



RC Celta

REAL CLUB CELTA DE VIGO, S.A.D.
Annual Accounts
at 30 June 2023

BALANCE SHEET CORRESPONDING TO 30 JUNE 2023

ASSETS	Note	30/06/2023	30/06/2022
A) NON-CURRENT ASSETS		117.872.225,67	91.591.140,24
I. Intangible fixed assets		64.962.437,79	50.467.851,71
1. Player acquisition rights	8	50.933.166,76	35.472.098,01
4. Rights over assigned assets in use	7.1	14.029.271,03	14.995.753,70
II. Other intangible fixed assets	7.2	15.112,61	42.246,56
III. Tangible fixed assets	5	26.095.280,01	25.235.753,31
1. Land and buildings		21.956.856,64	22.311.668,83
2. Technical installations and other tangible fixed assets		3.318.256,17	2.590.979,08
3. Fixed assets in progress and advances		820.167,20	333.105,40
V. Long-term Investments, group and associated companies		1.295.000,00	900.000,00
1. Equity instruments	11.4	600.000,00	600.000,00
2. Loans to companies	11.1	695.000,00	300.000,00
VI. Long-term financial investments	11.1	212.249,93	130.184,58
5. Other financial assets		32.677,80	32.677,80
6. Long-term guarantees for workers		179.572,13	97.506,78
VII. Deferred tax assets	14.4	3.633.649,21	1.795.709,66
VIII. Non-current commercial debtors	11.1	21.658.496,12	13.019.394,42
B) CURRENT ASSETS		57.647.834,38	65.863.692,65
II. Stock	12	602.387,34	387.963,49
1. Commercial		601.979,97	383.793,30
6. Advance to suppliers		407,37	4.170,19
III. Debtors		26.667.036,44	26.813.044,25
1. Season Ticket Holders and member quotas	11.1	52.444,86	122.546,54
b) Season Ticket Holders and member quotas, short term		52.444,86	122.546,54
2. Group entities, debtors	11.1	1.217.679,07	1.153.788,17
3. Sports entities, debtors	11.1	21.447.487,39	20.651.053,44
4. Miscellaneous debtors	11.1	3.732.633,18	2.528.810,43
5. Personnel	11.1	0,00	138.672,60
6. Current tax assets	14.6	40.725,18	215.264,00
7. Other credits with the Public Administrations	14.6	176.066,76	2.002.909,07
IV. Long-term Investments, group and associated companies	11.1	3.165.141,94	2.293.083,46
2. Loans to companies		3.165.141,94	2.293.083,46
V. Short-term financial investments	11.1	100.180,30	100.180,30
5. Other financial assets		100.180,30	100.180,30
VI. Short-term accruals/deferrals		537.446,26	161.408,82
VII. Cash and other equivalent liquid assets	11.1	26.575.642,10	36.108.012,33
1. Treasury		26.575.642,10	36.108.012,33
TOTAL ASSETS		175.520.060,05	157.454.832,89

The annual accounts of the Company, which form a single unit, comprise these balance sheets, the profit and loss accounts, the statement of changes in net equity, the cashflow statements and the attached annual report.

BALANCE SHEET CORRESPONDING TO 30 JUNE 2023

NET WORTH AND LIABILITIES	Note	30/06/2023	30/06/2022
A) NET WORTH		73.654.780,34	87.893.681,94
A-1) Own funds	13	63.382.574,63	76.687.639,35
I. Capital		3.770.210,00	3.770.210,00
I. Issued capital		3.770.210,00	3.770.210,00
III. Reserves		82.257.713,38	82.257.713,38
I. Legal and statutory		754.042,00	754.042,00
2. Other reserves		77.168.551,31	77.168.551,31
3. Capitalisation reserve		4.335.120,07	4.335.120,07
V. Results from previous years		-9.340.284,03	-9.472.283,85
VII. Results of the financial year	3	-13.305.064,72	131.999,82
A-3) Subsidies, donations and bequests received	19	10.272.205,71	11.206.042,59
B) NON-CURRENT LIABILITIES		66.765.503,78	45.100.282,69
I. Long-term provisions	16	590.919,22	590.919,22
4. Other provisions		590.919,22	590.919,22
II. Long-term debts	11.2	60.329.642,58	35.942.183,04
3. Debts with sports entities		15.264.940,06	2.351.650,69
5. Other financial liabilities		44.885.130,39	33.493.025,57
6. Long-term debts with workers		179.572,13	97.506,78
VI. Deferred tax liabilities	14.5	5.844.941,98	8.567.180,43
C) CURRENT LIABILITIES		35.099.775,93	24.460.868,26
III. Short-term debts	11.2	2.363.550,58	2.250.399,83
5. Other financial liabilities		2.363.550,58	2.250.399,83
IV. Short-term debts with group and associated companies	11.2	40.194,56	63.570,03
V. Trade creditors and other accounts payable	11.2	32.696.030,79	21.438.361,77
2. Debts for purchases or services		4.373.657,42	3.295.153,41
b) Suppliers s/t		4.373.657,42	3.295.153,41
3. Debts with sports entities		20.192.713,58	12.447.474,05
4. Personnel (outstanding remuneration)		1.467.270,66	398.912,81
6. Other debts with the Public Administration	14.6	6.630.443,26	5.256.857,70
6. Client advances		31.945,87	39.963,80
VI. Short-term accruals/deferrals	11.2	0,00	708.536,63
TOTAL NET WORTH AND LIABILITIES		175.520.060,05	157.454.832,89

The annual accounts of the Company, which form a single unit, comprise these balance sheets, the profit and loss accounts, the statement of changes in net equity, the cashflow statements and the attached annual report.

PROFIT AND LOSS ACCOUNT FOR 30 JUNE 2023

	Note	30/06/2023	30/06/2022
A) ONGOING OPERATIONS			
1. Net amount of turnover	15.1	69.944.726,74	69.929.078,09
a) Income from competitions		1.700.533,42	1.022.928,44
b) Income from season ticket holders and members		4.176.815,94	3.215.098,69
c) Broadcast income		51.227.211,28	53.872.149,93
d) advertising income		10.522.849,77	10.104.697,97
d) Marketing and other income		2.317.316,33	1.714.203,06
4. Provisions		-1.205.763,29	-1.002.060,21
b) Other consumption and external expenses		-1.231.078,15	-1.079.407,56
d) Impairment/Reversal of impairment of goods and other supplies	12	25.314,86	77.347,35
5. Other operating income		2.986.452,51	1.631.316,14
a) Ancillary and other current management income	15.4.b	2.535.522,80	905.261,29
b) Operating subsidiaries incorporated into the results of the financial year	19	450.929,71	726.054,85
6. Staff expenses		-55.942.543,31	-52.338.862,91
a) Wages and salaries playing staff	15.2.b	-45.693.865,24	-46.443.034,52
b) Wages and salaries non-playing staff	15.2.a	-8.523.429,14	-4.282.720,93
c) Social charges	15.2	-1.725.248,93	-1.613.107,46
7. Other operating expenses		-31.120.063,42	-18.850.579,74
a) External Services		-8.405.563,21	-6.169.311,05
b) Taxes		-23.597,71	-25.938,65
c) Losses, impairment and changes in provisions due to commercial operations	11.1	-1.053.555,00	-412.495,00
d) Travel		-2.886.963,77	-1.751.242,63
e) Player acquisition costs	15.2.b	-10.642.558,90	-3.208.286,73
f) Other current management expenses		-8.107.824,83	-7.283.305,68
8. Depreciation of fixed assets		-17.401.229,79	-17.335.460,05
a) Depreciation of player acquisition rights	8 & 15.2.b	-15.112.418,25	-15.407.650,91
b) Other depreciation	5; 7.1 & 7.2	-2.288.811,54	-1.927.809,14
9. Allocation of non-financial fixed asset subsidies and others	19	1.245.115,80	1.245.115,80
11. Impairment and result due to sale of fixed assets		13.647.446,30	16.657.473,48
a) Outcomes from transfers and others	5	-52.799,96	0,00
b) Results from the transfer of players	8 & 15.4.g	13.700.246,26	16.657.473,48
13. Other results	15.4.e	890.115,12	552.477,72
A.1) OPERATING RESULT		-16.955.743,34	488.498,32
14. Financial income	15.4.f	198.996,01	97.194,45
a) From shares in equity instruments	15.4.a	71.417,20	42.364,79
a 1) In group and associated companies		71.417,20	42.364,79
b) From negotiable securities and other financial instruments		127.578,81	54.829,66
b 2) From third parties		127.578,81	54.829,66
15. Financial expenses	15.4.f	-769.417,16	-478.073,43
b) For debts with third parties		-769.417,16	-478.073,43
16. Variation in the fair value of financial instruments.	15.4.f	0,00	-28.741,24
a) Trading portfolio and others		0,00	-28.741,24
17. Exchange rate differences	15.4.f & 15.4.c	-31.375,99	17.618,30
A.2) FINANCIAL RESULT		-601.797,14	-392.001,92
A.3) RESULT BEFORE TAXES		-17.557.540,48	96.496,40
20. Profit tax	14.3	4.252.475,76	35.503,42
A.4) RESULT FOR THE FY ONGOING OPS. PROCED.		-13.305.064,72	131.999,82
A.5) RESULT FOR THE FINANCIAL YEAR		3	-13.305.064,72

The annual accounts of the Company, which form a single unit, comprise these balance sheets, the profit and loss accounts, the statement of changes in net equity, the cashflow statements and the attached annual report.

STATEMENT OF CHANGES IN NET WORTH AT 30 JUNE 2023 AND 30 JUNE 2022

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE	Note	30/06/2023	30/06/2022
A) PROFIT AND LOSS ACCOUNT RESULT	3	-13,305,064.72	131,999.82
Income and expenditure directly allocated to net worth:			
B) TOTAL INCOME AND EXPENDITURE DIRECTLY ALLOCATED TO NET WORTH			0.00
Transfers to the profit and loss account:			
X. Subsidies, donations and bequests received	19	-1,245,115.80	(1,245,115.80)
XIII. Tax effect	14	311,278.95	311,278.92
C) TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT		(933,836.85)	(933,836.88)
TOTAL RECOGNISED INCOME AND EXPENDITURE		14,238,901.57	(801,837.06)

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STATEMENT OF CHANGES IN NET WORTH AT 30 JUNE 2023 AND 30 JUNE 2022
B) STATEMENT OF CHANGES IN NET WORTH

	Issued capital	Reserves	Results from previous financial years	Results of the financial year	Subsidies, donations and bequests received	TOTAL
A. FINAL BALANCE OF THE 2020-2021 SEASON	3,770,210.00	82,257,713.38	0.00	-9,472,283.85	12,139,879.47	88,695,519.00
I. Adjustments due to the change of criteria for the 2020-2021 season	0.00	0.00	0.00	0.00	0.00	0.00
II. Adjustments for errors in the 2020-2021 season	0.00	0.00	0.00	0.00	0.00	0.00
B. ADJUSTED BALANCE, START OF THE 2021-2022 SEASON	3,770,210.00	82,257,713.38	0.00	(9,472,283.85)	12,139,879.47	88,695,519.00
I. Total recognised income and expenditure.	0.00	0.00	0.00	131,999.82	(933,836.88)	(801,837.06)
II. Operations with shareholders or owners.	0.00	0.00	0.00	0.00	0.00	0.00
III. Other changes in net worth.	0.00	0.00	(9,472,283.85)	9,472,283.85	0.00	0.00
I. Movement of the capitalisation reserve	0.00	0.00	0.00	0.00	0.00	0.00
2. Other Variations	0.00	0.00	(9,472,283.85)	9,472,283.85	0.00	0.00
C. FINAL BALANCE OF THE 2021-2022 SEASON	3,770,210.00	82,257,713.38	-9,472,283.85	131,999.82	11,206,042.59	87,893,681.94
I. Adjustments due to the change of criteria for the 2021-2022 season	0.00	0.00	0.00	0.00	0.00	0.00
II. Adjustments for errors in the 2021-2022 season	0.00	0.00	0.00	0.00	0.00	0.00
D. ADJUSTED BALANCE, START OF THE 2022-2023 SEASON	3,770,210.00	82,257,713.38	(9,472,283.85)	131,999.82	11,206,042.59	87,893,681.94
I. Total recognised income and expenditure.	0.00	0.00	0.00	(13,305,064.72)	(933,836.88)	(14,238,901.60)
II. Operations with shareholders or owners.	0.00	0.00	0.00	0.00	0.00	0.00
III. Other changes in net worth.	0.00	0.00	131,999.82	(131,999.82)	0.00	0.00
I. Movement of the capitalisation reserve	0.00	0.00	0.00		0.00	0.00
2. Other Variations	0.00	0.00	131,999.82	(131,999.82)	0.00	0.00
E. FINAL BALANCE OF THE 2022-2023 SEASON	3,770,210.00	82,257,713.38	-9,340,284.03	-13,305,064.72	10,272,205.71	73,654,780.34

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COMPARATIVE CASHFLOW STATEMENT AT 30 JUNE 2023

	Note	30/06/2023	30/06/2022
A) Cashflows from Operating Activities			
1. Pre-tax result for the year .		-17.557.540,48	96.496,40
2. Adjustments to the results.		7.142.902,44	15.127.519,26
a) Depreciation of fixed assets(+)	5; 7.1; 7.2 & 8	17.401.229,79	17.335.460,05
b) Impairment adjustments (+/-)	11.1 & 12	1.053.555,00	335.147,65
c) Variation in provisions (+/-)	16	0,00	-252.194,17
d) Allocation of subsidies (-)	19	-1.245.115,80	-1.245.115,80
e) Result due to removals and transfers of fixed assets (+/-)		-10.634.946,30	-1.426.657,45
g) Financial income (-)		-198.996,01	-97.194,45
h) Financial expenses(+)		767.175,76	478.073,43
i) Exchange rate differences (+/-)		0,00	0,00
3. Changes in current capital		4.649.941,13	-6.318.631,19
a) Stock (+/-)		-214.423,85	177.001,54
b) Debtors and other receivables (+/-)		11.343.806,50	1.524.348,57
c) Other current assets (+/-)		-1.084.574,07	0,00
d) Creditors and other payables (+/-)		-5.393.402,02	-9.547.859,76
e) Other current liabilities (+/-)		-1.465,43	1.527.878,46
f) Other non-current assets and liabilities (+/-)		0,00	0,00
4. Other cashflows from operating activities.		-586.586,54	-575.449,13
a) Interest payments (-)		-767.175,76	-478.073,43
c) Interest received (+)		198.996,01	97.194,45
d) Profit tax received / (payments) (+/-)		-18.406,79	-194.570,15
5. Other cashflows from operating activities.		-6.351.283,45	8.329.935,34
B) Cash flows from investment activities			
6. Investment payments (-)		-14.408.017,80	-9.500.519,52
a) Group and associated companies.	11.1	-1.308.905,66	-300.000,00
b) Intangible fixed assets	7 & 8	-10.793.358,91	-7.400.448,00
c) Tangible fixed assets	5	-2.305.753,23	-1.699.883,67
e) Other financial assets.	11.1	0,00	-100.000,00
h) Other assets.		0,00	-187,85
7. Divestment receipts (+)		2.229,36	2.578.847,84
a) Group and associated companies.		0,00	3.933,75
b) Intangible fixed assets	8	0,00	574.914,09
c) Tangible fixed assets		2.229,36	0,00
e) Other financial assets.		0,00	2.000.000,00
8. B) Cashflows from investment activities		-14.405.788,44	-6.921.671,68
C) Cash flows from financing activities.			
10. Receipts and payments for financial liability instruments.		11.224.701,66	26.931.658,51
a) Issue.		12.232.269,55	34.334.741,61
2. Debts with credit institutions(+).		0,00	0,00
5. Other debts (+).		12.232.269,55	34.334.741,61
b) Return and amortisation of		-1.007.567,89	-7.403.083,10
2. Debts with credit institutions(+).		0,00	-7.115.642,93
3. Debts with group and associated companies(-).	11.2	0,00	0,00
5. Other debts (-).		-1.007.567,89	-287.440,17
12. C) Cashflows from financing activities.		11.224.701,66	26.931.658,51
D) Effect of changes in exchange rates.			
E) Net increase/decrease in cash or cash equivalents		(9.532.370,23)	28.339.922,17
Cash or cash equivalents at the beginning of the financial year.	11.1	36.108.012,33	7.768.090,16
Cash or cash equivalents at the end of the financial year.	11.1	26.575.642,10	36.108.012,33

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

Report on the annual accounts corresponding to the financial year ending 30 June 2023 (in euros)

I. ACTIVITY OF THE COMPANY.

I. Incorporation.

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

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

Its tax identification code is A-36.609.105.

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

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

- Estadio Abanca Balaidos, the facility at which the first team, and occasionally the second team, Celta B, plays.
- Estadio de Barreiro, the facility at which the reserve teams, Celta B and Celta C, play (note 1.3).
- 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 10 and 15.4.a).

2. Legal regime.

The Company is governed by its Articles of Association, the Sports Act (*Ley del Deporte 39/2022, de 30 de diciembre*); Royal Decree 1251/1999 of 16 July, on Public Limited Sports Companies, Royal Legislative Decree 1/2010 which approved the Restated Text of the Spanish Companies Act (*Ley de Sociedades de Capital*), as well as subsequent laws that amended said act, the Commercial Code and other applicable legal provisions and the Order of 27 June 2000 which approved the rules for adapting the General Chart of Accounts to public limited sports companies, where not otherwise regulated by Royal Legislative Decree 1514/07, of 16 November, amended by Royal Decree 1/2021 of 12 January 2021. It is also subject to the terms of the Transparency, Public Information Access and Good Governance Act (*Ley 19/2013 de 9 de diciembre de Transparencia, Acceso a la Información Pública y Buen Gobierno*) and the decisions of the Higher Council for Sports and the National Professional Football League (LNFP).

