	27
Total staff	140	25	151	27

d. Exceptional income and expenditure.

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

Description	Amount S2021/2022	Amount S2020/2021
Exceptional expenditure (1)	-29,865.06	-506,963.10
Exceptional income (2)	558,686.12	905,722.16
Total other results	528,821.06	398,759.06

- (1) No breakdown of the exceptional expenditure for the season is provided as it corresponds essentially to insignificant expenses.

- (2) The exceptional income for the season corresponds essentially to insurance compensation for the amount of 125,765.88 euros, lodgement following a judicial decision of the amount provisioned in the short term totalling 252,194.17 euros derived from the lawsuit against members of the coaching staff of the 2017/2018 season (note 14) and adjustment of balances of past seasons (in the previous season, it corresponded essentially to insurance compensation for the amount of 260,032.77 euros and income due to the expiry of certain solidarity rights for the amount of 506,726.02 euros).

e. Financial income and expenditure.

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

Description	Amount S2021/2022	Amount S2020/2021
Financial expenditure (1)	-485,219.92	-192,438.36
Financial income (2)	91,494.46	231,186.08
Variation in fair value of financial instruments (3)	-28,741.24	0.00
Exchange rate differences (note 13.5.a)	17,618.30	0.00
Total financial results	-404,848.40	38,747.72

- (1) Financial expenditure corresponds essentially interest from the participating financing agreement between LaLiga and the clubs, known as CVC Funds – LaLiga Impulso, for the amount of 404,020.41 euros and loans with financial institutions (last season it corresponded largely to loans with financial institutions).
- (2) The financial income corresponds essentially to interest on the loans granted to Grupo Corporativo Ges, S.L.U. for the amount of 36,664.80 euros (at 30 June 2021 the amount was 38,000.00 euros) and interest from bank deposits and active positions).

f. Results from the sale of players.

In the 2021/2022 season the company obtained a profit of 16,657,473.48 euros (6,608,488.76 euros in the season 2020/2021) from the sale of players (Note 7).

g. Accruals.

The amount of accrued income (note 10.2) corresponds to,

- Season tickets for the 2022/2023 season worth 657,865.10 euros.
- Collaboration agreements worth 50,671.53 euros.
- Campus quotas worth 182,894.71 euros (at 30 June 2021 the figure was 147,911.56 euros).

h. 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 totals 125,765.88 euros derived largely from indemnification from different claims and due to the loss of season ticket holders in the 2019/2020 season as a result of the pandemic (at 30 June 2021 it totalled 260,032.77 euros derived largely from the indemnification from the flooding of Estadio Abanca Balaídos) (note 13.5.d).

6. Net turnover figures.

The breakdown of the net turnover figure is supplied in note 13.1 of this report, with the most significant income being that derived from the agreements and contracts signed with the public administrations:

- **Broadcast rights** which include audio-visual rights negotiated by the TV operators and LaLiga worth 53,160,577.00 euros (in the 2020/2021 season the amount was 53,196,000.00 euros) and the adjustment of the broadcast rights from past seasons for the amount of 104,633.00 euros, the Copa del Rey broadcast rights worth 372,851.00 euros (in the 2020/2021 season the amount was 403,288.43 euros) and Primera RFEF in relation to the reserve team, with the RFEF for the amount of 234,088.92 (in the 2020/2021 season with con Corporación Radio e Televisión de Galicia, S.A. (CRTVG) for the amount of 89,000.00 euros).

The breakdown of the CRTVG agreements is:

- On 1 September 2020 an assignment agreement was signed with Corporación Radio e Televisión de Galicia, S.A. (CRTVG) for 2 friendly matches played during the pre-season. The amount of the agreement was 15,000.00 euros.

- On 16 October 2020, an exclusive assignment agreement was signed with CRTVG for the rights for the Celta B matches in the 2021/2022 season in the national LaLiga championship, 2nd division B. The amount of the agreement depends on the phases reached and the audience share, with the income amounting to 74,000.00 euros.
- The **income from advertising and commercialisation** derived from agreements or contracts signed with the public administration is:
 - A sponsorship agreement with Fundación Deporte Galego, dated 10 July 2021 with the primary objective of sponsoring Galician teams in major competitions, specifically Celta B. The amount of the agreement is 27,798.38 euros.
 - On 17 December 2021, the dominant company signed an agreement with Fundación Deporte Galego for the 2021/2022 season, with the primary objective of sponsoring the national and international promotion of Galicia and the Xacobeo 2021/2022 holy year through sport. The amount of the agreement was 38,493.99 euros.
 - On 17 June 2020, the company entered into a sponsorship agreement with Fundación Deporte Galego, with the primary objective of sponsoring Galician teams participating in major competitions, Celta B to be precise. The amount of the agreement was 21,208.20 euros.

7. Contribution to consolidated results

The contribution of each company included within the consolidation perimeter to the consolidated results is set out in the following table and corresponds to the results of each of the group companies:

Description	Amount S2021/2022	Amount S2020/2021
Real Club Celta de Vigo, S.A.D.	131,999.82	-9,472,283.85
Afouteza e Corazón, S.L.U.	-15,140.99	-113,056.55
Fundación Celta de Vigo	-859,638.03	1,591.86
Galicia Sport 360, S.L.U.	-31,084.03	0.00
Total contribution to consolidated results	-773,863.23	-9,583,748.54

14. PROVISIONS AND CONTINGENCIES.

a. Provisions.

At 30 June 2022, the group has recognised the following provisions:

- Long-term provisions for the amount of 590,919.22 euros derived from the liquidation of work carried out by a supplier by virtue of judgment 49/21 (at 30 June 2021, the figure was 590,919.22 euros) (note 13.5.d)
- Short-term provisions totalling 0.00 euros derived from an amount received by virtue of a judicial decision in relation to a dispute with members of the technical staff from the 2017/2018 season (note 13.5.d). (At 30 June 2021 the amount provisioned in this regard was 252,194.17 euros).

b. Contingencies.