3. Corporate object.

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

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

The nature of the operation of the company corresponds to the participation in professional sports competitions, in the category of football. In the 2022/2023 season, the first team played 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 Third 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.

4. Obligation to consolidate.

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

- Investee company Afouteza e Corazón, S.L.U. which does not perform sporting activities (Note 11.3);
- Special purpose entity Fundación Celta de Vigo, whose main activity is the promotion of grassroots sports from the lower age-grades of R.C. Celta (note 15.4.a) and
- Galicia Sport 360, S.L.U., whose main activity is the execution, organisation and operation of leisure and entertainment activities (note 11.3).

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

The members of the Board of Directors of the company have decided to formulate consolidated annual accounts, as of the 2019/2020 season, including Afouteza e Corazón, S.L.U. and Fundación Celta de Vigo within the consolidation perimeter. Since the 2021/2022 season, dependent company Galicia Sport 360, S.L.U. is included.

Moreover, the company belongs to the corporate group of Grupo Corporativo Ges, in which the direct parent of the Company is Grupo Corporativo Ges, S.L., with company seat in Vigo (Calle Colón), and the end parent company of the group is Corporativo Ges España, S.A. de C.V.

2. BASIS FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS.

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

- Legislative Decree 1/2010 which approved the Restated Text of the Spanish Companies Act, as well as any acts subsequently amending the same.
- The Public Limited Sports Companies Act, Royal Decree 1251/1999 of 16 July.

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

I. True and fair picture.

The Annual Accounts for the season have been drawn up using the accounting records at 30 June 2023, having applied the legal provisions in force in relation to accounts indicated above, in order to provide a true and fair picture of the assets and the financial situation and results of the company, as well as of the veracity of the flows contained in the cashflow statement.

These annual accounts, formulated by the members of the Board of Directors of the company, will be submitted for the approval of the General Meeting of Shareholders, where it is envisaged they will be approved without any amendments. The restated annual accounts for the 2021/2022 season were approved by the Ordinary and Extraordinary General Meeting held on 30 November 2022.

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

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

These annual accounts have been formulated on the assumption that the company's activity continues on a going-concern basis, having taken into account the war in Ukraine and increase in inflation, as well as its possible effects on the economy in general and on the company in particular. We believe that there are no significant kinds of risks that could entail significant changes in the value of assets and liabilities or in the continuation of the activity.

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

Although these estimations are made by the management of the company with the best information available at the end of the season, applying their best estimate and knowledge of the market, it is possible that potential future events may oblige the company to modify them in future seasons. According to the legislation in force, the effects of any change to estimations will be prospectively acknowledged in the profit and loss statement.

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

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

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

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

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

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

3. Comparison of information.

According to commercial legislation, for the purposes of comparison, together with each of the entries on the balance sheet, profit and loss account, statement of changes in net equity and cashflow statement for the 2022/2023 season, the members of the Board of Directors have presented the corresponding figures for the 2021/2022 season. Moreover, for the purposes of comparison with each of the entries of this report corresponding to the 2022/2023 season, the information for the preceding season is presented.

In this regard, the company has amended the comparative information in order to record the rights and obligations corresponding to the commitments given to workers in relation to the retirement award that has been externalised:

Balance Sheet heading	Information restated S21/22 30/06/2022	Information approved in AA 30/06/2022
ASSET A)VI.6 Long-term guarantees with workers	97,506.78	0.00
LIABILITY B)II.6 Long-term debts with workers	-97,506.78	0.00

3. APPLICATION OF RESULTS.

The proposal from the members of the Board of Directors for the application of the results of the 2022/2023 season, and for the distribution of the results from the 2021/2022 season, approved by the General Meeting of Shareholders, is as follows:

Application of results	Amount at 30/06/2023	Amount approved AA 30/06/2022
Distribution basis	-13,305,064.72	131,999.82
Balance of the profit and loss account	-13,305,064.72	131,999.82
Application		
To losses from previous years	-13,305,064.72	131,999.82
	-13,305,064.72	131,999.82

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

There are no restrictions on the distribution of dividends.

4. REGISTRATION AND VALUATION RULES.

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

1. Intangible fixed assets.

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

Intangible fixed sporting assets

This heading includes:

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

The amortisation of these rights is linear 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. These rights are fully amortised.
- **The rights over investments made in land or assigned facilities** corresponds to investment made by the company in land or facilities that were leased, obtained via administrative concessions or any other kind of contractual assignment, when said investments are not separable from said land or facilities, provided that they increase the capacity and productivity of the same or extend their useful life.
- **The rights over assigned for use** correspond to those assets that, assigned for use by the assignor entities, are used to perform the activity.

They are measured following the criterion established in query 6 of the Official Journal of the Spanish Accounting and Audit Institute (BOICAC) no. 77 on the accounting treatment of the assignment of public domain which entails only the right to use said assets, without the requirement for a consideration, which establishes that "the absence of a consideration means that the accounting treatment of the operation is analysed using registration and valuation rule 18 of the 2007 General Chart of Accounts as a point of reference. According to the content of said rule, the beneficiary entity of the assignment must record the right of use it receives as an intangible asset at its fair value, recording as a balancing entry any income attributed directly to the net equity, provided that the requirements envisaged in said rule are met.

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

We believe that the rights of use assigned over the municipally-owned sports facilities, free of charge, meet the requirements to be recognised as an intangible asset, being valued at the fair value of the asset or right delivered. The company uses Balaidos Municipal Stadium, Barreiro football ground and the La Madroa sports facilities (note 1.1), the concession for use of which was approved in an agreement dated 28 March 1992, to be used until 16 May 2014 without any kind of consideration. On 30 January 2009 a new agreement was signed with Vigo City Council maintaining the authorisation to use the sports facilities granted to the company and extending the term of the 1992 Agreement until 2034.

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

Other intangible fixed assets

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

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

- **The transfer rights** are stated by virtue of an acquisition for a consideration of the premises used for the sale of advertising materials and marketing of RC Celta products. They are fully depreciated.

2. Tangible fixed assets.

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

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

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

The **construction of Ciudad Deportiva 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.

The Ciudad Deportiva Afouteza marks the first step of the **Factoría del Deporte Gallego – Galicia Sports 360 Project**, for which the first stone is soon to be laid, commencing the works on the entire complex.

Fixed assets requiring a term of more than one year in order to be in a position to be used will include in the acquisition price or production cost those financial expenses accruing before they are brought into operating condition and invoiced by the supplier or corresponding to loans or other kinds of external financing, specific or generic, directly attributable to the acquisition, manufacture or construction.

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

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

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

3. Leases.

The company does not have any financial leasing agreements.

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

The income derived from the operating lease agreements, for the facilities at A Sede (note 1.1) with dependent companies Afouteza e Corazón, S.L.U. and Galicia Sport 360, S.L.U. are recorded using the accrual method, that is, when there is an actual flow of the services that they represent.

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

4. Impairment losses of non-financial assets.

Those assets subject to depreciation are subjected to impairment tests whenever there is an event or change of circumstances that indicates that the book value may not be recoverable. An impairment loss is recognised for the excess of the book value of the asset compared to its recoverable amount, the latter being understood as the fair value of the asset minus sales costs or value in use, whichever is higher. For the purposes of assessing impairment losses, assets are grouped at the lowest level for which there are separate identifiable cashflows (cash-generating units). Non-financial assets suffering impairment losses are reviewed on the date of each balance sheet in case the losses have been reversed.

5. Financial Assets.

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

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

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

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

6. Financial liabilities.

Financial liabilities include debt from the participating financing between LaLiga and the clubs (note 11.2) and the debt derived from debits due to commercial or non-commercial transactions for the purchase of goods and services by the company (sporting goods and equipment) and for the acquisition/loan of players, measured at fair value, which is the price of the transaction, plus attributable expenses.

Financial liabilities will be retired when the obligation has expired.

7. 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 sports material.

Company management checks whether the sporting goods and equipment has suffered a loss due to impairment, according to the accounting policy on stock.

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

8. Foreign currency transactions.

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

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

9. Tax on profits.

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

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

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

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

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

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

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

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

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

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

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

10. Income and expenditure.

Income and expenditure are recorded when the transfer of control of goods and services committed to clients takes place. At that moment, the income is valued at the amount set out in the consideration to which it expects to be entitled and that they represent.

The company's main income is comprised of:

- **Income from competitions** (note 15.1), sporting acts recognised when League, King's Cup, UEFA, friendlies or other matches are played.
- **Income from season-ticket holders and members** (note 15.1), this refers to season and other tickets recognised as income in the corresponding period.
- **Income from broadcasts** (note 15.1), this refers to the audio-visual rights assigned for the broadcast of matches.
- **Income from advertising** (note 15.1) recognised in accordance with the terms of the different collaboration agreements (by season and division) and from the exploitation of the advertising rights in accordance with the agreements signed.
- **Income from marketing** (note 15.1), including sales of sporting goods and equipment in the official RC Celta stores,
- **Ancillary and other current management income** (includes income from the lease of facilities, income from loans of players and the training rights of the same) (notes 10 and 15.4.b) and
- **Income from the sale of players** (notes 8 and 15.4.g).

As for the interest from the participating loan between LaLiga and the clubs (note 11.2), 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 financial received. The 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.

11. Compensation received from an insurance entity as a result of a claim.

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

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

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

12. 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 15.2.b. of this 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 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 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 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** (note 15.2.a). A distinction is made between:
 - Technical non-playing staff: this includes the director of football, technical secretary, doctors, delegate, physiotherapists and kitmen.
 - Other non-playing staff, this includes the rest of staff linked to the company by means of a contract of employment, including area managers, administrative staff, staff responsible for marketing and communication, stores, commercial duties and ground maintenance.

13. Provisions and contingent liabilities.

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

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

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

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

14. Subsidies, donations and endowments.

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

15. Criteria used in related-party transactions

In general, operations between related parties are initially accounted for at their fair value. Where applicable, if the price agreed is different to the fair value, the difference is recorded in accordance with the economic reality of the operation. The subsequent valuation is made in accordance with the corresponding regulations.

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

5. TANGIBLE FIXED ASSETS.

1. Analysis of movements.

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

2022/2023 SEASON				
	Land and buildings	Technical installations and other tangible fixed assets	Fixed assets under construction and advances	Total
COST				
Initial balance	23,031,832.38	6,265,078.45	333,105.40	29,630,016.23
Additions	29,299.33	407,509.70	1,410,716.25	1,847,525.28
Removals	0.00	-26,474.82	0.00	-26,474.82
Transfers	0.00	923,654.45	-923,654.45	0.00
Final balance	23,061,131.71	7,569,767.78	820,167.20	31,451,066.69
ACCUMULATED DEPRECIATION				
Initial balance	-720,163.55	-3,674,099.37	0.00	-4,394,262.92
Additions	-384,111.52	-601,657.70	0.00	-985,769.22
Removals	0.00	24,245.46	0.00	24,245.46
Transfers	0.00	0.00	0.00	0.00
Final balance	-1,104,275.07	-4,251,511.61	0.00	-5,355,786.68
NET BOOK VALUE				
Initial	22,311,668.83	2,590,979.08	333,105.40	25,235,753.31
Final	21,956,856.64	3,318,256.17	820,167.20	26,095,280.01

2021/2022 SEASON				
	Land and buildings	Technical installations and other tangible fixed assets	Fixed assets under construction and advances	Total
COST				
Initial balance	10,849,109.88	5,428,891.34	11,652,131.34	27,930,132.56
Additions	0.00	320,187.07	1,379,696.60	1,699,883.67
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	23,031,832.38	6,265,078.45	333,105.40	29,630,016.23
ACCUMULATED DEPRECIATION				
Initial balance	-551,803.74	-3,206,737.56	0.00	-3,758,541.30
Additions	-168,359.81	-467,361.81	0.00	-635,721.62
Removals	0.00	0.00	0.00	0,00
Transfers	0.00	0.00	0.00	0,00
Final balance	-720,163.55	-3,674,099.37	0.00	-4,394,262.92
NET BOOK VALUE				
Initial	10,297,306.14	2,222,153.78	11,652,131.34	24,171,591.26
Final	22,311,668.83	2,590,979.08	333,105.40	25,235,753.31

In the 2022/2023 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 for the amount of 637,957.55 euros, and the regional interest project of the Factoría del Deporte Gallego – GS360 for an amount of 772,758.70 euros.

In the 2022/2023 season, due to flooding in the Abanca Balaidos Stadium, real estate worth 2,229.36 euros was removed.

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.

2. Other information.

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

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

No investments have been made in tangible fixed assets in the Group companies in either the current financial year or the preceding one.

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

The company has not capitalised financial expenses.

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

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

ASSETS FULLY DEPRECIATED	Amount at 30/06/2023	Amount at 30/06/2022
Buildings	3,972.00	0.00
Technical facilities	387,570.56	387,570.56
Machinery	536,126.30	421,336.55
Furniture	658,916.76	520,194.23
Information processing equipment	973,722.67	635,644.31
Transport elements	62,455.93	62,455.93
Total Fully Depreciated Assets	2,622,764.22	2,027,201.58

The company did not have any assets being used as collateral at 30 June 2023 or at 30 June 2022.

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

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

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

The company has not received donations related to the tangible fixed assets in the 2022/2023 season. In the 2021/2022 season, it received 28,318.18 euros as a subsidy for a heat pump at the Ciudad Deportiva Afouteza, related to a renewable thermal energy project (note 19).

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

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

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

In the case of real estate, the value of the land totalled 2,784,205.40 euros and that of buildings 20,276,926.31 euros (at 30 June 2022, the amount of buildings was 20,247,626.98 euros).

6. SPORTS FACILITIES ON ASSIGNED LAND.

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

7. INTANGIBLE FIXED ASSETS.

1. Intangible sports fixed assets.

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

2022/2023 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
Additions	0.00	0.00	359,996.30	359,996.30
Removals	-265,000.00	0.00	-151,711.40	-416,711.40
Transfers	0.00	0.00	0.00	0.00
Final balance	0.00	3,759,498.25	31,487,892.99	35,247,391.24
ACCUMULATED DEPRECIATION				
Initial balance	-265,000.00	-3,759,498.25	-16,283,854.38	-20,308,352.63
Additions	0.00	0.00	-1,275,908.37	-1,275,908.37
Removals	265,000.00	0.00	101,140.80	366,140.80
Transfers	0.00	0.00	0.00	0.00
Final balance	0.00	-3,759,498.25	-17,458,621.96	-21,218,120.21
NET BOOK VALUE				
Initial	0.00	0.00	14,995,753.70	14,995,753.70
Final	0.00	0.00	14,029,271.03	14,029,271.03

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
Additions	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
Additions	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

1. The **sports competition participation rights** correspond to the participation rights of the reserve team in the second division B of Spanish football. This amount was removed during the season and the net book value at the removal date was 0.00 euros.
2. The **rights over investments in assigned land or facilities** correspond to works carried out on sports facilities in order to adapt them to the regulations on safety and prevention for sporting events.
3. The **rights over assets assigned for use** are derived from:
 - a) formalisation of the agreement dated 30 January 2009, between the company and Vigo City Council in relation to the facilities we use in Balaidos, Barreiro and A Madroa, as indicated in note 19 of this report. The amount of the same totals 31,127,896.69 euros, corresponding to the market value obtained for the assignment right over the sports facilities used by the company on the basis of 25-year term (Note 4.1). The net book value, at 30 June 2023, was 13,696,274.46 euros (at 30 June 2022, it amounted to 14,941,390.32 euros).
 - b) Relaying of the Balaidos Stadium pitch. During the season, the pitch was relaid at a cost of 359,996.30 euros, representing a loss of 50,570.60 euros.

The net book value, at 30 June 2023, amounted to 332,996.57 euros (at 30 June 2022, it was 54,363.38 euros).

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

The amount of the assets fully amortised is supplied below:

Assets fully amortised	Amount at 30/06/2023	Amount at 30/06/2022
Participation rights in sporting competitions	0.00	265,000.00
Rights over land and investments assigned	3,759,498.25	3,759,49.25
Total Fully Amortised Assets	3,759,498.25	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:

2022/2023 SEASON				
	Transfer rights	IT Applications	Other prepaid intangible fixed assets	Total
COST				
Initial balance	30,050.61	238,929.52	0.00	268,980.13
Additions	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	30,050.61	238,929.52	0.00	268,980.13
ACCUMULATED AMORTISATION				
Initial balance	-30,050.61	-196,682.96	0.00	-226,733.57
Additions	0.00	-27,133.95	0.00	-27,133.95
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	-30,050.61	-223,816.91	0.00	-253,867.52
NET BOOK VALUE				
Initial	0.00	42,246.56	0.00	42,246.56
Final	0.00	15,112.61	0.00	15,112.61

2021/2022 SEASON				
	Transfer rights	IT Applications	Other prepaid intangible fixed assets	Total
COST				
Initial balance	30,050.61	238,481.52	0.00	268,532.13
Additions	0.00	448.00	0.00	448.00
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	30,050.61	238,929.52	0.00	268,980.13
ACCUMULATED AMORTISATION				
Initial balance	-30,050.61	-164,882.42	0.00	-194,933.03
Additions	0.00	-31,800.54	0.00	-31,800.54
Removals	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Final balance	-30,050.61	-196,682.96	0.00	-226,733.57
NET BOOK VALUE				
Initial	0.00	73,599.10	0.00	73,599.10
Final	0.00	42,246.56	0.00	42,246.56

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

Fully amortised assets	Amount at 30/06/2023	Amount at 30/06/2022
Transfer rights	30,050.61	30,050.61
IT applications	212,946.52	74,692.15
Total Assets Fully Amortised	242,997.13	104,742.76

8. PLAYER ACQUISITION RIGHTS.

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

PLAYER ACQUISITION RIGHTS		
	2022/2023 Season	2021/2022 Season
COST		
Initial balance	86,990,000.00	82,715,000.00
Additions	40,735,740.74	11,775,000.00
Removals	-41,865,000.00	-7,500,000.00
Transfers	0.00	0.00
Final balance	85,860,740.74	86,990,000.00
ACCUMULATED AMORTISATION		
Initial balance	-51,517,901.99	-42,036,908.53
Additions (note 15,2,b)	-15,112,418.25	-15,407,650.91
Removals	31,702,746.26	5,926,657.45
Transfers	0.00	0.00
Final balance	-34,927,573.98	-51,517,901.99
NET BOOK VALUE		
Initial	35,472,098.01	40,678,091.47
Final	50,933,166.76	35,472,098.01

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

Addition of player acquisition rights	Acquisition price	Agency and intermediation fees	Total player acquisition rights
Addition of player acquisition rights at 30/06/2023 (aggregate)	38,635,740.74	2,100,000.00	40,735,814.00
Addition of player acquisition rights at 30/06/2022 (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 4.5 seasons (at 30 June 2022, 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	Removal cost	Removal accumulated amortisation	Other remuneration	Profits arising from the removal of players
Removal of player acquisition rights at 30/06/2023 (aggregate)	41,865,000.00	-31,702,746.26	0.00	19,797,681.86
Removal of player acquisition rights at 30/06/2022 (aggregate)	7,500,000.00	5,926,657.45	0.00	16,657,473.48

The profit from the transfer of players at 30 June 2023 was 13,700,246.26 euros (at 30 June 2022, it was 16,657,473.48 euros).

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

Breakdown player acquisition rights 2022/2023 Season	Acquisition rights players eligible for LNFP registration	Acquisition rights players ineligible for LNFP registration	Total
COST			
Initial balance	86,715,000.00	275,000.00	86,990,000.00
Additions	39,340,740.74	1,395,000.00	40,735,740.74
Removals	-41,565,000.00	-300,000.00	-41,865,000.00
Transfers		0.00	0.00
Final balance	84,490,740.74	1,370,000.00	85,860,740.74
ACCUMULATED AMORTISATION			
Initial balance	-51,449,151.95	-68,750.04	-51,517,901.99
Additions	-14,722,418.30	-389,999.95	-15,112,418.25
Removals	31,652,746.26	50,000.00	31,702,746.26
Transfers	0.00		0.00
Final balance	-34,518,823.99	-408,749.99	-34,927,573.98
NET BOOK VALUE			
Initial	35,265,848.05	206,249.96	35,472,098.01
Final	49,971,916.75	961,250.01	50,933,166.76

Breakdown player acquisition rights 2021/2022 Season	Acquisition rights players eligible for LNFP registration	Acquisition rights players ineligible for LNFP registration	Total
COST			
Initial balance	79,915,000.00	2,800,000.00	82,715,000.00
Additions	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
Additions	-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

9. IMAGE RIGHTS OF PLAYERS AND MANAGERS.

Neither in the 2022/2023 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.

10. LEASES AND SIMILAR OPERATIONS.

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

1. Operating leases as lessee

The amount of the leases and canons recorded under this heading in the profit and loss account, external services, totals 202,434.31 euros (on 30 June 2022 it was 182,908.71 euros) corresponding essentially to:

- **Lease of facilities for the Ciudad Deportiva Afouteza** for the amount of 150.000.00 euros (on 30 June 2022 it was 150.000.00 euros).

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

The agreement also includes a disposal agreement (assignment, surface rights and lease) over said land for a period of 30 years.

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

The company has paid the Communal Land Association a fee of 1 €/m² plus VAT since 18 January 2020. This fee is paid half-yearly in advance.

The amount of the investment in said land totals 13,220,255.01 euros at 30 June 2023 (at 30 June 2022, the amount was 13,039,228.16 euros).

- **Lease of 23 parking spaces** from dependent company, Afouteza e Corazón, S.L.U. for the amount of 27,177.54 euros (21,622.02 euros at 30 June 2022).
- **Other leases** totalling 25,256.77 euros, of which details are not provided as they are not significant expenses (they totalled 11,286.69 euros at 30 June 2022).

2. Operating leases as lessor.

The amount of lease income recorded under the heading in the profit and loss account, accessory and other current management income is 261,706.50 euros (268,340.20 euros at 30 June 2022) (note 15.4.b), corresponding essentially to:

- **The lease of certain parts of the A Sede building** (mezzanine, first, third and sixth floors) (note 1.1) to dependent company, Afouteza e Corazón, S.L.U., for an amount of 224,443.24 euros (236,674.80 euros at 30 June 2022)
- **Lease of space** to dependent company Galicia Sport 360, S.L.U. for the amount of 6,166.64 euros (2,280.00 euros at 30 June 2022); and
- **Lease of spaces for aerials** and other leases.

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

II. FINANCIAL INSTRUMENTS.

I. Financial Assets.

Non-current financial assets.

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

Description	Amount S 2022/2023	Amount S 2021/2022
Intangible fixed assets (note 7.1 & 8)	64,962,437.79	50,467,851.71
Other intangible fixed assets (note 7.2)	15,112.61	42,246.56
Tangible fixed assets (note 5)	26,095,280.01	25,235,753.31
Equity instruments (note 11.4)	600,000.00	600,000.00
Loans to group companies	695,000.00	300,000.00
Other long-term financial assets	32,677.80	32,677.80
Long-term guarantees with workers	179,572.13	97,506.78
Deferred tax assets (note 14.4)	3,633,649.21	1,795,709.66
Non-current trade debtors	21,658,496.12	13,019,394.42
Total Non-Current Assets	117,872,225.67	91,591,140.24

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

Description	Amount S 2022/2023	Amount S 2021/2022
Loans to group companies (1)	695,000.00	300,000.00
Other long-term financial assets (2)	32,677.80	32,677.80
Long-term guarantees with workers (15.2a)	179,572.13	97,506.78
Non-current trade debtors (3)	21,658,496.43	13,019,394.42
Total Non-Current Financial Assets	22,565,746.36	13,449,579.00

- (1) Long-term loans to group companies corresponds to:
- a. Two participating loans (for the amount of 200.000.00 euros and 100.000.00 euros, respectively) with group company, Afouteza e Corazón, S.L.U. Both participating loans mature on 31 December 2024 with the possibility of automatic renewal until 31 December 2026. There is a fixed rate of interest of 1.90% per annum and variable rate of interest linked to pre-tax profits (0.2% of such profits).
 - b. A participating loan worth 180.000.00 euros with group company Galicia Sport 360, S.L.U. granted on 21 October 2022, maturing on 31 December 2026. There is a fixed interest rate of 1.90% and variable interest linked to pre-tax profits (0.2% of results).
 - c. A participating loan worth 115,000.00 euros with group company Galicia Sport 360, S.L.U. granted on 25 January 2023, maturing on 31 December 2026. There is a fixed interest rate of 1.9% per annum and variable interest linked to pre-tax profits (0.2% of results).
 - d. A participating loan worth 100.000.00 euros with group company Galicia Sport 360, S.L.U. granted on 25 May 2023, maturing on 31 December 2026. There is a fixed interest rate of 1.90% per annum and variable interest linked to pre-tax profits (0.2% of results).
- (2) Long-term deposits and guarantees amounting to 32,677.80 euros, of which 3,421.48 euros corresponds to the deposit for the lease of parking spaces to Afouteza e Corazón, S.L.U. (same amount as the previous season).
- (3) The amount appearing in non-current trade debtors corresponds to the payment rights vis-à-vis different debtor sporting entities derived, largely, from the sale of players. The maturity of the long-term payment rights with debtor sporting entities is set out in the following table:

Maturity payment rights debtor sporting entities 30/06/2023	2024/25	2025/26	2026/27
With sporting entities	10,483,496.12	10,486,250.00	688,750.00
Total	10,483,496.12	10,486,250.00	688,750.00

Maturity payment rights debtor sporting entities 30/06/2022	2023/24	2024/25	2025/26
With sporting 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

Current financial assets.

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

Description	Amount S 2022/2023	Amount S 2021/2022
Stock (note 12)	602,387.34	387,963.49
Season ticket holders' and members' quotas	52,444.86	122,546.54
Debtor group entities	1,217,679.07	1,153,788.17
Debtor sports entities	21,447,487.39	20,651,053.44
Miscellaneous debtors	3,732,633.18	2,528,810.43
Staff	0.00	138,672.60
Current tax assets (note 14)	40,725.18	215,264.00
Other credits with the Public Administrations	176,066.76	2,002,909.07
Loans to group companies	3,165,141.94	2,293,083.46
Other financial assets	100,180.30	100,180.30
Short-term accruals	537,446.26	161,408.82
Cash and banks	26,575,642.10	36,108,012.33
Total other short-term financial assets	57,647,834.38	65,863,692.65

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

Description	Amount S 2022/2023	Amount S 2021/2022
Season ticket holders' and members' quotas	52,444.86	122,546.54
Debtor group entities (1)	1,217,679.07	1,153,788.17
Debtor sports entities (2)	21,447,487.39	20,651,053.44
Miscellaneous debtors (3)	3,732,633.18	2,528,810.43
Staff	0.00	138,672.60
Loans to group companies (4)	3,165,141.94	2,293,083.46
Other financial assets (5)	100,180.30	100,180.30
Cash and banks (6)	26,575,642.10	36,108,012.33
Total Current Financial Assets	56,291,208.84	63,096,147.27

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

- a. dependent company Afouteza e Corazón, S.L.U., for an amount of 481,671.56 euros (510,213.16 euros at 30 June 2022) (note 15.4.a);
- b. Fundación Celta de Vigo, for the amount of 624,645.69 euros (640,816.21 euros at 30 June 2022) (note 15.4.a); and
- c. dependent company Galicia Sport, S.L.U. for the amount of 616.85 euros (at 30 June 2022 the amount was 2,758.80 euros) (note 15.4.a), and
- d. Grupo Corporativo Ges, S.L. for the amount of 110,744.97 euros.

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

- a. Credit rights held against certain sports entities, derived essentially from the sale of players, amounting to 17,673,362.04 euros (at 30 June 2022 it amounted to 18,550,594.42 euros);
- b. Credit right against Federations for the amount of 790,806.38 euros (at 30 June 2022 it totalled 0.00 euros); and
- c. Credit right against the LNFP for the amount of 2,983,318.97 euros (at 30 June 2022 it totalled 2,100,459.02 euros).

- (3) The amount appearing in miscellaneous debtors corresponds essentially to collection rights from different collaboration and advertising right exploitation agreements in accordance with the agreements signed.
- (4) A credit account with Grupo Corporativo Ges, S.L., for a maximum principal of 4,000.000.00 euros, in force until 31 May 2024, with the possibility of successive annual renewals, until 31 May 2028 and a fixed interest rate of 1.90% per annum (note 14.4.a).
- (5) 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 (same amount at 30 June 2022).
- (6) Cash and banks includes a term deposit of 1,000.000.00 euros, maturing on 21 September 2023, with an interest rate of 2.3% (at 30 June 2022, there was a term deposit of 175,000 dollars maturing on 26 July 2022).

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

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

	Amount
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
Impairment	1,053,555.00
Application of impairment	0.00
At 30/06/2023	6,109,063.29

Neither at 30 June 2023 nor in the previous season were any amounts retired as uncollectable.

The company does not have hedge accounting.

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

2. Financial liabilities.

Non-current financial liabilities.

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

Description	Amount S 2022/2023	Amount S 2021/2022
Long-term provisions (note 16)	590,919.22	590,919.22
Debts with sports entities	15,264,940.06	2,351,650.69
Debts related to the acquisition of players	1,205,000.00	475,000.00
Other financial liabilities	20,274.00	20,274.00
Long-term debt with workers	179,572.13	97,506.78
Other financial liabilities (CVC Funds-LaLiga Impulso)	43,659,856.39	32,997,751.57
Deferred tax liabilities	5,844,941.98	8,567,180.43
Total non-current liabilities	66,765,503.78	45,100,282.69

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

Description	Amount S 2022/2023	Amount S 2021/2022
Debts with sports entities (1)	15,264,940.06	2,351,650.69
Debts related to the acquisition of players (2)	1,205,000.00	475,000.00
Other financial liabilities (3)	20,274.00	20,274.00
Long-term debt with workers (15.2.a)	179,572.13	97,506.78
Other financial liabilities (CVC Funds-LaLiga Impulso) (4)	43,659,856.39	32,997,751.57
Total long-term financial liabilities	60,329,642.58	35,844,676.26

(1) The debt with sports entities worth 15,264,940.06 euros (at 30 June 2022 the figure was 2,351,650.69 euros) corresponds to:

- a. Player acquisition debt worth 15,191,231.15 euros (at 30 June 2022 the figure was 2,250,000.00 euros) and
- b. Training expense and solidarity debt worth 73,708.91 euros (at 30 June 2022 the figure was 101,650.69 euros).

- (2) The debt related to player acquisitions was 1,205,000.00 euros (at 30 June 2022 the figure was 475,000.00 euros) corresponding to debt with agents for the acquisition of players for the amount of 880,000.00 euros (at 30 June 2022 the amount was 475,000.00 euros) and the sale of players for the amount of 325,000.00 euros.

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

Maturity of debt related to sports entities and the acquisition of players at 30 June 2023					
	2024/25	2025/26	2026/27	2027/28 et seq	Total
Sports entities	11,014,940.06	4,250,000.00	0.00	0.00	15,264,940.06
Player acquisitions	505,000.00	450,000.00	125,000.00	125,000.00	1,205,000.00
Total	11,519,940.06	4,700,000.00	125,000.00	125,000.00	16,469,940.06

Maturity of debt related to sports entities and the acquisition of players at 30 June 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

- (3) The amount of other financial liabilities, corresponds mainly to the deposits for the lease of certain spaces in the A Sede building to dependent company Afouteza y Corazón, S.L.U. (note 10).
- (4) This corresponds to a participating financing agreement between LaLiga and the clubs, known as CVC Funds –LaLiga Impulso. The amount granted to the 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 2022/2023 season was 46,567,011.16 euros (in the 2021/2022 season it was 34,334,741.61 euros).

Maturity in the following five years, at 30 June 2023 and 30 June 2022, of the total amount granted (86,641,012.34 euros) is set out in the following tables, taking into consideration capital already depreciated:

Maturity participating financing at 30 June 2023

	2023/24	2024/25	2025/26	2026/27	2027/28 et seq	Total
CVC Funds-LaLiga Impulso	1,612,146.71	2,116,002.17	2,116,002.17	2,116,002.17	77,385,851.06	85,346,004.28
Total	1,612,146.71	2,116,002.17	2,116,002.17	2,116,002.17	77,385,851.06	85,346,004.28

Maturity participating financing at 30 June 2022

	2022/23	2023/24	2024/25	2025/26	2026/27 et seq	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 **current liabilities** is set out in the following table:

Description	Amount S 2022/2023	Amount S 2021/2022
Other short-term financial liabilities	2,363,550.58	2,250,399.83
Short-term debts with group and associated companies	40,194.56	63,570.03
Debts from purchases and services	4,373,657.42	3,295,153.41
Debts with sports entities	20,192,713.58	12,447,474.05
Outstanding remuneration	1,467,270.66	398,912.81
Other debts with public administrations (note 14)	6,630,443.26	5,256,857.70
Advances to clients	31,945.87	39,963.80
Short-term accruals/deferrals	0.00	708,536.63
Total Current Liabilities	35,099,775.93	24,460,868.26

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

Description	Amount S 2022/2023	Amount S 2021/2022
Other short-term financial liabilities (1)	751,403.87	1,200,849.96
Other short-term financial liabilities (CVC Funds-LaLiga Impulso) (2)	1,612,146.71	1,049,549.87
Debts with group and associated companies (3)	40,194.56	63,570.03
Debts from purchases and services (4)	4,373,657.42	3,295,153.41
Debts with sports entities (5)	20,192,713.58	12,447,474.05
Outstanding remuneration (6)	1,467,270.66	398,912.81
Advances to clients	31,945.87	39,963.80
Total short-term financial liabilities	28,469,332.67	18,495,473.93

- (1) The amount of other financial liabilities includes, essentially, providers of real estate.
- (2) 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).
- (3) Debts with group and associated companies corresponds to a current account with dependent companies, Afouteza e Corazón, S.L.U. for the amount of 39,435.56 euros (at 30 June 2022 the figure was 63,570.03 euros) and with Galicia Sport 360, S.L.U. for the amount of 759.00 euros (at 30 June 2022 the amount was 0.00 euros).
- (4) Debts for purchases or provision of services includes
- a. Debt with agents related to the acquisition of players totalling 1,165,000.00 euros (at 30 June 2022 it totalled 1,155,000.00 euros)
 - b. Debt with agents related to the sale of players worth 237,973.80 euros (at 30 June 2022 it amounted to 72,973.80 euros), and
 - c. Debt due to the normal activity of the company.
- (5) Short-term debts with sports entities corresponds essentially to:
- a. Debt from the acquisition of players worth 18,722,790.43 euros (at 30 June 2022 it totalled 9,655,683.34 euros),

- b. Debt for contingent liabilities derived from the sale of players worth 790.000.00 euros (at 30 June 2022 it totalled 1,597,562.50 euros)
- c. Debt with Federations worth 42,199.91 euros (at 30 June 2022 it totalled 480,775.11 euros),
- d. Debt with the LNFP worth 322,366.91 (at 30 June 2022 it was 481,402.63 euros), and
- e. Debt for training and solidarity worth 315,356.32 euros (at 30 June 2022 it totalled 232,050.47 euros).