Contingent liabilities.

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

The contracts for the purchase of players establish clauses that oblige the dominant 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 dominant 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 dominant company is entitled to receive the corresponding indemnification.

Moreover, the dominant company has players that come from the club's academy (note 3.7) who do not appear on the consolidated balance sheet and in the event of their sale the full price of such sale would appear as a profit.

15. ACTIVITY OF THE FOUNDATION. APPLICATION OF ASSET ELEMENTS TO OWN PURPOSES. ADMINISTRATION EXPENSES

Note 13 of the annual accounts of Fundación Celta de Vigo, at 30 June 2022, provides the following information:

- Activity of the Foundation,
- Total economic resources used, as well as income obtained by the Foundation,
- Deviations between the plan of action and data established,
- Application of asset elements to the Foundation's own purposes, and
- Administration expenses.

16. GUARANTEES PROVIDED TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES.

There are no guarantees given to third parties at 30 June 2022 or in the 2020/2021 season.

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

At 30 June 2022, the company has off-balance sheet risks totalling 236,293.43 euros (at 30 June 2021 the figure for the firm's risks was 236,293.43 euros).

17. SUBSIDIES, DONATIONS AND ENDOWMENTS.

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

Concessionaire	Initial amount	Charged to results	Final amount
Season 2021/2022			
Vigo City Council (I)	12,139,879.47	1,245,115.80	11,206,042.59
Secretaria Xeral para O Deporte	17,499.98	5,000.04	12,499.94
Season 2020/2021			
Vigo City Council (I)	13,073,716.35	1,245,115.80	12,139,879.47
Secretaria Xeral para O Deporte	20,000.00	2,500.02	17,499.98

(I) At 30 January 2009, the agreements signed between Vigo City Council and the dominant 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 dominant company free of charge, to be exploited by said 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 dominant company. The dominant 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 dominant 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 dominant company are being held.

The dominant 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 consider 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 group does not receive any donations or endowments.

In the 2021/2022 season, the Group processed operating subsidies worth 691,162.92 euros (at 30 June 2021 the amount was 1,052,269.69 euros), obtaining operating subsidies worth 730,151.80 euros (in the 2020/2021 season the figure was 587,727.83 euros), with the following breakdown:

- 352,963.06 euros in a subsidy from the Spanish Football Federation under the academy with values programme (at 30 June 2021, for an amount of 364,708.27 euros),
- 282,000.03 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 2021 was 181,087.60 euros),
- 28,318.18 euros in a subsidy from INEGA (a body belonging to the Xunta de Galicia) for thermal renewable energy (specifically a heat pump in the Ciudad Deportiva Afouteza) (in the 2020/2021 season the amount was 35,108.63 euros for adaptation of the lighting of the Abanca Balaídos Stadium),
- 47,428.56 euros in a subsidy from the Xunta de Galicia as aid for recovery from the effects of COVID-19 (in the 2020/2021 season the amount was 0.00 euros), and
- 16,573.75 euros correspond to the subsidy from the Xunta de Galicia for the development of sports activities (in the season 2020/2021 the figure was 4,500.95 euros).
- 2,868.22 euros in a subsidy from the Concello de Vigo for non-profit sports entities (in the 2020/2021 season the amount was 2,322.38 euros).

The group has complied with all conditions associated with the subsidies.

18. EVENTS SUBSEQUENT TO CLOSING.

At the date of reformulation of these Consolidated 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 Consolidated Annual Accounts.

There are no subsequent events that show conditions that did not exist at season closing and that, given their importance, are being supplied in these Consolidated Annual Accounts.

There are no subsequent events to closing of the Consolidated Annual Accounts that affect the application of the going concern principle.

19. RELATED-PARTY TRANSACTIONS.

1. Related-party transactions whose effects were not eliminated by the consolidation process.

Related-party transactions, not eliminated in the consolidation process, correspond in the 2021/2022 season to a loan granted to Grupo Corporativo Ges, S.L. for the amount of 2,293,083.46 euros (note 10.1) (In the 2020/2021 season the amount was 2,000,000.00 euros). The financial interest on the same amounts to 36,664.80 euros (at 30 June 2021, the amount was 38,000.00 euros).

2. Related-party transactions.

The group belongs to the Grupo Corporativo Ges company group, the direct dominant company being Grupo Corporativo Ges, S.L., with registered office in Vigo (Calle Colon), and the end dominant company of the group is Corporativo Ges España, S.A. de C.V.

3. Management Body Remuneration.

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

The group has no senior executive employment contracts.

The group has taken out collective accident insurance for the members of the Board of Directors of the dominant company 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 group has taken out a policy to cover the civil liability of Directors and Senior Executives of the group, with an annual limit of the 6,000,000.00 euros (before the insurance limit was 3,000,000.00 euros).

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

4. 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 dominant 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 dominant company or with any of the companies that make up the group.

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 of the dominant company, the members of the Board of Directors of the dominant company 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.

20. OTHER INFORMATION.

1. Average staff levels in the financial year.

The average number of persons employed in the 2021/2022 season and the number of persons employed at 30 June, broken down by categories and gender, is set out in note 13.5.c.

2. Indicators established in the Economic Monitoring Regime of the LNFP.

The members of the management body of the dominant company supply information on the balancing point, expenses associated with the first team and ratio of net debt to total income in note 22.2 of the report on the annual accounts of Real Club Celta de Vigo, S.A.D. at 30 June 2022.

In accordance with note 2.1, the members of the management body of the parent company have reformulated the annual accounts of Real Club Celta de Vigo, S.A.D. for the 2021/2022 season in order to calculate the point-of-balance indicators, in accordance with the circular issued by the Professional Football League on 12 September 2022. And consequently they have reformulated the consolidated annual accounts of Real Club Celta de Vigo, S.A.D and dependent companies of the season 2021/2022.