(6) Outstanding remuneration corresponds to the extraordinary payments for non-playing staff, as in the previous season.

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

- At 30 June 2023 totals 48,695,523.60 euros, with the amount corresponding to the 2023/2024 season being 35,059,581.37 euros and the amount corresponding to the 2024/2025 season being 13,635,942.23 euros.
- at 30 June 2022, totals 27.568.288,31 euros with the amount corresponding to the 2022/2023 season being 24.397.298,23 euros and the amount for the 2023/2024 season being 3.170.990,08 euros.

Liabilities due with a maturity of two years or less is understood as total current liabilities plus long-term debt maturing in the 2024/2025 season.

At the date these annual accounts are formulated, the company does not have any other debt with special characteristics (same situation in the previous season).

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

The company holds no debts with an *in rem* guarantee.

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

3. Information on group, multi-group and associate companies.

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

Company	Amount S 2022/2023	Amount S 2021/2022
Afouteza e Corazón, S.L.U.	500,000.00	500,000.00
Galicia Sport 360, S.L.U.	100,000.00	100,000.00
Total investment in equity instruments	600,000.00	500,000.00

At 26 January 2016, the company incorporated **Afouteza e Corazón, S.L.U.** with a share capital of 100.000 euros, divided into one hundred thousand quota shares each with a face value of one euro. The sole director of the same is Real Club Celta de Vigo, S.A.D.

On 30 June 2020, the company as sole member of Afouteza e Corazón, S.L.U. decided to increase the share capital of the same by 400.000 euros by creating four hundred thousand new participations, by offsetting credits. On 15 July 2020, this decision by the sole member was raised to public and recorded in the Pontevedra Commercial Registry on 21 July 2020. On 29 July 2020 it was published in the BORME.

On 06 April 2022, the company incorporated **Galicia Sport 360, S.L.U.** with share capital of 100.000 euros, divided into one hundred quota shares, each with a face value of one euro. The sole director of the same is Real Club Celta de Vigo, S.A.D.

The information on the dependent companies is as follows:

Item	Afouteza e Corazón, S.L.U.		Galicia Sport 360, S.L.U.	
	Data at 30/06/2023	Data at 30/06/2022	Data at 30/06/2023	Data at 30/06/2022
%	100%	100%	100%	100%
Activity	(1)	(1)	(2)	(2)
Capital	500,000.00	500,000.00	100,000.00	100,000.00
Reserves	-464,476.68	-449,335.69	-31,084.03	0.00
Results for the year	5,030.05	-15,140.99	-282,376.18	-31,084.03

- (1) The corporate object of this company is the operation of businesses in the hotel and restaurant sector, the lease and sale and purchase of real estate, organisation of events.

- (2) The corporate object of that company is the organisation and operation of leisure and entertainment activities.

Both are domiciled at Calle del Príncipe 44, Vigo.

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

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

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

4. Deferrals of payments to suppliers for commercial operations

According to the Resolution of 29 January 2016, from the Accounting and Audit Institute and Act 18/2022 of 28 September on the information to be included in the annual accounts in relation to the average period of payment of suppliers for commercial transactions, the following information is supplied:

	30/06/2023	
	(Days)	
Average period of payment to suppliers	21 days	
Ratio of operations paid	22 days	
Ratio of operations pending payment	9 days	
	Amount (Euros)	
Total payments made	14,711,565.08 euros	
Total payments pending	1,191,171.72 euros	
	Absolute value	Percentage weight
Total payments made by deadline established in late payment regulations	10,761,482.00	72.85%
Number of invoices paid by deadline established in late payment regulations	2,044	62.22%

This calculation does not include either debts with sporting entities or the debts related to agency and intermediation costs, due to the nature of such operations and standard practice in the sector.

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

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

- **Future impact of the war in Ukraine and the increase in inflation:** At the date of drafting these annual accounts, like the rest of society, the Board of Directors does not know what the future evolution will be and the impact it will have. The Company will assess the future impact on its socio-economic situation in the course of the 2023/2024 season.
- **Credit risk:** This arises due to the possibility of non-recovery of financial assets in the amount recorded in the accounts and within the established term. The company currently has a procedure for carrying out all operations strictly monitoring risk and the grant of credit. The company carries out monthly reviews to identify situations of risk and delays in receiving payment.
- **Liquidity risk:** This arises due to the possibility of the company not being able to dispose of liquid funds or access them in the amount necessary in order to meet payment obligations. The company has established a procedure by virtue of which it maintains the necessary liquid funds available for both its day-to-day activity and for making different investments.

The company pays the debt for purchases and provision of services and sporting entities in accordance with the law and the respective agreements, collects payments when issued and advertising rights in accordance with the terms of the respective contracts or agreements.

- **Market risk:** this is the interest rate risk caused by uncertainty regarding the future evolution of the financial markets and of the interest rates, with the resulting possible impact on results and cashflows for the company. The company applies a prudent policy of financial indebtedness.

12. STOCK.

The amount of stock was 601,979.97 euros and corresponds to sporting goods and equipment for use by the first team, Celta B and Celta C, as well as products from the RC Celta stores managed by the company (Balaídos, Príncipe and Web stores as well as other brand points of sale) (at 30 June 2022 the total was 383,793.30 euros).

The company recognised the reversal of impairment of stock worth 25,314.86 euros at season end (at 30 June 2022 the company had recognised a reversal of impairment of stock for 77,347.35 euros).

The company 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 advances to suppliers is 407.37 euros (4,170.19 euros at 30 June 2022).

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

The company 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 company's stock, such as lawsuits, freezing orders.

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

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

13. EQUITY.

Share capital

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

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

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

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

Shareholder	% at 30/06/2023	% at 30/06/2022
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 30/06/2023	% at 30/06/2022
Grupo Corporativo Ges, S.L.	67.92%	67.92%

Legal reserve

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

Capitalisation reserve

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

One of the requirements envisaged in Corporation Tax regulations for consolidating the reduction is the need to provision a restricted reserve with the amount of the reduction, the amount of which at 30 June 2023 is 4,335,120.07 euros (4,335,120.07 euros at 30 June 2022) (note 14). This reserve is restricted for the five-year term in which the amount of the increase in equity must be maintained.

Other information

The company does not hold treasury stock.

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

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

14. TAX SITUATION AND BALANCES WITH PUBLIC ADMINISTRATIONS.

I. Reconciliation of accounting profit and taxable base.

On 28 June 2018, the members of the Board of Directors of Real Club Celta de Vigo, S.A.D., approved the decision to take advantage of the Tax Consolidation Regime for the tax period starting 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. 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.

In the 2021/2022 season, Galicia Sport 360, S.L.U. was incorporated, with Real Club Celta de Vigo, S.A.D. 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 effective in the 2021/2022 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 rebate.

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

The reconciliation of the accounting profit and the taxable base for Corporation Tax purposes for the 2022/2023 season and the 2021/2022 season is as follows:

Description	Profit and loss account		
	Increases	Decreases	Total
2021/2022 Season			
Pre-tax accounting profit			96,496.40
Permanent differences			
Derived from results	1,184,385.72	-5,414.99	1,178,970.73
Derived from variations in net worth			
Temporary differences			
Derived from results	11,547,835.55	-13,554,992.03	-2,007,156.48
Derived from variations in net worth			
Previous tax base			-731,689.35
Capitalisation reserve			
Offsetting of negative tax bases from previous years			
Tax base at 30 June 2022			-731,689.35

2022/2023 Season	Increases	Decreases	Total
Pre-tax accounting profit			-17,557,540.48
Permanent differences			
Derived from results	2,856,728.89	-8,681.80	2,848,047.09
Derived from variations in net worth			
Temporary differences			
Derived from results	9,555,709.87	-198,724.07	9,356,985.80
Derived from variations in net worth			
Previous tax base			-5,352,507.59
Capitalisation reserve			
Offsetting of negative tax bases from previous years			
Individual tax base at 30 June 2023			-5,352,507.59

Permanent differences

Positive permanent differences originating from profits generated over the 2022/2023 season of 2,856,728.89 euros (1,184,385.72 euros at 30 June 2022) correspond to expenses recorded by the company, which are not considered tax-deductible expenses in accordance with Article 15 of the Corporation Tax Act (LIS).

Negative permanent differences arising from results generated over the 2022/2023 season for the amount of 8,681.80 euros (5,414.99 euros at 30 June 2022) correspond to the interest accrued on the participating loans granted to the dependent companies of the Group. In accordance with the terms of article 21 LIS, this interest will have to be dividends or profit sharing exempt at 95%, meaning that the corresponding correction must be made.

Temporary differences

Positive temporary differences originating in past seasons and negative temporary differences originating in the year correspond, respectively, to an increase of the accounting results of 9,493,838.12 euros (11,336,697.57 euros at 30 June 2022), and a decrease in accounting results for the amount of 0 euros (13,350,000.00 euros at 30 June 2022), 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 correspond to payments made to a social insurance entity in order to take out collective insurance policies to comply with the company's commitments to its employees, in accordance with the applicable collective agreement for the amount of 61,871.75 euros (99,817.98 euros at 30 June 2022). This amount has not been allocated to the beneficiaries, 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 the total amount of 198,724.07 euros (at 30 June 2022 the figure was 204,992.03 euros).

Capitalisation Reserve

As a result of the negative tax base generated by the group in the 2022/2023 Season, no reduction was applied as a capitalisation reserve envisaged in article 25 LIS in the financial year.

In the 2020/2021 Season the company generated the right to apply a capitalisation reserve for the amount of 10% of the increase in equity compared to the previous season, calculated in accordance with the terms of the rule cited above, that is, for a total amount of 943,478.97 euros (although the maximum period for application thereof expired this season without any positive tax bases being generated to enable its application).

The company 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 2021/2022	Application deadline
2020/2021	943,478.97	0.00	2022/2023 Season
2021/2022	0.00	0.00	2023/2024 Season
2022/2023	0.00	0.00	2024/2025 Season

Deductions

In the 2022/2023 season, the Company generated a deduction for donations to non-profit entities subject to the terms of Act 49/2002 for an amount of 570,500.00 euros (350.000.00 euros in the 2021/2022 season).

As a result of the negative tax base generated by the Company, it was decided not to apply any amount in this regard, leaving 2,043,973.62 euros pending application in future financial years, of which 614,083.34 euros corresponded to the 2019/2020 season, 509,390.28 euros to the deduction generated in the 2020/2021 season, 350.000.00 euros to the deduction generated in the 2021/2022 season and 570,500.00 euros to the deduction generated in the 2022/2023 season.

In the 2022/2023 season, as in the previous one, the right to apply a deduction for the creation of employment for disabled workers was not generated.

Meanwhile, in the 2022/2023 season no deduction for technological innovation was generated (43,019.83 euros in the 2021/2022 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. In the 2022/2023 season, we have not applied a deduction in this regard, although a deduction for an amount of 4,370.20 euros was generated (4,370.20 euros in the 2021/2022 season).

2. Reconciliation of accounting profit and corporation tax expense.

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

Reconciliation of tax result and tax expense	2022/2023 Season	2021/2022 Season
Pre-tax accounting profit	-17,557,540.48	96,496.40
25%	0.00	24,124.10
Impact of permanent differences derived from profits	0.00	-24,124.00
Deductions applied in the season	0.00	0,00
Impact from capitalisation reserve	0.00	0.00
Total expense / (income) from tax recognised in profit and loss account	0.00	0.00

3. Breakdown of corporation tax expense.

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

Description	Amount S 2022/2023	Amount S 2021/2022
Current tax	0.00	0.00
For ongoing operations	0.00	0.00
Deferred tax	-4,252,475.76	-35,503.42
For ongoing operations	-4,252,475.76	-35,503.42
Total tax expense	-4,252,475.76	-35,503.42

4. Deferred tax assets recorded.

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

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

Description	Initial Balance	Increases	Decreases	Final Balance
At 30 June 2023				
Depreciation limit Act 16/2012	87,404.07	0.00	-21,851.02	65,553.05
Impairment of commercial loans	109,475.05	0.00	-69,575.00	39,900.05
Pension provisions	24,954.50	15,467.94	0.00	40,422.44
Credit for deductions to be applied	1,395,198.70	574,870.20	0.00	1,970,068.90
Credit for losses to be offset S 2021/2022	178,677.34	4,245.00	0.00	182,922.34
Credit for losses to be offset S 2022/2023	0.00	1,334,782.42	0.00	1,334,782.42
Total deferred tax asset	1,795,709.66	1,929,365.56	-91,426.02	3,633,649.21

Description	Initial Balance	Increases	Decreases	Final Balance
At 30 June 2022				
Depreciation limit Act 16/2012	104,884.89	4,370.20	(21,851.02)	87,404.07
Impairment of commercial loans	69,297.04	69,575.00	(29,396.99)	109,475.05
Pension provisions	0.00	24,954.50	0.00	24,954.50
Credit for deductions to be applied	1,045,198.70	350,000.00	0.00	1,395,198.70
Credit for losses to be offset S 2021/2022	0.00	178,677.34	0.00	178,677.34
Total deferred tax asset	1,219,380.63	627,577.04	(51,248.01)	1,795,709.66

At the start of the 2022/2023 season, the Company had no negative tax bases pending set-off, having generated an amount of -731,689.35 euros in the 2021/2022 season. In addition, in the 2022/2023 season it generated a negative individual tax base of -5,685,445.99 euros.

5. Deferred tax liabilities recorded.

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

	Rights over assets assigned for use (note 7.1 & 19)	Term operations	Total
2022/2023 Season			
Initial balance	3,375,000.00	4,831,832.69	8,567,180.43
Increases	0.00	0.00	0.00
Decreases	-311,278.92	-2,410,959.53	-2,722,238.45
Final balance	3,424,068.82	2,420,873.16	5,844,941.98

	Rights over assets assigned for use (note 7.1 & 19)	Term operations	Total
2021/2022 Season			
Initial balance	4,046,626.66	4,291,007.08	8,337,633.74
Increases	0.00	3,375,000.00	3,375,000.00
Decreases	-311,278.92	-2,834,174.39	-3,145,453.31
Final balance	3,735,347.74	4,831,832.69	8,567,180.43

6. Current balances with the Public Administration.

The amount of assets for current taxes totals 40,725.18 euros (215,264.00 euros at 30 June 2022).

In the 2022/2023 season, the amount of other credits with the Public Administration for the amount of 176,066.76 euros corresponds to an income tax refund. (In the 2021/2022 season, it corresponded to the return of the corporation tax of the Tax Consolidation Group for the 2021/2022 season pending receipt. Received on 05 July 2022).

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

Description	Amount S 2022/2023	Amount S 2021/2022
Public Treasury Income Tax debt	5,059,532.42	1,659,219.42
Public Treasury VAT debt	1,403,903.57	3,449,867.92
Social Security owed	167,007.27	147,770.36
Total other debts with the Public Administrations	6,630,443.26	5,256,857.70

7. Financial years pending confirmation and inspection activities.

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

On 13 February 2023, the Company received a notification of the commencement of an inspection in relation to Corporation Tax for the 2019/2020 and 2020/2021 seasons, in its capacity as dominant company of the Group. In addition, that notification entailed the commencement of an inspection in relation to Value Added Tax, Withholdings and payments on account due to employment earnings, economic and professional activities, as well as Withholdings and payments on account of capital in relation to the period from January 2019 to December 2020.

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

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

15. INCOME AND EXPENDITURE.

1. Net turnover.

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

Net turnover	Amount S 2022/2023	Amount S 2021/2022
Income from competitions		
League	1,312,564.68	984,688.91
Other competitions and friendlies	304,362.75	0.00
Others (distribution LNFP football pools)	83,605.99	38,239.53
Total income from competitions	1,700,533.42	1,022,928.44
Income from Season Ticket Holders and Members	4,176,815.94	3,215,098.69
Broadcast income	51,227,211.28	53,872,149.93
Advertising income		
Static advertising	1,474.62	6,904.84
Dynamic advertising	10,521,375.15	10,097,793.13
Total advertising income	10,522,849.77	10,104,697.97
Marketing income		
Shop sales / Sales sports equipment	2,311,516.87	1,710,979.99
Other	5,799.46	3,223.07
Total marketing income	2,317,316.33	1,714,203.06
Total Net turnover	69,944,726.74	69,929,078.09

2. Staff expenses.

a. Non-playing staff expenses.

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

Non-playing staff expenses	Salaries and wages	Social Security and others (c)	Total
Season 2022/2023			
Non-playing technical staff (a)	1,234,691.27	249,224.17	1,483,915.44
Other non-playing staff (b)	7,288,737.84	663,862.74	7,952,600.58
Total	8,523,429.11	913,086.91	9,436,516.02
Season 2021/2022			
Non-playing technical staff (a)	977,390.69	191,644.91	1,169,035.60
Other non-playing staff (b)	3,305,330.24	626,333.67	3,931,663.91
Total	4,282,720.93	817,978.58	5,100,699.51

- (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 company by means of contracts of employment, including administrative, marketing, communication, stores, commercial and ground maintenance staff.
- (c) The amount of other company expenses included in the above table under other non-playing staff totalled 26,438.78 euros for the season (16,510.14 euros the previous season).

The company took the decision to externalise the commitments assumed with workers regarding retirement premiums, in accordance with the terms of the collective agreement. The contribution at 30 June 2023 was 61,871.75 euros (99,817.98 euros in the 2021/2022 season).

The guaranteed capital at 30 June 2023 totalled 179,572.13 (97,506.78 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 that ineligible, in accordance with the provisions of note 4.12 of the report, is set out in the following tables:

Playing staff expenditure	Fixed contract	Variable contract	Image rights	Severance	Other remuneration	Collective premiums	Social Security	Loan income/ expenditure	Agents' fees	Depreciation acquisition rights (nota 8)	Impairment/ loss
EXPENDITURE LNFP-ELIGIBLE PLAYING STAFF Season 2022/2023											
Players	30,847,525.70	4,519,045.59	0.00	1,793,111.37	2,286,571.36	0.00	312,852.55	5,082,033.50	5,088,710.40	14,791,168.14	6,097,435.60
Coaches	1,732,616.40	0.00	0.00	1,728,347.91	352,600.00	0.00	49,562.71	0.00	205,000.00	0.00	0.00
Total LNFP-eligible Staff	32,580,142.10	4,519,045.59	0.00	3,521,459.28	2,639,171.36	0.00	362,415.26	5,082,033.50	5,293,710.40	14,791,168.14	6,097,435.60
EXPENDITURE LNFP-INELIGIBLE PLAYING STAFF Season 2022/2023											
Players	1,427,547.54	237,000.00	0.00	267,027.02	0.00	147,000.00	339,708.07	56,000.00	10,815.00	321,250.11	0.00
Coaches	123,472.35	70,000.00	0.00	162,000.00	0.00	0.00	48,166.94	0.00	0.00	0.00	0.00
Total LNFP-ineligible Staff	1,551,019.89	307,000.00	0.00	429,027.02	0.00	147,000.00	387,875.01	0.00	10,815.00	321,250.11	0.00
TOTAL PLAYING STAFF S 2017/2018	34,131,161.99	4,826,045.59	0.00	3,950,486.30	2,639,171.36	147,000.00	750,290.27	5,138,033.50	5,304,525.40	15,112,418.25	6,097,435.60
Wages and salaries playing staff S 2022/2023= 45,693,865,24 euros											

Playing staff expenditure	Fixed contract	Variable contract	Image rights	Severance	Other remuneration	Collective premiums	Social Security	Loan income/ expenditure	Agents' fees	Amortisation acquisition rights (nota 8)	Impairment/ loss
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 2016/2017	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											

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

Description	Amount 30/06/2023	Amount 30/06/2022
Player acquisition fee expenses (a)	5,304,525.40	2,542,286.73
Player loan expenses	5,338,033.50	666,000.00
Total player acquisition expenses	10,642,558.90	3,208,286.73

- (a) The agents' fees also include miscellaneous acquisition expenses and training and solidarity expenses worth 1,398,224.67 euros (at 30 June 2022 the figure was 433,915.73 euros).

3. Losses, impairment and variation of adjustments due to impairment for commercial operations.

The information is supplied in notes 11.1 of this report.

4. Other information.

a. Transactions with group and associate entities.

The transactions with group and associate entities correspond to:

a.1 Long-term loans to group companies in relation to (note 11.1),

- dependent company, Afouteza e Corazón, S.L.U., for a total amount of 300.000.00 euros, in relation to two participating facilities (note 11.1) (at 30 June 2022 for the same amount. This represents financial income of 5,700.00 euros (5,699.99 euros at 30 June 2022).
- dependent company Galicia Sport 360, S.L.U. for an amount of 395,000.00 euros in relation to participating loans (note 11.1). The income generated by these loans totals 3,438.74 euros.

a.2 Other financial assets, relating to the deposit for the lease of parking spaces from Afouteza e Corazón, S.L.U., for the amount of 3,421.48 euros (note 11.1).

a.3 Debtor group entities: for the amount of 1,217,679.07 euros (note 11.1).

The volume of the transactions is set out in the following table:

Description transactions	Amount 30/06/2023	Amount 30/06/2022
Income from the lease of different areas in A Sede (note 10.2)	224,443.24	236,674.80
Other income	44,416.01	23,428.70
Total volume transactions Afouteza e Corazón, S.L.U.	268,860.05	260,103.5
Sale of equipment and sporting goods for underage categories	152,551.96	120,627.89
Accommodation services at the facilities (A Sede Residence) (note 15.4.b)	286,762.70	293,808.00
Other income (membership, sanctions and underage category referees)	79,942.05	75,505.09
Total volume transactions Fundación Celta de Vigo	519,256.71	489,940.98
Income from the lease of different areas (note 10.2)	6,166.65	2,280.00
Other income	9.95	0.00
Total volume transactions Galicia Sport, S.L.U.	6,176.60	2,280.00
Income from membership	45,000.00	0.00
Total volume transactions Grupo Corporativo Ges, S.L.	45,000.00	0.00

- a.4 **Loans to Group companies**, corresponds to a loan granted to Grupo Corporativo Ges, S.L. for the amount of 3,165,141.94 euros (at 30 June 2022 the figure was 2,293,083.46 euros) (notes 11.1 and 13). The financial interest accrued on the same amounts to 62,278.46 euros (36,664.80 euros the previous season).
- a.5 **Other financial liabilities**, amounting to 18,524.00 euros relating to the deposits received from the leases from dependent company, Afouteza e Corazón, S.L.U. (at 30 June 2022, the figure was 18,524.00 euros) (note 11.2).
- a.6 **Short-term debts with group and associated companies**, corresponds to a current account with dependent company Afouteza e Corazón, S.L.U. for the amount of 39,435.56 euros (63,570.03 euros the previous season) and a current account with Galicia Sport 360 S.L.U. for an amount of 759.00 euros.
- a.7 **Suppliers, group companies**, the volume of transactions is set out in the following table:

Description transactions	Amount 30/06/2023	Amount 30/06/2022
Car Park lease expenditure (note 10.1)	27,177.54	21,622.02
Other expenses	285.00	196.41
Total volume transactions Afouteza e Corazón, S.L.U.	27,462.54	21,818.43
Donation (&)	1,630,000.00	1,000,000.00
Other expenses	437.25	0.00
Total volume transactions Fundación Celta de Vigo	1,630,437.25	1,000,000.00

(&) Donation for promoting sport in all areas, as well as the support and dissemination of sport in Vigo via different means.

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 30/06/2023	Amount 30/06/2022
Lease income (1)	261,706.50	268,340.20
Player loan income (2)	770,157.62	290,285.62
Player training rights income	701,551.85	46,399.93
Miscellaneous service income (3)	802,106.83	300,235.54
Total ancillary income and other current management income	2,535,522.80	905,261.29

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

(2) Player release income includes the amount resulting from the profits received from the UEFA for the release of players to their respective national teams for the amount of 29,272.00 euros and income from the release of players to their respective national teams for the Qatar World Cup for the amount of 540,885.62 euros (at 30 June 2022 the figure was 187,285.62 euros).

(3) The most significant amounts of the income from miscellaneous services corresponds to:

- a. Income from sponsorship of international tours worth 206,793.39 euros (at 30 June 2022 the amount was 0.00 euros),
- b. Income from the promotion of concerts at the Abanca Balaidos stadium for the amount of 200.000 euros (at 30 June 2022 the amount was 0.00 euros), and
- c. Accommodation service income worth 286,762.70 euros (at 30 June 2022 the amount was 293,808.00 euros) (note 15.4.a).

c. Foreign currency transactions.

Foreign currency transactions were carried out in the 2022/2023 season with income for an amount of 89,785.13 euros (91,904.10 dollars) and expenses for an amount of 272,757.88 euros (272,711 dollars). Moreover, a term deposit for the amount of 175,000.00 dollars was cancelled. The exchange rate differences total -31,375.99 euros (17,618.30 euros the previous season).

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

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

Breakdown	2022/2023 Season		2021/2022 Season	
	Men	Women	Men	Women
Average staff				
Playing staff (players)	46	0	41	0
Other staff	67	22	61	20
Total average staff	113	22	102	20

Breakdown	2022/2023 Season		2021/2022 Season	
	Men	Women	Men	Women
Closing staff				
Playing staff (players)	52	0	36	0
Other staff	61	22	70	26
Total closing staff	113	22	106	26

e. Exceptional income and expenditure.

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

Description	Amount S2022/2023	Amount S2021/2022
Exceptional expenditure (1)	-163,904.14	-6,193.69
Exceptional income (2)	1,054,019.26	558,671.41
Total other results	890,115.12	552,477.72

- (1) These are mainly exceptional expenses derived from the flooding in the Abanca Balaidos Stadium. No breakdown of exceptional expenditure for the previous season is provided as it corresponds to insignificant expenses.
- (2) The exceptional income for the season corresponds mainly to the insurance compensation for the amount of 777,517.79 euros and FIFA compensation worth 114,176.20 euros, as well as adjustment of balances. The previous season, they corresponded essentially to insurance compensation 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 16) and adjustment of balances of past seasons.

f. Financial income and expenditure.

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

Description	Amount S2022/2023	Amount S2021/2022
Financial expenditure (1)	-769,417.16	-478,073.43
Financial income (2)	198,996.01	97,194.45
Variation in fair value of financial instruments (3)	0.00	-28,741.24
Exchange rate differences (note 15.4.c)	-31,375.99	17,618.30
Total financial results	-601,797.14	-392,001.92

- (1) Financial expenditure corresponds essentially to interest from the participating financing agreement between La Liga and the clubs, known as CVC Funds – LaLiga Impulso, for the amount of 762,431.42 euros (404,020.41 euros the previous season).
- (2) The financial income corresponds essentially to interest from the loans granted to group company Afouteza e Corazón, S.L.U. for the amount of 5,700.00 euros (the previous season the amount was 5,699.99 euros) and Grupo Corporativo Ges, S.L.U. for the amount of 62,278.46 euros (the previous season the amount was 36,664.80 euros) and Galicia Sport S.L.U. for the amount of 3,438.74 euros (Note 15.4.a), and interest from bank deposits and active positions.
- (3) This corresponds to the loss derived from the refund of an investment fund in the 2021/2022 season.

g. Results from the sale of players.

In the 2022/2023 season the company obtained a profit of 13,700,246.26 euros (16,657,473.48 euros in the previous season) from the sale of players (Note 8).

h. Accruals.

In this financial year it is largely the expenses related to the celebration of the company's Centenary that are accrued. The previous season expenses worth 161,408.82 were accrued for different reasons.

This season, there is no accrued income because the season ticket holder campaign began in July 2023 (in the previous season income worth 657,865.10 euros was accrued together with collaboration agreements worth 50,671.53 euros

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

The amount of income from indemnification received from insurance entities totals 777,517.79 euros derived, essentially, from the compensation from different claims, mainly derived from the flooding at the Abanca Balaidos stadium (at 30 June 2022 it totalled 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.

5. Net turnover figures.

The breakdown of the net turnover figure is supplied in note 15.1 of this report, with the most significant income being that derived from the agreements and contracts signed with the public administrations:

- **Broadcast rights** which include audio-visual rights negotiated by the TV operators and LaLiga worth 50,579,716.90 euros and the adjustment of the broadcast rights from past seasons for the amount of -2,726.50 euros (in the 2021/2022 season the amount was 53,160,577.00 euros and broadcast rights from past seasons worth 104,633.00 euros were adjusted), for the Copa del Rey for the amount of 395,657.11 euros and for Primera RFEF in relation to the reserve team, with the RFEF for the amount of 254,563.77 euros (in the previous season the amounts were 372,851.00 euros and 234,088.92 euros respectively).
- The **income from advertising and commercialisation** derived from agreements or contracts signed with the public administration is
 - On 5 August 2022, the company entered into an agreement with the Galician Tourism Agency for the promotion of tourism in Galicia in the Trofeo Quinocho for an amount of 11,570.25 euros, which was received in full.
 - On 25 October 2022, the company entered into an agreement with the Galician Tourism Agency for the promotion of tourism in Galicia via events and with the corresponding dissemination of a promotional video for the amount of 8,429.75 euros, which was received in full.
 - On 9 December 2022, the company entered into a sponsorship agreement with Fundación Deporte Galego for sponsoring Galician teams competing at a high level, specifically Celta B. The amount of the agreement was 38,603.65 euros, of which 30,882.93 euros was received.
 - On 26 January 2023, an agreement was signed with the Galician Tourism Agency for the adaptation of spaces and entrances at the Abanca Balaídos stadium for the amount of 40,752.03 euros, payment of which is pending.

In the 2021/2022 season:

- 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 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.

16. PROVISIONS AND CONTINGENCIES.

Provisions.

At 30 June 2023, the company 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 present, it was given leave to proceed in a ruling dated 1 March 2023 by the First Chamber of the Supreme Court, and the date for deliberation and a decision has yet to be set (at 30 June 2022, the figure was 590,919.22 euros) (note 15.4.e)

Contingencies.

Contingent liabilities.

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

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

Contingent assets.

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

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

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

17. PARTICIPATING LOANS AND SUBORDINATED DEBT.

There are no participating loans or subordinated debt.

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

There are no guarantees given to third parties at 30 June 2023 or in the 2021/2022 season.

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

At 30 June 2023, the company has off-balance sheet risks totalling 197,336,10 euros (at 30 June 2022 the figure for the firm's risks was 236,293,43 euros).

19. SUBSIDIES, DONATIONS AND ENDOWMENTS.

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

Concessionaire	Initial amount	Charged to results	Final amount
	Season 2022/2023		
	11,206,042.59	1,245,115.80	10,272,205.71
	Season 2021/2022		
Vigo City Council (1)	12,139,879.47	1,245,115.80	11,206,042.59

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

In said agreement, Vigo City Council assigns the interior advertising (pitches, stands and scoreboards...) of the Balaidos, Barreiro and A Madroa stadiums to the company free of charge, to be exploited by the company or a third party during any sporting competition in which the company is involved or related to it, the latter assuming the cost of the removal or covering of said advertising if so requested by the Council for other events not involving the company. The company is also responsible for the management of the advertising rights derived from the image of its players, managers, symbols... in the facilities it is authorised to use.

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

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

In relation to the above, the assignment of the right of use is 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 company has complied with all conditions related to the subsidies.

The company does not receive any donations or endowments.

In the 2022/2023 season, the company processed operating subsidies worth 3,555,085.76 euros (in the 2021/2022 season the amount was 686,162.92 euros), obtaining operating subsidies worth 450,929.71 euros (in the 2021/2022 season the figure was 726,054.85 euros), with the following breakdown:

- 229,984.62 euros in a subsidy from the Spanish Football Federation under the academy with values programme (at 30 June 2022, for an amount of 352,963.06 euros),
- 216.101.14 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 2022 was 282.000.03 euros),
- In the 2021/2022 season, 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 2021/2022 season, 46,199.83 euros in a subsidy from the Xunta de Galicia as aid for recovery from the effects of COVID-19, and
- 4,843.95 euros correspond to the subsidy from the Xunta de Galicia for the development of sports activities (in the 2021/2022 season, the figure was 16,573.75 euros).

20. EVENTS SUBSEQUENT TO CLOSING.

In the summer transfer market, the company brought in players by acquiring their economic or federative rights as well as bringing players in on loan in order to strengthen the playing staff of the first team and Celta B and has sent players on loan to other sporting entities in accordance with their potential in terms of their play and performance.

On September 28, 2023, Manuel Carlos Mouriños Atanes, the President of the Board of Directors of the company resigned. In accordance with article 224 of the Law on Anonymous Companies, the Administrative Council unanimously agrees to appoint Maria de los Ángeles Mouriño Terrazo, President of the Administrative Council.

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

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

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

21. RELATED-PARTY TRANSACTIONS.

1. Related-party transactions.

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

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

2. Management Body Remuneration.

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

The company has no senior executive employment contracts.

The company has taken out collective accident insurance for the members of the Board of Directors during the season, with the total amount of guarantees taken out in the event of death or complete invalidity amounting to 100.000.00 euros per insured person.

Moreover, the company has taken out a policy to cover the civil liability of Directors and Senior Executives, with an annual limit of 9,000.000.00 euros (in the past the limit of the insurance was 6,000.000.00 euros).

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

3. Participation by members of the management body in other companies.

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

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

4. Corporate group.

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

As mentioned, in note 14.1 of this report, the company opted for the Tax Consolidation Regime for the tax period starting on 1 July 2018 and following years in accordance with the terms of the Corporation Tax Act, Chapter VI, Title VII. The company forms part of the Consolidated Group, as dominant company, which also includes dependent companies Afouteza e Corazón, S.L.U. and Galicia Sport 360, S.L.U.

22. OTHER INFORMATION.

1. Average staff levels in the financial year.

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

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

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

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

Break-even indicators.