3. Liquidation of the budget for the season and budget for the next season in line with LNFP rules.

The members of the management body of the dominant company have provided the liquidation of the budget for the 2021/2022 season and the budget for the 2022/2023 season according to LNFP rules in note 22.3 of the report on the annual accounts of Real Club Celta de Vigo, S.A.D. at 30 June 2022.

4. Securities listed for trading on a regulated market in the European Union

The company does not issue listed securities.

5. Remuneration of Auditors.

These Consolidated Annual Accounts will be audited by Auren Auditores (auditors of the dominant company) and its remuneration for auditing the annual accounts of the different companies comprising the group amounts to 32,670.00 euros (at 30 June 2021 the figure was 32,670 euros). Moreover, the audit company has also invoiced fees for other verification services amounting to 7,865.00 euros (at 30 June 2021 the figure was 14,865.00 euros).

6. Company agreements.

There are no company agreements other than those appearing in the consolidated balance sheet or informed about in other notes of this report, except in relation to the agreements for the signings or transfers for the 2022/2023 season, which are reflected in that season.

21. SEGMENTED INFORMATION.

Being a Sports Company, the dominant 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 that are available in the season 2021/2022, these are the first team (playing in the First Division), Celta B (playing in Primera RFEF) and Celta C (which plays in Regional Preferente) (note I.I),

The most significant data on Celta B being as follows:

- Expenditure on playing staff not eligible for registration with the LNFP which includes remuneration (fixed and variable), indemnification, other remuneration, collective premiums, social security, loan (income)/expenditure, agents' fees, amortisation of player acquisition rights and transfer impairment/losses (note I3.2.b),

Expenditure on sports staff NOT applicable (Celta B)	Amount S2021/2022	Amount S2020/2021
Fixed remuneration	1,742,841.82	2,016,339.60
Variable remuneration	205,800.00	226,000.00
Indemnification	132,499.67	237,576.47
Other remuneration	40,000.00	0.00
Collective premiums	0.00	120,600.00
Social security	325,431.73	333,186.09
Loan (income)/expenditure	56,000.00	176,500.00
Agents' fees	10,500.00	8,662.50
Amortisation of player acquisition rights	68,750.00	605,311.49
Transfer impairment/losses	0.00	108,978.19
Total expenditure for sports staff NOT eligible (Celta B)	2,581,823.22	3,833,154.34

- Expenses of non-sporting technical staff for the amount of 280,690.43 euros (in the 2020/2021 season the amount was 152,369.26 euros),
- Other operating expenses for the amount of 66,025.73 euros (in the 2020/2021 season the amount was 64,574.62 euros),
- Refereeing fees of 57,182.73 euros (in the 2020/2021 season the amount was 19,867.30 euros),
- Transport expenses of 130,490.91 euros (in the 2020/2021 season the amount was 83,207.89 euros).

- Other expenses (mutual insurance, sporting penalties...) amounting to 30,693.32 euros (in the 2020/2021 season the amount was 40,696.64 euros).
- Ticket office income of 39,258.07 euros (in the 2020/2021 season the amount was 0.00 as the public were not allowed to enter stadiums).
- Broadcast Income of 234,088.92 euros (in the 2020/2021 season the amount was 74,000.00 euros) (note 15.5).
- Sponsorship and advertising income of 362,792.39 euros (in the 2020/2021 season the amount was 141,558.20 euros).
- Operating subsidies of 415,736.64 euros (in the 2020/2021 season the amount was 364,708.27 euros) (note 17).
- Player transfer profits for the amount of 0.00 euros 8 in the 2020/2021 season the amount was 52,500.00).

According to the affiliation agreement signed with Gran Peña (note 1.3), the dominant company will assume the expenses of the 1st team in full for 3 seasons, regardless of the category in which it is registered. At 30 June 2022, the most representative data of Celta C was:

- Expenses totalling 169,698.28 euros
- Ticket office income of 1,021.50 euros.

The Consolidated Annual Accounts have been reformulated by the members of the Board of Directors of the parent company in a meeting held for that purpose.

Mr Manuel Carlos Mouriño Atanes (Chairman)

Mr Ricardo Barros Hermida (Vice-Chairman)

Mr Pedro Posada Martínez (Vice-Chairman)

Ms Carmen Avendaño Otero (Director)

Mr Primitivo Ferro Ribadulla (Director)

Mr Jose Fernando Rodilla Martinez (Director)

Ms Maria Jose Taboas Cabral (Director)

The reformulated consolidated annual accounts were issued on 16 September 2022 and this document is a literal translation of them.

REAL CLUB CELTA DE VIGO, S.A.D. AND DEPENDENT COMPANIES

Reformulated Consolidated Management Report for the financial year ending 30 June 2022

I. Reformulation of consolidated management report and comparison of information.

The consolidated annual accounts for the 2021/2022 season were drawn up by the members of the Board of Directors of the parent company at a meeting held on 1 August 2022. On 16 September 2022 the Board of Directors of the parent company decided to reformulate the annual accounts of Real Club Celta de Vigo, S.A.D. on 30 June 2022. Consequently, it has also decided to reformulate the consolidated annual accounts of Real Club Celta de Vigo, S.A.D and its subsidiaries as of 30 June 2022.

As a result of that reformulation, there is no change in the parent company's balance sheet, profit and loss account, statement of changes in equity, statement of cash flows or budget for the 2022/2023 season or in the consolidated balance sheet, consolidated profit and loss account, statement of changes in consolidated equity and statement of consolidated cash flows. The reformulation of the annual accounts of the dominant company is carried out exclusively as a consequence of Circular No 9 of the 2022/2023 season of the National Professional Football League, dated September 12, 2022, in relation to the "homogenization of the treatment of the impact of the COVID-19 for the purpose of the calculation of the equilibrium point and the economic-financial ratios" affecting exclusively the calculation of the ratio of the equilibrium point at the discretion of the National League of Professional Football.