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

ART.20 VOLUME X. (CALCULATION OF THE BREAK-EVEN POINT)

A) Breakdown of Relevant Income	<i>Information in €</i>							
	AA S2021/2022 data			Restated data S2020/2021	Restated data AA S2020/2021	Restated data S2019/2020	Restated data AA S2019/20	
	T Temp. 2022/2023	T-1 Temp. 2021/2022 W/O COVID	T-1 Temp. 2021/2022 WITH COVID	T-2 Temp. 2020/2021 W/O COVID	T-2 Temp. 2020/2021 WITH COVID	T-3 Temp. 2019/2020 W/O COVID	T-3 Temp. 2019/2020 WITH COVID	T-4 Temp. 2018/19
Income from competitions	1,700,533	1,022,928	1,022,928	882,747	330,268	909,567	561,481	1,391,009
Income from season ticket holders and members	4,176,816	3,251,421	3,215,099	4,570,253	744,857	4,791,880	3,505,867	4,450,255
Broadcast Income	51,227,211	53,872,150	53,872,150	53,691,288	53,691,288	50,058,359	50,058,359	51,632,445
Advertising income	10,522,850	10,104,698	10,104,698	10,028,623	9,960,444	7,472,333	7,472,333	7,399,161
Marketing and other income	2,317,316	1,714,203	1,714,203	1,652,934	1,652,934	1,119,604	1,119,604	2,133,862
Ancillary and other current management income	2,535,523	1,020,039	905,261	4,613,843	4,499,066	3,595,822	3,538,291	6,209,524
Revenue from non-football operations		0	0	0	0	0	0	0
Profit from the transfer of fixed assets	19,797,682	25,298,837	16,657,473	7,419,238	7,419,238	36,696,234	36,696,234	28,841,365
Other operating income	1,054,019	558,671	558,671	905,722	905,722	752,666	752,666	1,750,387
Financial income	203,404	114,851	114,851	236,740	236,740	78,247	78,247	26,334
(a.1) Total Relevant Income	93,535,355	96,957,799	88,165,335	84,001,389	79,440,558	105,474,711	103,783,081	103,834,343
(a.2) Total income in the audited financial statements	95,231,400							
(a.3) Amount to be reconciled: (a.1) - (a.2)	-1,696,046	Reconciled FY Previous	Reconciled FY Previous	Reconciled FY Previous	Reconciled FY Previous	Reconciled FY Previous	Reconciled FY Previous	Reconciled FY Previous
Reconciliation items (examples)								
Income derived from non-cash items	1,461,217							
Income derived from releases from insolvency procedures								
Income from operations not related to the football activity, or clearly or exclusively related to the Club's brands								
Other income not classified within the above reconciliation items	234,829							
(a.4) Total reconciliation items	1,696,046 €							

B) Breakdown of Relevant Expenses

	AA S2021/2022 data		Restated data S2020/2021	Restated data AA S2020/2021	Restated data S2019/2020	Restated data AA S2019/20		
	T	T-1	T-1	T-2	T-2	T-3	T-3	
	Temp. 2022/2023	Temp. 2021/2022	Temp. 2021/2022	Temp. 2020/21	Temp. 2020/21	Temp. 2019/20	Temp. 2019/20	
		W/O COVID	WITH COVID	W/O COVID	WITH COVID	W/O COVID	WITH COVID	
							T-4	
							Temp. 2018/19	
Provisions	1,205,763	1,002,060	1,002,060	1,425,298	1,425,298	1,346,380	1,346,380	2,192,834
Staff expenses	55,942,543	52,338,863	52,338,863	56,043,117	56,043,117	48,793,508	50,041,361	43,084,760
Other operating expenses	31,283,968	19,081,297	19,212,023	17,002,080	18,545,269	16,226,064	16,982,587	14,201,587
Depreciation player acquisition rights	15,112,418	15,407,651	15,407,651	15,576,956	15,576,956	19,740,584	19,740,584	14,803,696
Losses from the transfer of fixed assets	6,150,236	0	0	810,749	810,749	2,726,333	2,726,333	1,334,570
Financial expenses	805,201	506,853	506,853	183,900	183,900	61,728	61,728	86,616
(b.1) Total relevant expenses	110,500,129	88,336,725	88,467,451	91,042,099	92,585,288	88,894,598	90,898,974	75,704,063
(b.2) Total costs and expenses in the audited financial statement	108,536,465							
(b.3) Amount to be reconciled: (B.1) - (B.2)	1,963,664	Reconciled previous FY	Reconciled previous FY	Reconciled previous FY	Reconciled previous FY	Reconciled previous FY	Reconciled previous FY	Reconciled previous FY

Reconciliation items (examples)

Depreciation/impairment of tangible fixed assets	985,769
Depreciation/impairment of intangible fixed assets other than the federative rights of players	1,303,042
Tax Expenses (Corporation Tax)	-4,252,476
Other income not classified within the above reconciliation items	
(b.4) Total reconciliation items	-1,963,664

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

0

C) Calculation of the break-even point

AA S2022/2023 data

	Amount WITHOUT	Amount WITH COVID	
(c.1) Break-even point T (FY 22-23)			
Relevant Income	93.535.355	93.535.355	
Relevant Expenditure	110.500.129	110.500.129	
Break-even Point Result	-16.964.774	-16.964.774	Deficit

(c.2) Break-even point T-1 (FY 21-22)			
Relevant Income	96.957.799	88.165.335	
Relevant Expenditure	88.336.725	88.467.451	
Break-even Point Result	8.621.074	-302.116	Deficit

(c.3) Break-even point T-2 (FY 20-21)			
Relevant Income	84.001.389	79.440.558	
Relevant Expenditure	91.042.099	92.585.288	
Break-even Point Result	-7.040.710	-13.144.730	Deficit

(C.4) Break-even point for the period from T to T-2: (C.1) + (C.2) + (C.3)	-15.384.410	-30.411.620	Deficit
---	--------------------	--------------------	----------------

(c.5) Break-even point T-3 (FY 19-20)			
Relevant Income	105.474.711	103.783.081	
Relevant Expenditure	88.894.598	90.898.974	
Break-even point,	16.580.113	12.884.107	Surplus

(c.6) Break-even point T-4 (FY 18-19)			
Relevant Income	103.834.343	103.834.343	
Relevant Expenditure	75.704.063	75.704.063	
Break-even point,	28.130.280	28.130.280	Surplus

(C.7) Break-even point for the period from T to T-4: (C.4) + (C.5) + (C.6)	29.325.983	10.602.767	Surplus
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First team expenses.

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

ART. 22 VOLUME X. (INDICATOR EXPENSES ASSOCIATED WITH THE FIRST TEAM)

A) Expenses associated with the first team

(A) Total expenses associated with the first team,	44,774,111
	Amount
(a.1) Cost of playing staff eligible for LFP registration (without amortisation)	43,622,234
(a.2) Personnel expenses related to the first team, and not reflected in the cost of eligible playing staff: technical secretary/ sporting director, doctors, physiotherapists, kitmen, team manager.	1,151,877

B) Reconciliation with financial statements

(B) Total personnel expenses reflected in P&L at 30/6/2023	55,942,543
(b.1) Amount to be reconciled: (A) - (B)	-11,168,433

Reconciliation entries	Amount
Expenses Playing staff NOT eligible for LFP registration	2,821,922
Non-playing staff expenses other than those contemplated in (a.2)	8,346,511
(b.2) Total reconciliation items	11,168,433
Reconciliation checker: (b.1) + (b.2) = 0	0

C) Relevant Income at 30 June 2023

(C.) Total Relevant Income	93,535,355
-----------------------------------	-------------------

RATIO EXPENSES ASSOCIATED WITH THE FIRST TEAM (A/C)	48%
	Compliant

Ratio of net debt to total income.

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

NET DEBT INDICATOR

A) Balance sheet liability items to be considered for the calculation of net debt

(A) Total Debts and Loans (A.1) + (A.2) **82,746,529**

(A.1) Long-term debts	60,150,070
Debts with credit institutions	0
Debts with sports entities	15,264,940
Other financial liabilities	44,885,130
Insolvency debt	0
Debts with group companies (participating loans)	0

(A.2) Short-term debts	22,596,459
Debts with credit institutions	0
Debts with sports entities for transfers/loans	20,192,714
Other financial liabilities	2,363,551
Debts with group and associated companies	40,195

(B) Balance sheet asset items to be considered for the calculation of net debt

(B) Total asset items considered **72,946,948**

Debtor Sports Entities (non-current commercial debtors and current debtor sports entities)	43,105,984
Cash and equivalent liquid assets	26,575,642
Financial investments S/T	3,265,322

C) Breakdown of Relevant Income

(C.) Total Relevant Income **93,535,355**

	30-Jun-23
Income from competitions	1,700,533
Income from season ticket holders and members	4,176,816
Broadcast Income	51,227,211
Advertising income	10,522,850
Marketing and other income	2,317,316
Ancillary and other current management income	2,535,523
Income from non-football operations (operating subsidiaries)	0
Profit from the transfer of fixed assets	19,797,682
Other operating income	1,054,019
Financial income	203,404

D) Amount of net debt at 30 June 2023

(D) Total Net Debt (A-B) **9,799,581**

DEBT RATIO (D/C) **10% Compliant**

3. Budget variance analysis for the season and budget for the next season in accordance with the LNFP regulations.

BUDGET VARIANCE ANALYSIS FOR THE 2022/2023 SEASON

Profit and loss account	Envisaged S2022/2023	Real S2022/2023
A) ONGOING OPERATIONS		
1. Net amount of turnover	69,450,000.00	69,944,726.74
a) Income from competitions and participation in betting	1,000,000.00	1,700,533.42
b) Income from season ticket holders and members	5,000,000.00	4,176,815.94
c) Broadcast income	49,500,000.00	51,227,211.28
d) Advertising income	12,500,000.00	10,522,849.77
e) Marketing and other revenues	1,450,000.00	2,317,316.33
4. Provisions	(950,000.00)	(1,205,763.29)
5. Other operating income	1,780,000.00	2,986,452.51
a) Ancillary and other current management income	1,780,000.00	2,535,522.80
b) Operating subsidies incorporated into the results of the financial year	0.00	450,929.71
6. Staff expenses	(49,720,000.00)	(55,942,543.31)
a) Wages and salaries playing staff	(41,570,000.00)	(45,693,865.24)
b) Wages and salaries non-playing staff	(6,800,000.00)	(8,523,429.14)
d) Social charges	(1,350,000.00)	(1,725,248.93)
7. Other operating expenses	(16,706,000.00)	(31,120,063.42)
a) External Services	(5,745,000.00)	(8,405,563.21)
b) Taxes	(25,000.00)	(23,597.71)
c) Losses, impairment of commercial instruments	0.00	(1,053,555.00)
d) Travel and organisation of friendlies	(1,665,000.00)	(2,886,963.77)
e) Player acquisition costs	(1,500,000.00)	(10,642,558.90)
f) Other current management expenses	(7,771,000.00)	(8,107,824.83)
8. Depreciation of fixed assets	(18,345,115.92)	(17,401,229.79)
a) Fixed asset depreciation	(1,100,000.00)	(1,043,695.74)
b) Depreciation of players	(16,000,000.00)	(15,112,418.25)
c) Depreciation of rights over assigned assets in use	(1,245,115.92)	(1,245,115.80)
9. Allocation of non-financial fixed assets, grants and others	1,245,115.92	1,245,115.80
11. Results from sales of fixed and extraordinary assets	14,950,000.00	13,647,446.30
a) Results from transfers and others	0.00	(52,799.96)
b) Results from the transfer of players	14,950,000.00	13,700,246.26
13. Other results	0.00	890,115.12
A.1) OPERATING RESULT	1,704,000.00	(16,955,743.34)
12. Financial income	0.00	198,996.01
13. Financial and similar expenditure	(1,005,000.00)	(769,417.16)
14. Exchange rate differences	0.00	(31,375.99)
A.2) FINANCIAL RESULT	(1,005,000.00)	(601,797.14)
A.3) RESULT BEFORE TAXES	699,000.00	(17,557,540.48)
20. Profit tax	(175,000.00)	4,252,475.76
A.4) RESULT FOR THE FINANCIAL YEAR ONGOING OPERATIONS	524,000.00	(13,305,064.72)
A.5) RESULT FOR THE FINANCIAL YEAR	524,000.00	(13,305,064.72)

BUDGET		2023/2024 Season
A) ONGOING OPERATIONS		
1. Net amount of turnover		70,200,000.00
a) Income from competitions and participation in betting		1,600,000.00
b) Income from season ticket holders and members		5,600,000.00
c) Broadcast income		48,000,000.00
d) Advertising income		12,500,000.00
e) Marketing and other income		2,500,000.00
4. Provisions		(1,625,000.00)
5. Other operating income		1,000,000.00
a) Ancillary and other current management income		1,000,000.00
b) Operating subsidies incorporated into the results of the financial year		0.00
6. Staff expenses		(58,241,000.00)
a) Wages and salaries playing staff		(51,026,000.00)
b) Wages and salaries non-playing staff		(5,315,000.00)
d) Social charges		(1,900,000.00)
7. Other operating expenses		(22,863,000.00)
a) External Services		(8,989,000.00)
b) Taxes		(25,000.00)
c) Losses, impairment and var. prov. commercial ops.		(25,000.00)
d) Travel and organisation of friendlies		(2,500,000.00)
e) Player acquisition expenses		(3,316,000.00)
e) Other current management expenses		(8,008,000.00)
8. Depreciation of fixed assets		(17,998,000.00)
a) Fixed asset depreciation		(1,400,000.00)
b) Depreciation of players		(15,353,000.00)
c) Depreciation of rights over assigned assets in use		(1,245,000.00)
9. Allocation of non-financial fixed assets, grants and others		1,245,000.00
11. Results from sales of fixed and extraordinary assets		30,689,000.00
b) Results from the transfer of players		30,689,000.00
A.1) OPERATING RESULT		2,407,000.00
12. Financial income		40,000.00
13. Financial and similar expenditure		(810,000.00)
A.2) FINANCIAL RESULT		(770,000.00)
A.3) RESULT BEFORE TAXES		1,637,000.00
20. Profit tax		(409,250.00)
A.4) RESULT FOR THE FY ONGOING OPS. PROCED.		1,227,750.00
A.5) RESULT FOR THE FINANCIAL YEAR		1,227,750.00

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 annual accounts will be audited by Auren and its remuneration for this task amounts to 26,400 euros (26,620 euros last season).

The audit company has also invoiced fees for other verification services amounting to 8,320 euros (7,865 euros last season).

6. Company agreements.

There are no company agreements other than those appearing in the balance sheet or informed about in other notes of this report, except in relation to the agreements for the loan of players for the 2023/2024 season, which appear in the following season, as the players begin their contractual relationship in the 2023/2024 season.

23. SEGMENTED INFORMATION.

The company has the following sports sections: the first team (playing in the First Division), Celta B (playing in Primera RFEF) and Celta C (which plays in the Third Division) (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),

Expenses of playing staff ineligible for registration (Celta B)	Amount S2022/2023	Amount S2021/2022
Fixed remuneration	1,551,019.89	1,742,84.,82
Variable remuneration	307,000.00	205,800.00
Severance	429,027.02	132,499.67
Other remuneration	0.00	40,000.00
Collective premiums	147,000.00	0.00
Social security	387,875.01	325,431.73
Loan (income)/expense	56,000.00	56,000.00
Agents' fees	10,815.00	10,500.00
Amortisation acquisition rights	321,250.00	68,750.00
Impairment/loss	0.00	0.00
Total expenses of playing staff ineligible for registration (Celta B)	3,209,986.92	2,581,823.22

- Expenses of non-sporting technical staff for the amount of 384,408.20 euros (in the 2021/2022 season the amount was 280,690.43 euros),
- Other operating expenses for the amount of 83,740.70 euros (in the 2021/2022 season the amount was 66,025.73 euros),
- Refereeing fees of 61,382.47 euros (in the 2021/2022 season the amount was 57,182.73 euros),
- Transport expenses of 200,495.05 euros (in the 2021/2022 season the amount was 130,490.91 euros).
- Other expenses (mutual insurance, sporting penalties, licences...) amounting to 63,540.26 euros (in the 2021/2022 season the amount was 19,639.32 euros).
- Ticket office income of 43,639.67 euros (in the 2021/2022 season the amount was 39,258.07).
- Broadcast Income of 254,563.77 euros (in the 2021/2022 season the amount was 234,088.92 euros) (note 15.5).

- Sponsorship and advertising income of 335,103.65 euros (in the 2021/2022 season the amount was 362,792.39 euros).
- Operating subsidies of 234,828.57 euros (in the 2021/2022 season the amount was 415,736.64 euros) (note 19).
- Other income worth 63,095.75 euros.

According to the affiliation agreement signed with Gran Peña (note 1.3), the 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 2023, the most representative data of Celta C was:

- Expenses totalling 455,091.28 euros (in the 2021/2022 season the figure was 169,698.28 euros),
- Ticket office income of 1,849.59 euros (in the 2021/2022 season the figure was 1,021.50 euros).

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

The formulated annual accounts were issued on 28 September 2023 and this document is a literal translation of them.

**REAL CLUB CELTA DE VIGO, S.A.D.
Management Report corresponding to
30 June 2023**

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- 1. Evolution of the company and prospects.**
 - 1.1 Main figures.**
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 - 1.3 Management objectives.**
 - 1.4 Future prospects.**
- 2. Events subsequent to closing.**
- 3. Environmental information.**
- 4. Research and development activities.**
- 5. Acquisitions of own shares.**
- 6. Financial instruments.**
- 7. Securities listed for trading.**
- 8. Average employment for the financial year.**
- 9. Deferral of payments to suppliers in commercial transactions.**
- 10. Sponsors and creditors.**

ANNEXES Main transparency indicators for football clubs (INFUT).

I. Evolution of the company and prospects.

I.1 . Main figures.

The 2022/2023 Season is a very special season, since in the second half of the season, which corresponds to the year 2023, we are already celebrating the year of our Centenary with a multitude of events, acts and actions that touch all areas of the club and that seek the integration of all Celta fans and supporters.

At the sporting level, this translates into an economic effort to build an attractive project, with a new base and strategy in the club, with the help of a new sporting director. In this context, the company increased the cost of its playing staff by using up to the maximum allowed 15% of the amount of the CVC loan by making investments, signings and modifications to its player base.

At a global and macroeconomic level, we are faced with a situation that has led to an increase in the general costs of raw materials, transport, supplies such as electricity or oil, etc., which have registered record increases and it is unlikely that they will be readjusted in the short term; together with this we have seen repeated increases in interest rates. Despite this context, we have been able to maintain and improve the figure for expected revenue approved at the General Meeting of Shareholders, although during the season we suffered a significant default, the provision for which exceeds one million euros, yet we have contained or even reduced expenses. On an exclusively financial level, the CVC loan and the provision of funds result in compliance with the payment of interest and repayment of principal, which make it possible to undertake, among others, the expenses mentioned above. However, we see how audiovisual revenues are comparatively reduced.

This season we have also worked intensively to consolidate our international presence as an element that generates revenue in order to gain presence in different markets, to generate digital content and to search for new sponsorship opportunities that increase the global value of the brand and allow us to grow in revenues and continue the digital transformation, based on the permanent analysis of activity, both internal to the company's processes and external to the relationship with the customer, both B2B and B2C and the area of Retail significantly improved their revenue forecast by more than 2.3 million euros.

It should be especially noted that on 13 December 2022, the Secretaria Xeral para o Deporte announced the resolution of the Council of the Xunta de Galicia of 10 November 2022, declaring the Project known as Factoria del Deporte Galego - Galicia Sports 360 promoted by the company to be of Regional Interest. A project that will be constituted as a complex of facilities of nearly 300.000^{m2} from which different facets of the sports system will be addressed and promoted. The proposed action transcends the municipal sphere and the project includes the idea of sport as an activity of public interest that helps growth and social cohesion, gender equality, improves the well-being of citizens and the development of the entire Autonomous Region, strengthening the cross-cutting nature of the Galician sports system.

With all this, the company has had losses of approximately 13 million euros after Corporation Tax, when the approved budget for the season amounted to 524 thousand euros

In terms of **income**, we see that the aggregate figure is actually improving compared to last season, but we are a long way from pre-COVID revenues. The fundamental decline is located in the continuous decline in audiovisual revenues and the results from the sale of players.

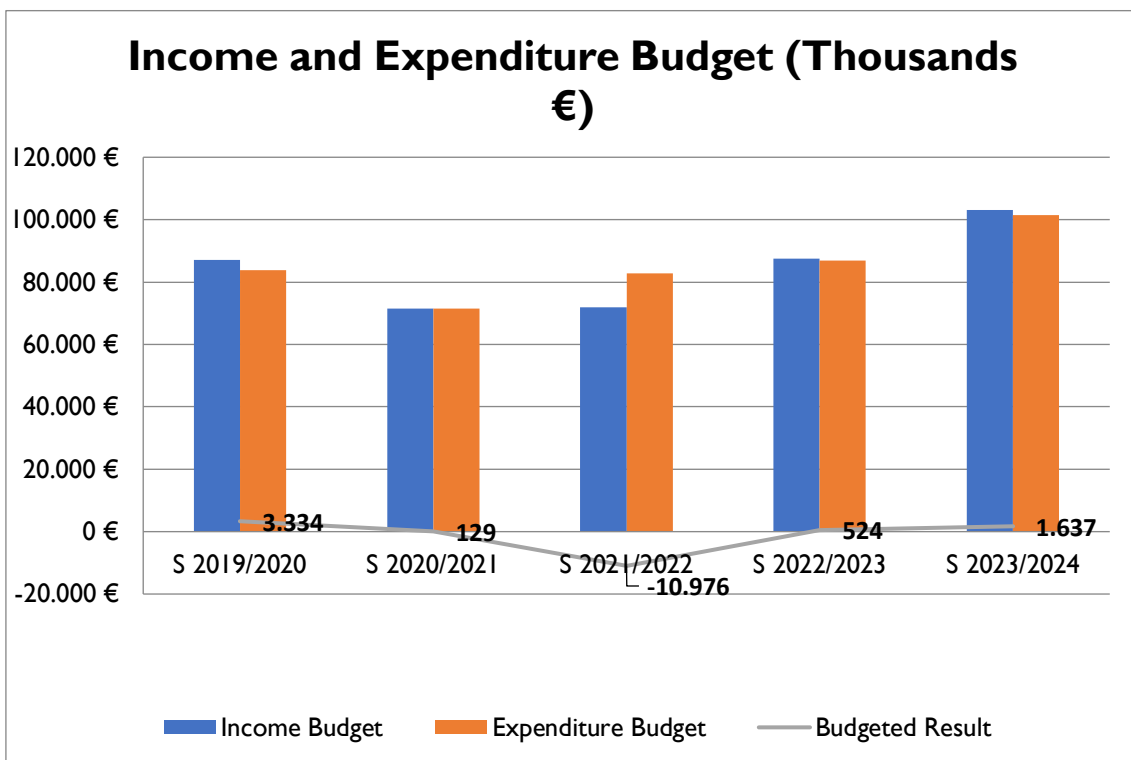
COVID

Income	2018/2019 Season	2019/2020 Season	2020/2021 Season	2021/2022 Season	2022/2023 Season
Season ticket holders and Ticket C	5.841.264	4.067.348	1.075.125	4.238.027	5.877.349
Broadcast*	51.632.445	50.058.359	48.903.648	49.065.896	46.541.865
Advertising	7.399.161	7.472.333	9.960.444	10.104.698	10.522.850
Retail	2.133.862	1.119.604	1.652.934	1.714.203	2.317.316
Ancillary and current management	6.369.405	4.107.337	5.084.472	1.631.316	2.986.453
Allocation of subsidies	1.245.116	1.245.116	1.245.116	1.245.116	1.245.116
Players	28.841.365	36.696.234	7.419.238	16.657.473	19.797.682
Extraordinary	1.750.387	752.666	905.722	913.921	1.054.019
Financial	26.334	78.247	236.740	114.851	203.404
Total Income	105.239.340	105.597.244	76.483.438	85.685.503	90.546.055

As of the 2020/2021 season, the gross amount is charged to audiovisual rights revenues, following LaLiga's criteria, which means that revenues from audiovisual rights in the 2020/2021; 2021/2022 and 2022/2023 season amount to:

Income	2020/2021 Season	2021/2022 Season	2022/2023 Season
Net Broadcast Income	48,903,648	49,065,896	46,541,865
Associated obligations (9%)	4,787,640	4,806,254	4,685,346
Gross Broadcast Income	53,691,288	53,872,150	51,227,211

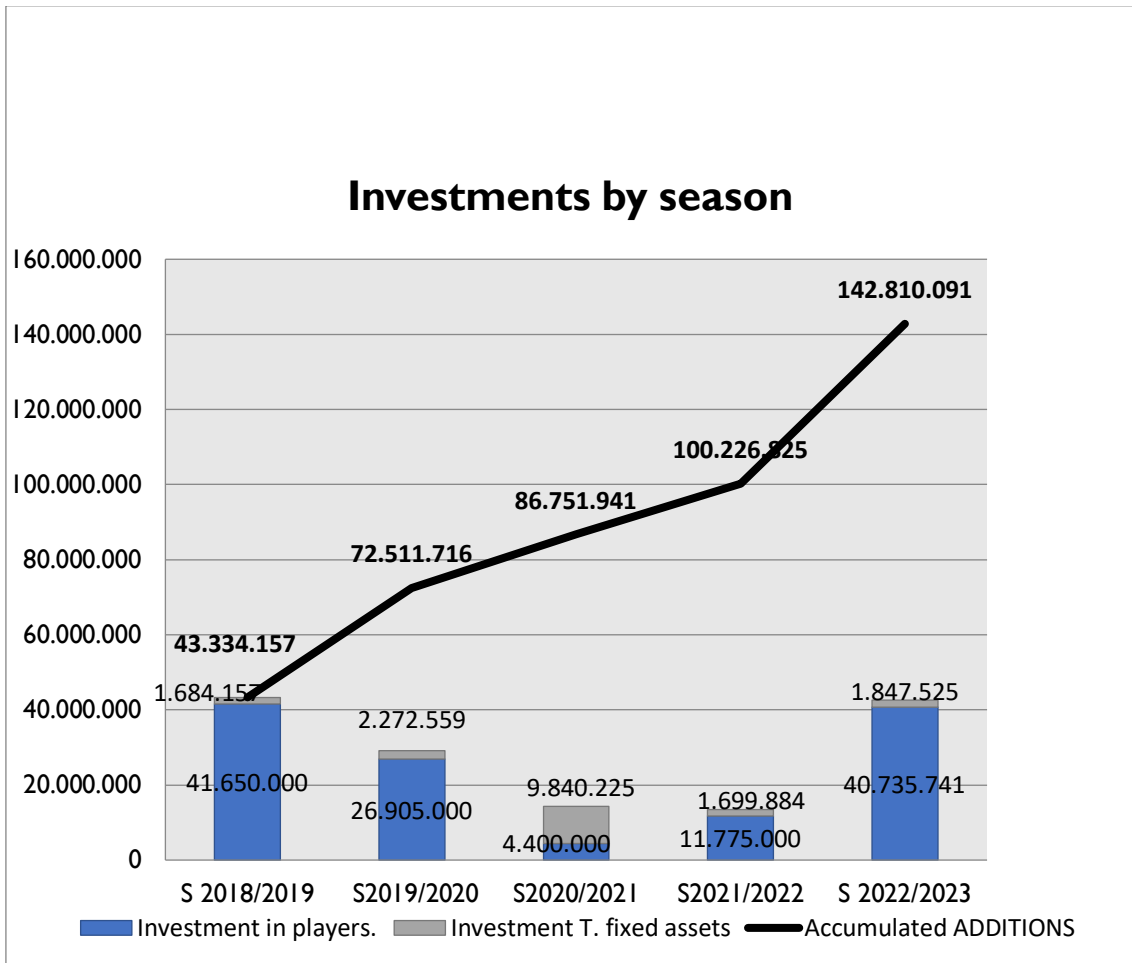
Thinking about the future and with the current complex and unstable economic environment, the vision of the Board of Directors is very prudent and, under this prudent approach, it has drawn up a **budget for the 2023/2024 season, with a positive result BEFORE CORPORATION TAX of 1,637 thousand euros**, to maintain the growth and investments of recent seasons and the trajectory of generating profits.



One of the key elements that the Board of Directors continues to focus on is the maintenance of strategic investments that enable us to equip the company for the future, guaranteeing its sustainability over time. This fact is clearly manifested in the **cumulative investment** figures for the last **5 seasons** in general (which exceed **142 million euros**, with cumulative results for the same period of almost 8 million euros).

In particular, in the 2022/2023 season, the amount of investments exceeds 42 million euros. These investments have focused on four areas:

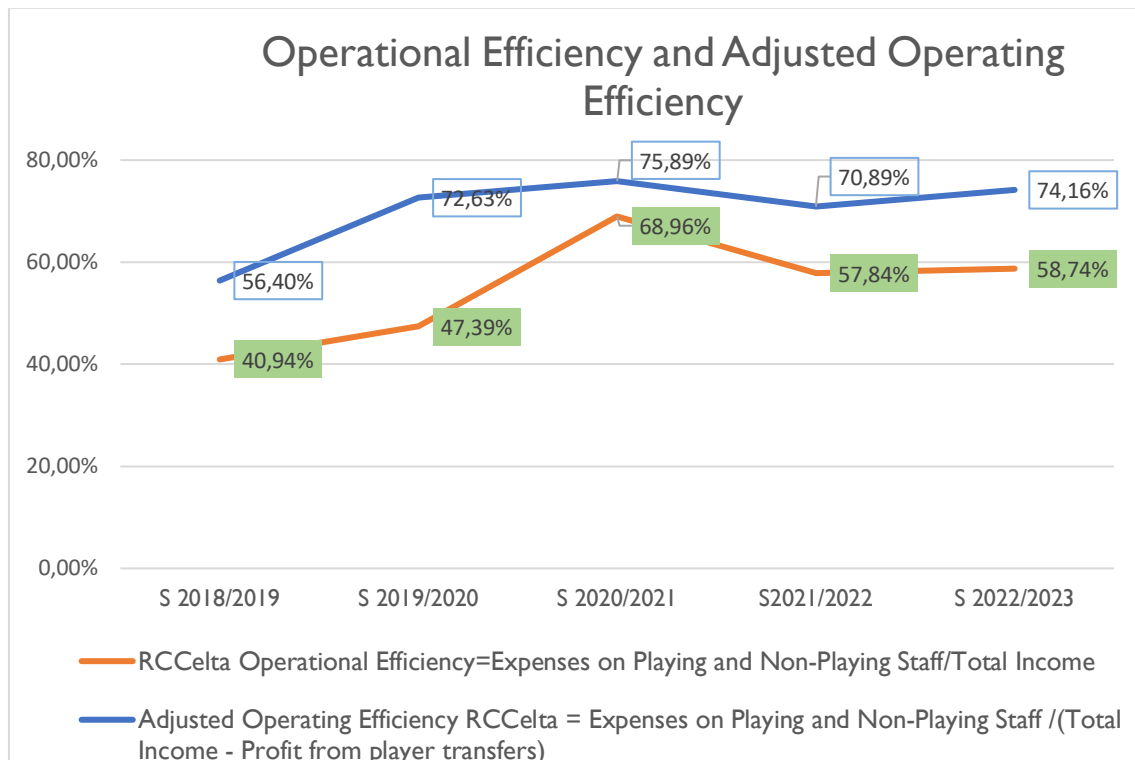
- **Players** worth 40,735,741 euros (in the 2021/2022 season amounting to 11,775,000 euros),
- **Ciudad Deportiva Afouteza**, with facilities consisting of two double training pitches, a multipurpose building and a car park, integrated with the landscape, with the total investment, up to 30 June 2023, was 13,220,255.01 euros (up to 30 June 2022, 13,039,228.16 euros),
- **“Factoria del Deporte Gallego- Galicia Sports 360” Project**, mentioned above and which is in the project drafting and works management stage, with the start of civil works estimated shortly, with a total investment, up to 30 June 2023, of 772,758.70 euros.
- **Continuity of the company's digitalisation and Big Data project**, incorporating new tools that free up people's time to carry out tasks that add value and provide tools that allow better analysis and learning of the customer's relationship with society and creating “patterns” that help improve the service or be proactive in covering future needs that customers will have.



The other key element in the management of the Board of Directors is its orientation and focus on transparency and professionalism. Proof of this are all the ISO 9001 certifications in the Corporate Area of all the Group's companies, as well as in the Security and Facilities Area, together with the Compliance certification.

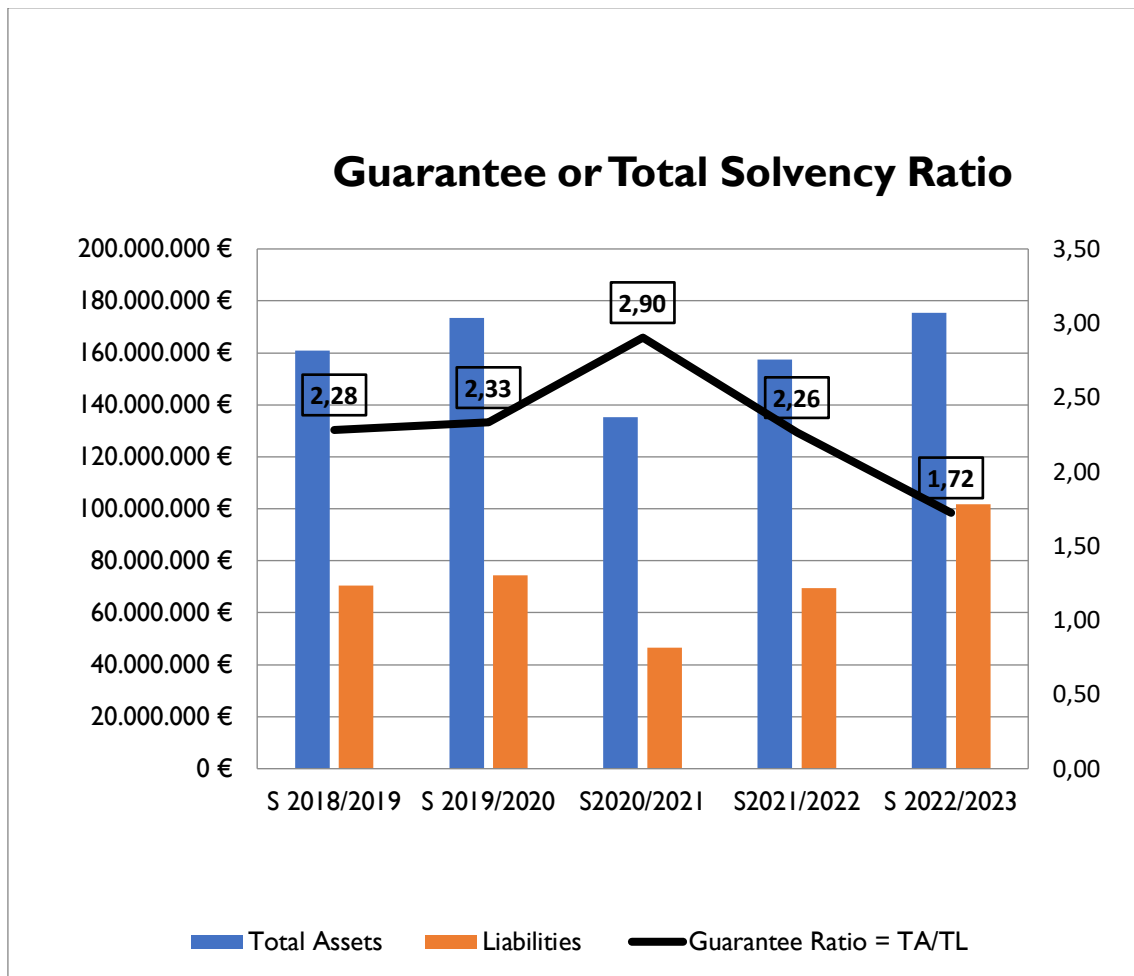
The company also focuses on all CSR issues, and its ESG management model is, in the opinion of LaLiga, the undisputed **leader in sustainability**. Its model is an example to others. Given that RC Celta is the first LaLiga club to have implemented an SGA and a BREEAM Es Urban planning certification.