As mentioned in note 2.3 of the consolidated annual accounts for the 2021/2022 season, in January 2022 as a result of taking into account the difference between the activated deduction at 30 June 2021 and the final deduction (at the time of presentation of the corporate tax), the expenditure of the season was reduced by 61,429.88 euros. In addition, in accordance with LaLiga's criterion as regards the reflection of the amounts corresponding to revenue from audiovisual rights, the parent company has decided to follow the same approach as LaLiga by charging the gross amounts under the heading Net Amount of Turnover and the amounts to be deducted from that income under other operating expenses.

These expenses correspond to the obligations associated with the compensation fund for downstream equipment, the RFEF, the promotion of the LaLiga brand in national and international markets, the CSD and the ability to cover the costs of public systems, for aid to women's football, associations and trade unions. These amounts currently amount to 9% of audiovisual revenue.

As a result, the following consolidated balance sheet items and the consolidated profit and loss account are restated:

Balance sheet items	Restated information S20/21 30/06/2021	Information approved annual accounts 30/06/2021
Assets B) III.7 Current tax assets	2,002,909.07	1,941,479.19
Net equity and liabilities A.1) VII. Income attributable to parent company	-9,583,748.54	-9,645,178.42
Net equity and liabilities A.1) III.1. Non-distributable reserves	5,089,162.07	9,075,516.14
Net equity and liabilities A.1) III.2. Distributable reserves	76,701,057.82	72,714,703.75

Profit and loss account items	Restated information S20/21 30/06/2021	Information approved annual accounts 30/06/2021
I. Revenue	66,842,416.12	62,054,776.12
c) Broadcast income	53,691,288.43	48,903,648.43
7. Other operating expenses	-17,324,181.48	-12,536,541.48
g) Other current management expenses	-5,869,221.00	-1,081,581.00

2. Evolution of the group and future prospects.

2.1. Main figures:

During the 2021/2022 season the dominant company managed to generate a positive result again and all this even though the budget formulated and approved by the General Shareholders' Meeting of the dominant company predicted a negative result of more than 10 million euros. We are therefore satisfied with the economic management carried out throughout the season.

In this sense and if we limit ourselves exclusively to the part of the income, although a part of the activity is recovered and income is generated by ticket offices and subscribers derived from the return of public to the stadiums, the effects of COVID on our business are still very significant, with a significant contraction of the market involving, among other things, a fall in player sales, an impact on revenues from audiovisual rights and also the need to be aware of the risk of credit and insolvency affecting the amount of commercial revenues. The company has worked in two lines during the season:

- Try to increase the turnover over the expected income.
- Adjust as much as possible the structure expenses.

However, we cannot compensate for the fall in revenue from the sale of players from previous years.

All this means that we work and dedicate a large part of our efforts in the search for strategic added value and that we focus on an approach of business excellence (through process management, continuous improvement, ...) transparency through our website, emphasis on the technological and digital approach, social and personnel issues, as well as corporate social responsibility and ethics.

All this work and effort has had that reward that we mentioned at the beginning since the losses of the Group have been reduced compared to the previous season.

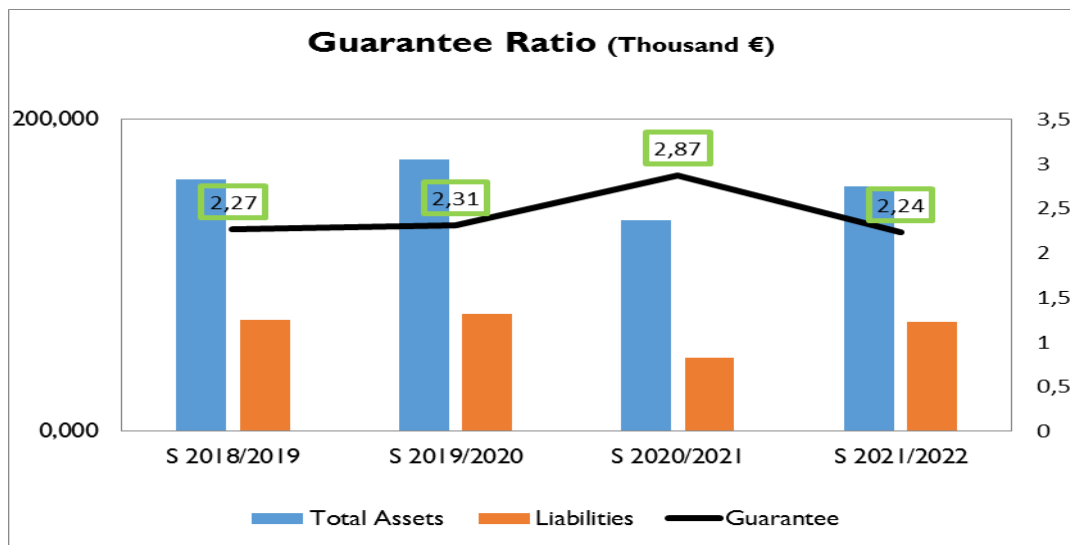
Description	Amount S2021/2022	Amount S2020/2021
Real Club Celta de Vigo, S.A.D.	131,999.82	-9,472,283.85
Afouteza e Corazón, S.L.U.	-15,140.99	-113,056.55
Fundación Celta de Vigo	-859,638.03	1,591.86
Galicia Sport 360, S.L.U.	-31,084.03	0.00
Total contribution to consolidated results	-773,863.23	-9,583,748.54

One of the key elements for which the Board of Directors continues to bet is the maintenance of strategic investments that allow to train the Group for the future ensuring its sustainability over time. These investments have focused on three areas:

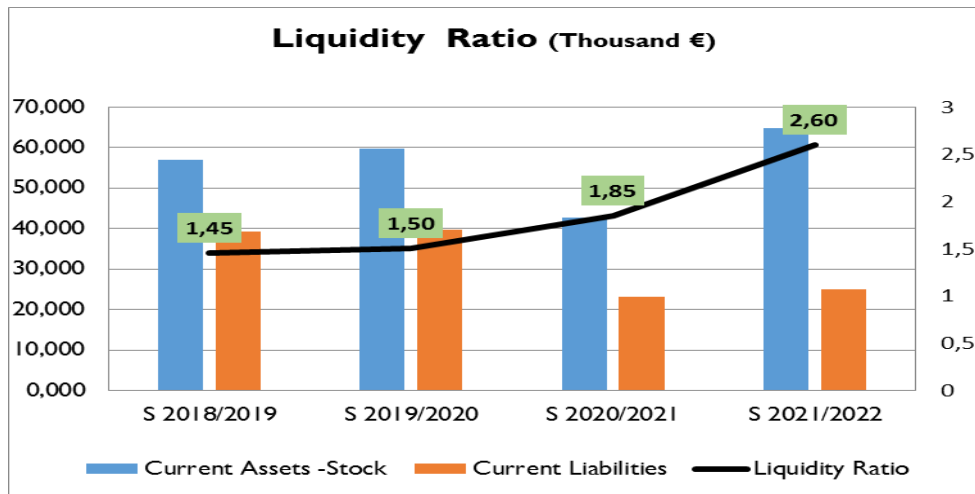
- Players for an amount of 11,775,000.00 euros (in the 2020/2021 season for an amount of 4,400,000.00 euros),
- Ciudad Deportiva Afouteza, with facilities consisting of two double training camps, multipurpose building and parking, integrated with the landscape, with the total investment made until 30 June 2022 of 13,039,228.16 euros, and

- Continuity of the digitization project of the Group, focused on forming an open innovation ecosystem within its different areas and supported by collaboration with third parties.

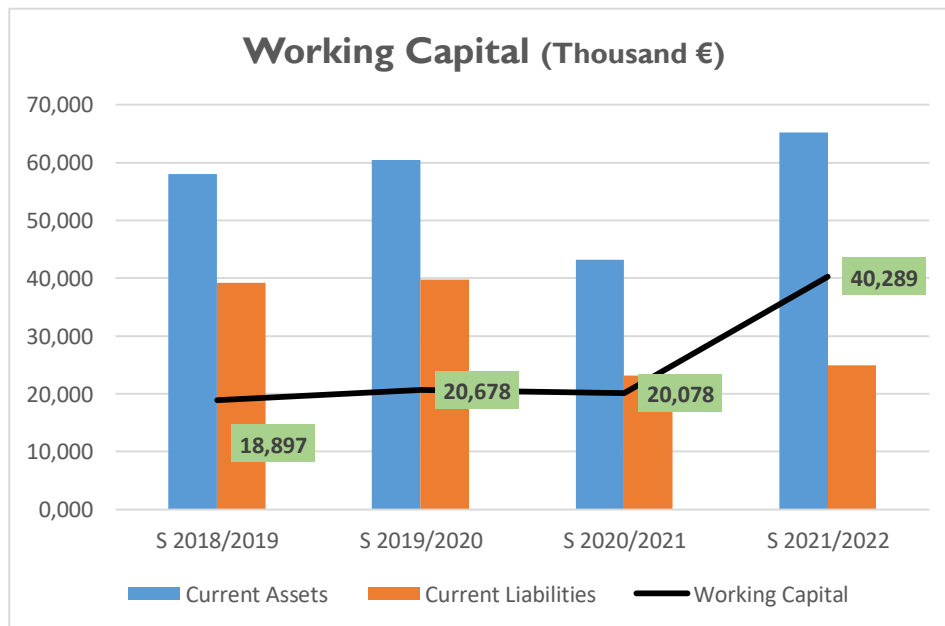
At the financial level, the Group maintains guarantee ratios or total solvency that show us the ability of the Group as a whole to meet all obligations incurred, for this purpose we compare the consolidated asset with realisation value against all consolidated liabilities, irrespective of maturity. Thus indicating the security of collection offered by the Group to its creditors, considered appropriate when it is between 1.5 and 2.5. The higher the value of the ratio, the greater the guarantee offered by the group in relation to the payment of all the debts contracted.



So the liquidity ratio improves by showing the group's ability to meet its financial obligations, liabilities or consolidated short-term liabilities. The higher the positive consolidated result, the higher the solvency and the greater the capacity to pay, the group will be constituted, as well as a short-term monetary guarantee for the Group. As the Group's ratio exceeds 1, it assumes that the current consolidated asset is greater than the current consolidated liability, which is a matter of financial health.

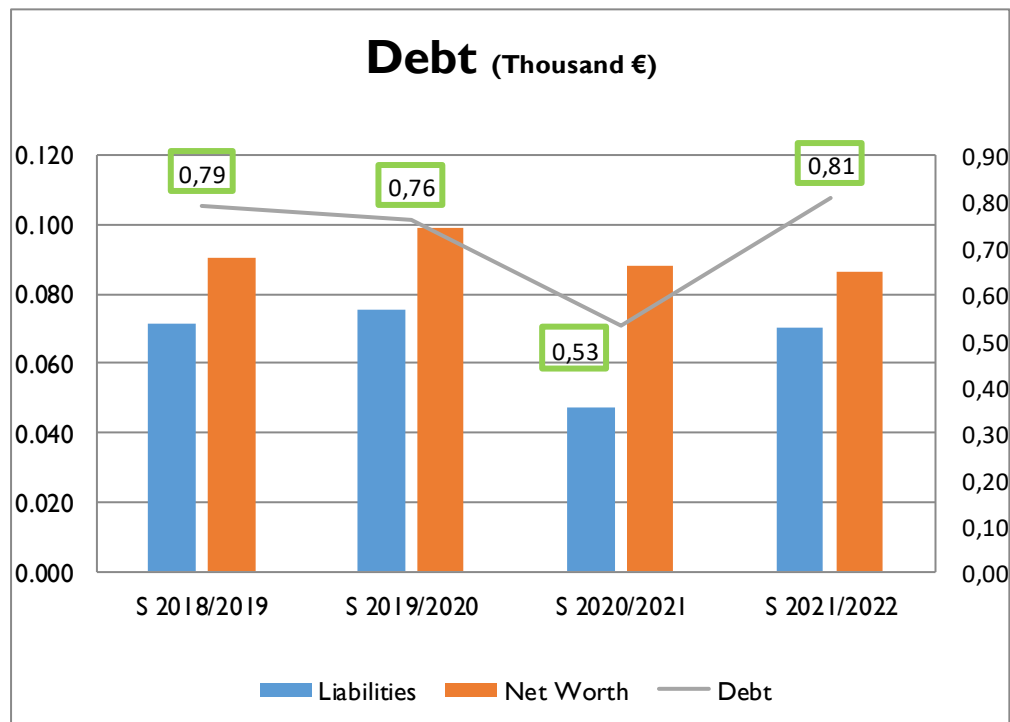


The fundamental consequence of this current asset being greater than the current liability is the existence of a positive working capital. In the 2021/2022 season the Group reached a working capital of more than 40 million, the largest in the last 5 seasons, which is a guarantee of stability.



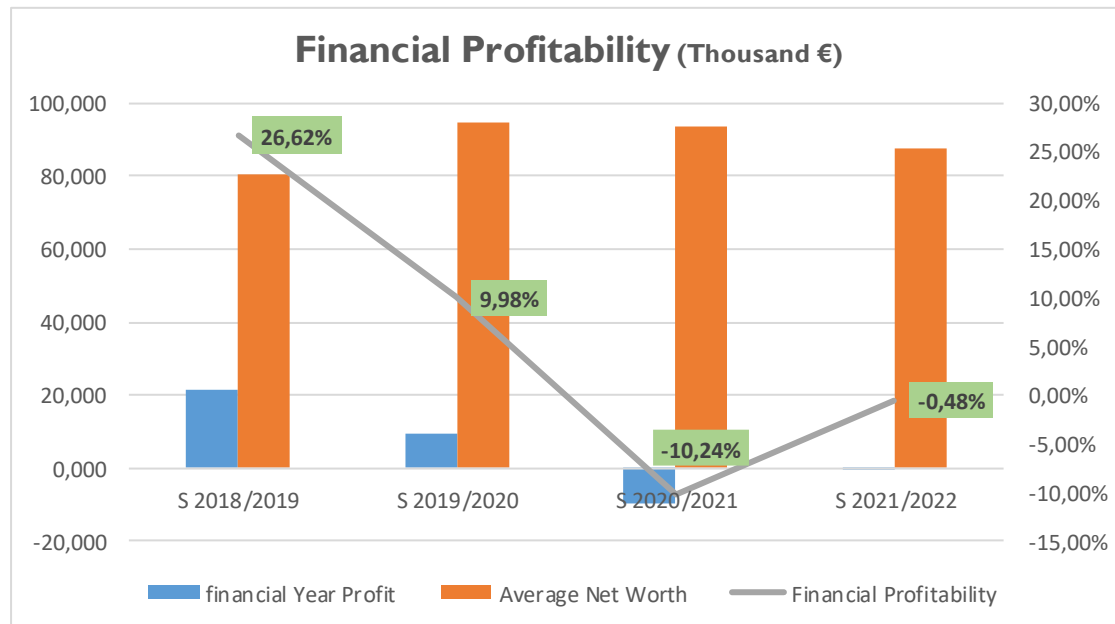
By showing assurance to third parties outside the Group on the ability of the Group to meet its commitments in the short term without incurring cash stress (the largest cash balance of the last 5 seasons).

This financial solvency follows a fundamental rule, that the total debts incurred by the Group must never exceed the value of consolidated equity. According to this, the value taken by the debt ratio must be at most the unit and recommended values below the unit. Thus, the main source of funding is consolidated equity, with the Group's total debts relegated to a secondary role.

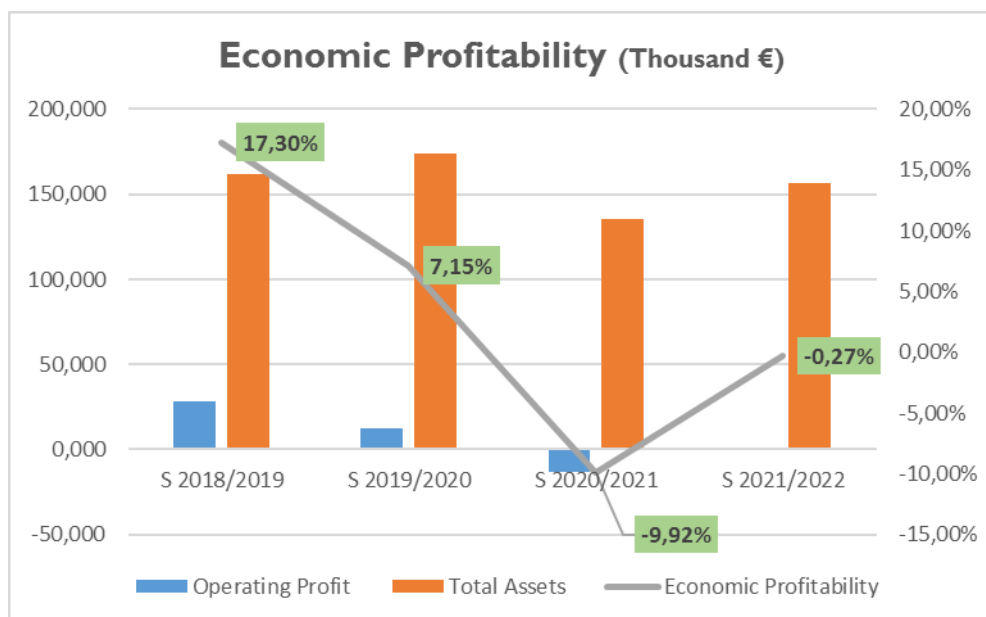


This financial balance has been achieved as a result of the absence of dividend distribution by the parent company, which implies that the Group is highly patrimonialized, raising the consolidated net worth to 86,623,017,05 euros with a total consolidated assets of 156,701,625.43 euros.

If we compare the evolution of the Group's financial profitability, we achieved in this season ratios that significantly improve those of the previous season.



The same applies to the economic profitability ratio, which makes a comparison between the profit made on the activities carried out by the Group before interest and tax and the total assets. Economic profitability measures the efficiency of the Group in the use of its economic resources or assets for profit. It is clear that the higher the ratio is the better, as it indicates a higher "productivity" of the assets and a higher efficiency of the Group, while a lower ratio may be indicative of an excess of investments (assets) and other cases and therefore a lower "productivity".



2.2. Management Objectives.

The group has implemented different methodologies and processes that enable it to develop its activity in an ethical, transparent and sustainable manner, promoting the values of excellence, transparency, sustainability and proximity as the strong points of its business:

1. **Business and sporting excellence**, by implementing different quality systems under the **UNE EN ISO 9001:2015 standard** certified by standards entity AENOR, centring on our client focus, process management, continual improvement (in the security and facilities department and in the corporate area).
2. **Transparency, with social responsibility and business ethics**, by virtue of which we voluntarily draw up a Non-Financial Information Statement for the RC Celta Group for each season, the **INFUT score of 100%** in the ranking of the **Football Club Transparency Index** prepared by Transparency International Spain and implementation of the **Criminal Compliance management system under the UNE 19601:2017 standard**.
3. **Sustainability, by optimising resource and waste management** which sets the Group apart from its competition and positively reinforces the image it portrays to society in general. The Group integrates the environment into its overall management and implements an **environmental management system pursuant to the ISO 14001:2015 standard**.

This optimisation in the management of resources and waste was highlighted by obtaining the **Indicador Ardan Empresa Circular 2020 and 2021**, for the implementation of a circular economy strategy.

Moreover, the Ciudad Deportiva Afouteza was a finalist in the XV Spanish Architecture and Urban Development Awards (BEAU) between 2018 and 2020. It was nominated for the 2022 European Union Mies van der Rohe Contemporary Architecture Award for the works concluded between October 2018 and April 2021.

4. **Proximity**, by 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).

All of this led to the dominant company being granted the **Certificate of Excellence in business management by Informa-el Economista in 2019, 2020 and 2021** and our recognition as the **5th best managed Galician company by operating income according to the Ardan Galicia 2022 Report**.

2.3. Future Prospects.

As a consequence of the context of uncertainty in which the global economy finds itself at the moment, society considers of great importance for the future:

- Consolidate the international presence as an element generating income, through an Internationalization Plan that starts with a pre-season tour of the first team in the United States and Mexico, which seeks to grow in revenue and gain presence in different markets.
- Generate digital content in new market niches that allows the loyalty of fans, growth of followers and extend the Celta brand to achieve monetization presence in new markets.
- Search for new sponsorship opportunities that increase the overall value of the brand and allow growth in revenue.
- On March 15, 2022, the dominant company filed an application to initiate the procedure of declaration and Regional Interest of the project "Galician Sport Factory- Galicia Sports 360" having as promoter Real Club Celta de Vigo, S.A.D, bearing in mind that sport has outstanding functions, in particular in the fields of education, training and culture, in improving public health, in promoting social cohesion, in development and in respect of the environment.

The project "Factoría del Deporte Gallego- Galicia Sports 360" is constituted as a complex of facilities of about 300,000 m2 from which will address and promote different facets of the sports system, with three groups of infrastructure: Sports City Afouteza, Integral Center for the Training of the Sports Industry and, finally, the Service Area- Arena Space.

The Afouteza Sports City consists of an integrated set of buildings and facilities at the service of sport in order to meet the operational needs of the entity and provide it with the necessary infrastructure both for the requirements of high readiness performance and monitoring of athletes in the professional football categories of the club as for promotion, promotion and training of new generations of sports (Cantera).

Given the importance of the training processes of athletes and the need for adequate facilities, as well as the growth of the entity face, among other things, to women's football to which the current facilities of A Madroa would be reserved since the Group in its promotion of equality between men and women and as a push of women's sport, created a female football section of RCCelta.

In the field of training, the aim is to support sports agents in the field of technology, as well as to identify and retain the sports talent that is disseminated in the different clubs of the Autonomous Community.

Given the sports dimension of RCCelta, the work of sports promotion, especially in the field of grassroots sport transcends the metropolitan area of Vigo and the Autonomous Community itself.

The project also has an important presence of the educational, innovation and development aspects of the sports system, mainly focused on the Integral Center for the Training of the Sports Industry. Thus, it is intended to establish a dynamic and modernizing center of the business fabric that is a benchmark not only in the Autonomous Community or the northwestern peninsula, but at the national and international levels, and a strategic investment for its future. In addition to presence in employment, with the recruitment of a large number of new staff for management, the revitalization of activities and the maintenance of new facilities, being the Technological Center for Innovation in Sport, one of the areas that will benefit most from this new employment opportunity because it is totally new and by its very nature.

The proposed action goes beyond the municipal level and the project supports the idea of sport as an activity of public interest that helps growth and social cohesion, gender equality, to improve the welfare of citizens and the development of the whole of the Autonomous Community, strengthening the transversal character of the Galician sports system.

Therefore, on June 1, 2022, the declaration of regional interest by the Consello da Xunta de Galicia of the "Galician Sport Factory-Galicia Sports 360" requested by the company is considered appropriate.

- In the field of sports, the Group intends to continue strengthening and developing its sports model by combining the aforementioned revenue with a cost containment that allows us to achieve the objectives set for the season. In this sense, society has the capacity to increase the LCPD in the 2022/2023 season to 15% of CVC funds that it has not yet used.

3. Events subsequent to closing.

At the date of reformulation of this consolidated 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 Consolidated Annual Accounts and in this Consolidated 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 Consolidated Annual Accounts and in this Consolidated Management Report.

No events occurred subsequent to the closing of the Consolidated Annual Accounts and in this Consolidated Management Report that affected the application of the going concern principle.

4. Environmental information.

Given the Group's activity, there are no environmental liabilities, expenses, assets, provisions and contingencies that could be significant in relation to the group's consolidated assets, financial position and consolidated results.

The Group works towards the creation of value and for this purpose has as a fundamental pillar the protection of the environment optimizing the management of resources and waste and the proper management of the expectations of stakeholders in this matter.

The Quality and Environment Import Conscious Group in meeting the needs and expectations of stakeholders has included these requirements in its business strategy and has therefore implemented an environmental management system in accordance with the Standard ISO 14001:2015, as mentioned in note 2.2 of this reformulated consolidated management report.

The group's contribution to sustainability is characterized by the development of measures that are fully linked, on a day-to-day basis, and that contribute to efficient resource management.

For example, these actions allow the reduction of raw material consumption, efficient water consumption, reduction in waste generation, measures for efficient waste collection (mainly packaging that will be reused later), use of renewable energy, increase of the energy efficiency of the facilities, awareness of stakeholders with a correct environmental performance and minimization of the environmental impact derived from the purchase of products/services and their use.

In the Sports City Afouteza is committed to measures to improve efficiency in the use of resources with a construction based on bioclimatic architecture (provides thermal comfort taking advantage of environmental sources, ...), respecting the environment to the maximum, balancing with the landscape, self-sufficient building from the point of view of the use of irrigation water. Among others, rainwater collection systems have been installed in the Sports City Afouteza.

5. Research and Development Activities.

The Group has launched a phase of continuous digital transformation, based on the permanent analysis of the activity, both internal on the company's processes and external regarding client relations, both B2B and B2C.

As part of the innovation in internal processes, the Group is continuously analysing the tasks carried out by personnel, trying to digitise, using new tools, those that do not contribute value and free up time for people to carry out the relevant ones.

With regard to innovation in relation to B2C, the Group is equipping itself with tools that enable it to better analyse and learn about the relationship clients have with the Group and how to create "patterns" that help to improve service or be proactive in covering the future needs that clients will have.

Analytical tools, artificial intelligence systems and 360 data capturing, are the basis for knowing your clients and how they behave, something that is directly affecting the company via the adaptation of the offer of products and services. This digitisation maintains a direct impact on the optimisation of sustainability models, via mobility, environment and, consequently, a reduction of the carbon footprint and added value for the entire company in general.

6. Acquisition of treasury stock.

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

7. Financial instruments.

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

- **Future impact of the outbreak of the war in Ukraine:** At the time of reformulation of the consolidated management report, it is not possible to estimate the future impacts of the crisis caused by the war in Ukraine on the Group or on society in general. The Group will evaluate during the 2022/2023 season the future impact on its economic-financial situation.
- **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 group currently has a procedure for carrying out all operations strictly monitoring risk and the grant of credit. The group carries out monthly reviews to identify situations of risk and delays in receiving payment.

- **Liquidity risk:** This arises due to the possibility of the group not being able to dispose of liquid funds or access them in the amount necessary in order to meet payment obligations. The group 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 group paid the debt for purchases and provision of services and sporting entities in accordance with the law and the respective agreements. The group collects:

- payments when issued
- advertising rights in accordance with the terms of the respective contracts or agreements
- the provision of clinical services and income from marketing (RC Celta stores) in cash,
- quotas paid by collaborator members, football schools and campus by direct debit and by transfer from other members, campus quotas and under collaboration 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 group. The group applies a very prudent policy of financial indebtedness and in fact the main sources of financing for the group is the consolidated net worth, with debts being relegated to a secondary plan and optimising the figure of financial expenditure.

The Group does not use financial derivatives.

8. Securities listed for trading.

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

9. Average employment for the period.

The average number of persons employed, as well as staff at 30 June, distributed by categories and gender, is set out in the following tables:

Breakdown	Average Staff 2021/2022		Closing Staff 2021/2022	
	Men	Women	Men	Women
Playing staff (players)	41	0	36	0
Other staff	95	24	148	34
Total staff	136	24	184	34

Breakdown	Average Staff 2020/2021		Closing Staff 2020/2021	
	Men	Women	Men	Women
Playing staff (players)	45	0	38	0
Other staff	95	25	113	27
Total staff	140	25	151	27

1. 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 group has debts due for more than 30 days with suppliers for commercial operations amounting to 21,851,546.83 euros (the previous season the figure was 44,328,941.77 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, with the amount recognised long term being 8,899,166.00 euros (at 30 June 2020 the figure was 19,662,175.42 euros).

2. Sponsors and creditors

The Group's sponsors are set out on its website.

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

*Adidas España, S.A.

*Viajes El Corte Ingles.

*Laliga,

*Constructora San Jose, S.A.

*RFEF.

*Royalverd Service, S.L.U.

The consolidated management report was reformulated by the members of the board of directors of the parent company in a meeting held for that purpose.

Mr Manuel Carlos Mouriño Atanes (Chairman)

Mr Ricardo Barros Hermida (Vice-chairman)

Mr Pedro Posada Martínez (Director)

Ms Carmen Avendaño Otero (Director)

Mr Primitivo Ferro Ribadulla (Director)

Mr Jose Fernando Rodilla Martinez (Director)

Ms Maria Jose Taboas Cabral (Director)

The consolidated management report was issued on September 16, 2022 and this document is a literal translation of it



RC**Celta**