The effort mentioned above is also reflected in the **operational efficiency** that has decreased in the 2022/2023 season, but we have not been able to reach the pre-pandemic values where we were on the threshold of excellence (below 50%). Although the maximum level recommended by the European Association of Clubs is below 70%.

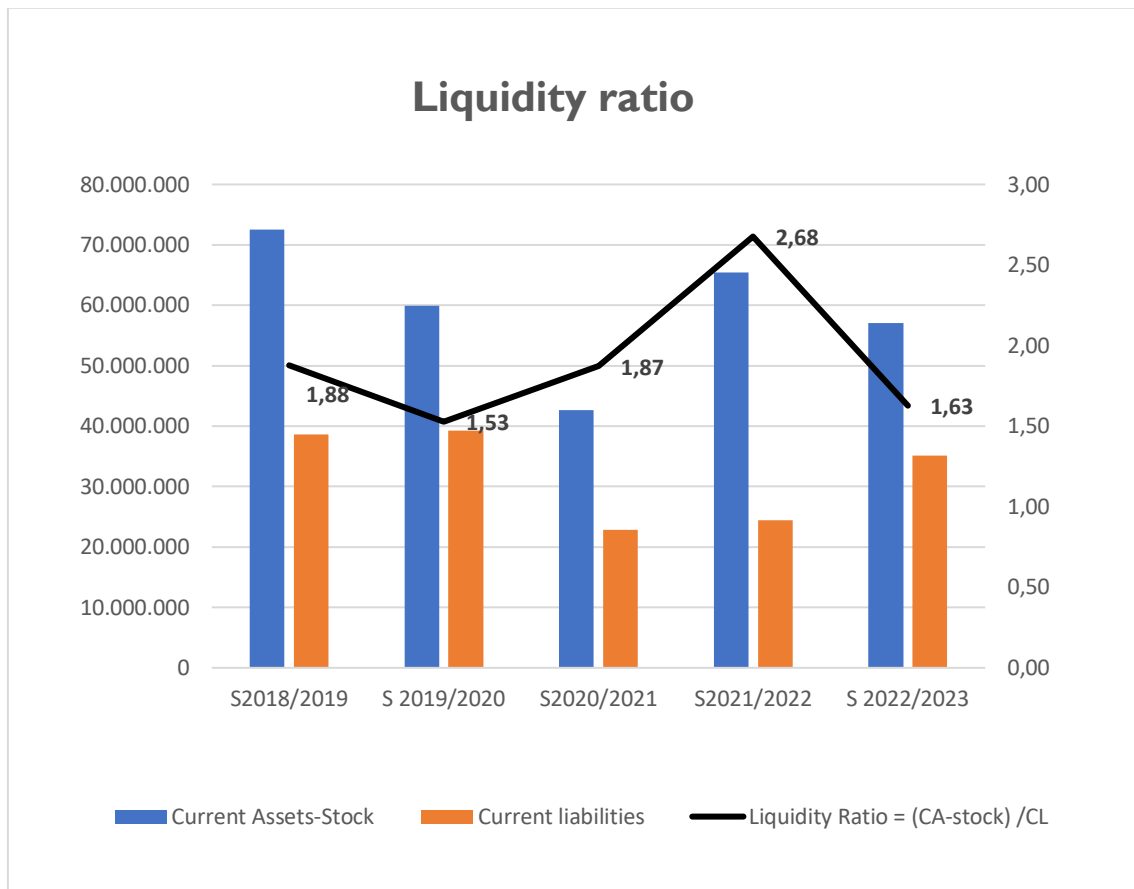


Remember that operational efficiency is the most used indicator to measure the future viability of a sports limited company or a football club. This variable relates the salary costs (expenditure on playing and non-playing staff) incurred by the company to the total revenues for the season. It is usually calculated by deducting from total revenues those derived from player transfers (Adjusted Operational Efficiency).

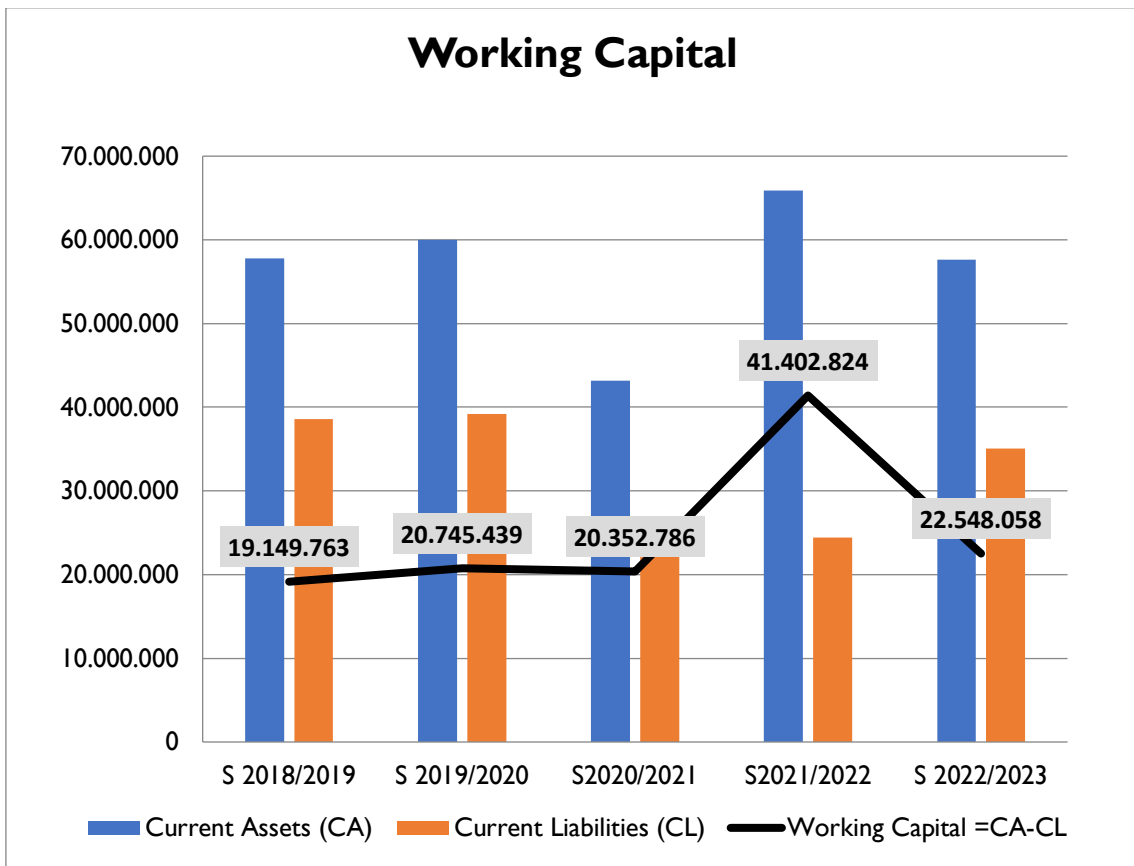
At the financial level, the company maintains **guarantee or total solvency** ratios that show its capacity to respond to all the obligations assumed. To this end, we compare the asset with its realisation value against all liabilities, regardless of maturity. Thus, indicating the certainty of payment offered by the company to its creditors, being considered adequate when it is between 1.5 and 2.5. The higher the value of the ratio, the greater the guarantee the company offers in relation to the payment of all debts assumed.



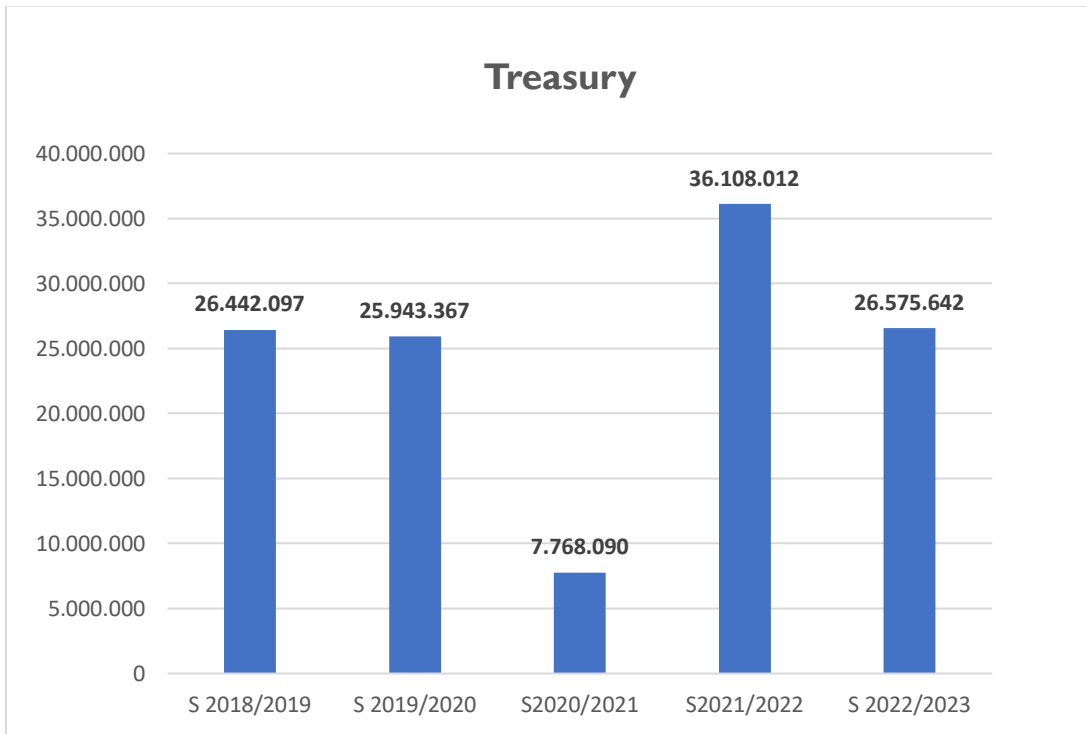
Therefore, the **liquidity ratio** improves, showing the company's ability to meet its financial obligations, debts or liabilities in the short term. The greater the positive result, the greater the solvency and the greater the company's capacity to pay, thus constituting a short-term monetary guarantee for the company. Since the company's ratio is greater than 1, it means that current assets are greater than current liabilities, which is a sign of **financial health**.



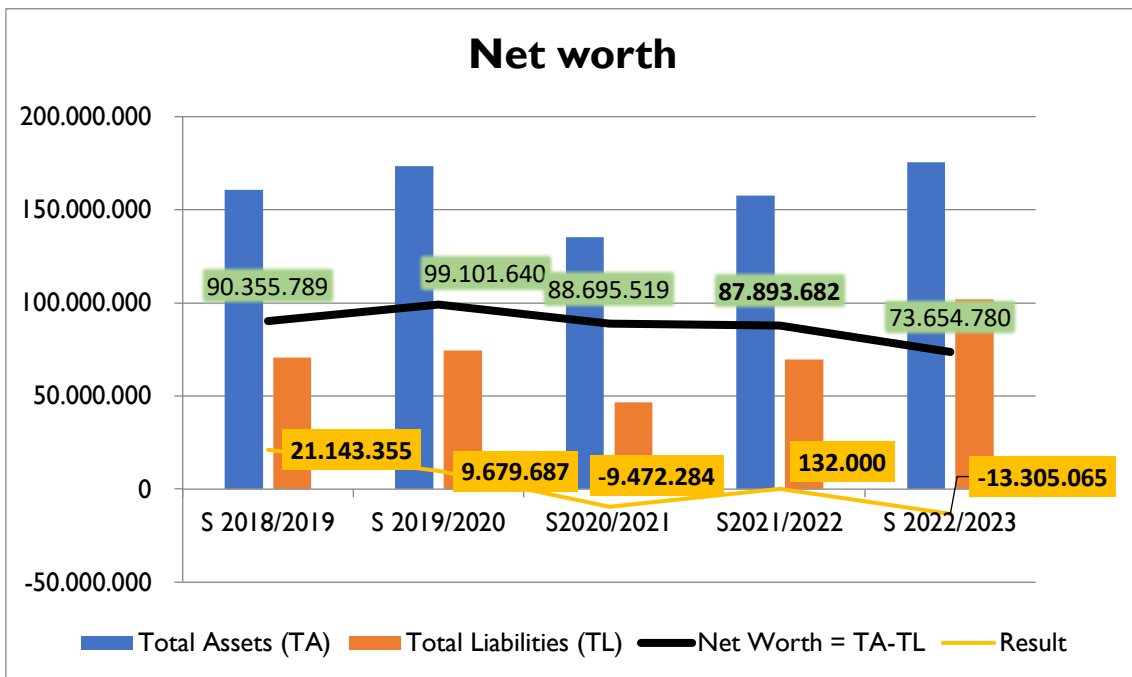
The fundamental consequence of current assets being greater than current liabilities is the existence of a **positive working capital**. In the 2022/2023 season, the company reached a working capital figure of more than 22 million euros, which is a **guarantee** of stability.



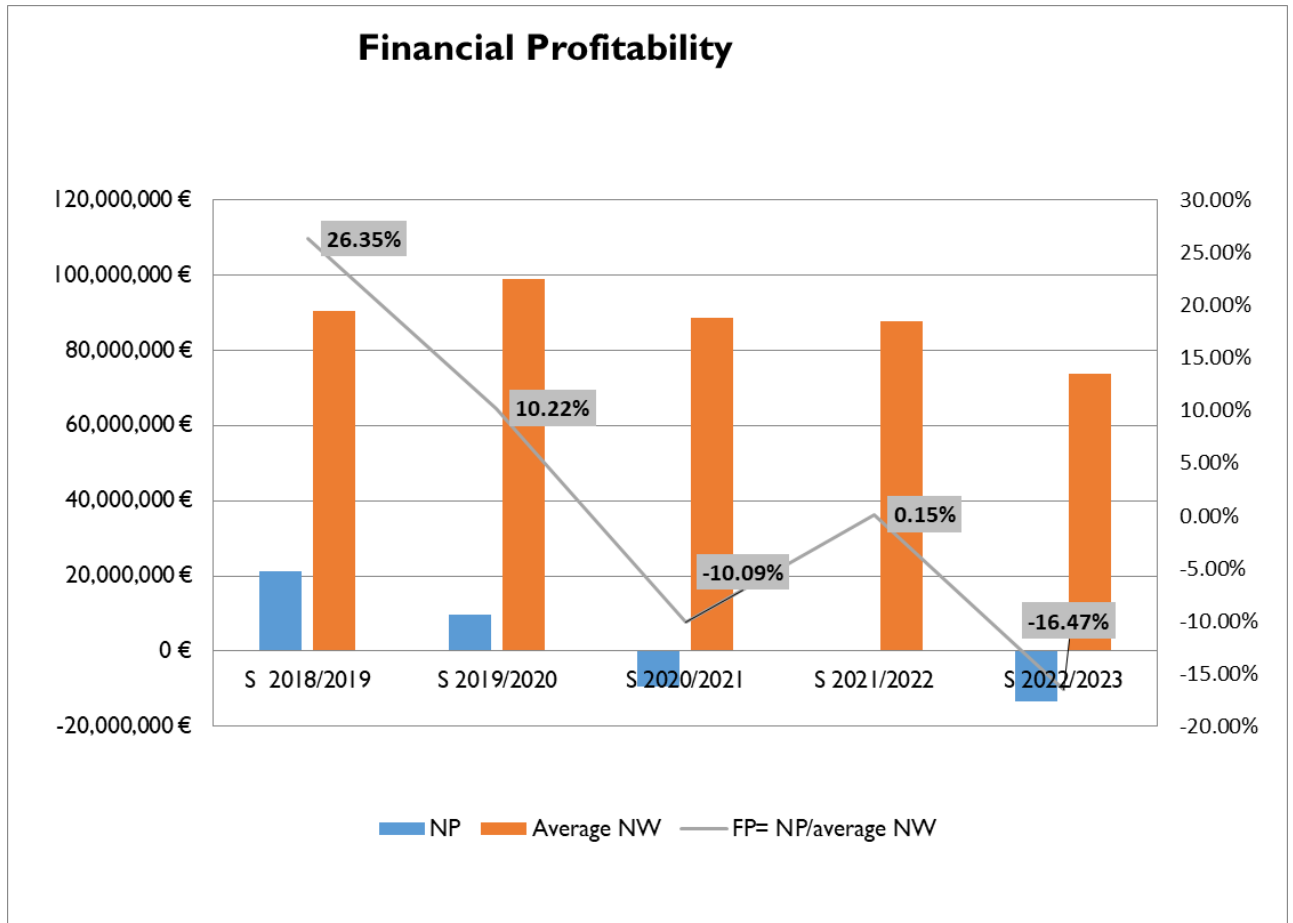
Showing a guarantee to third parties outside the company about the company's ability to meet its commitments in the short term **without** causing treasury **tensions**.



The absence of distribution of dividends means that the company is **highly capitalised**.

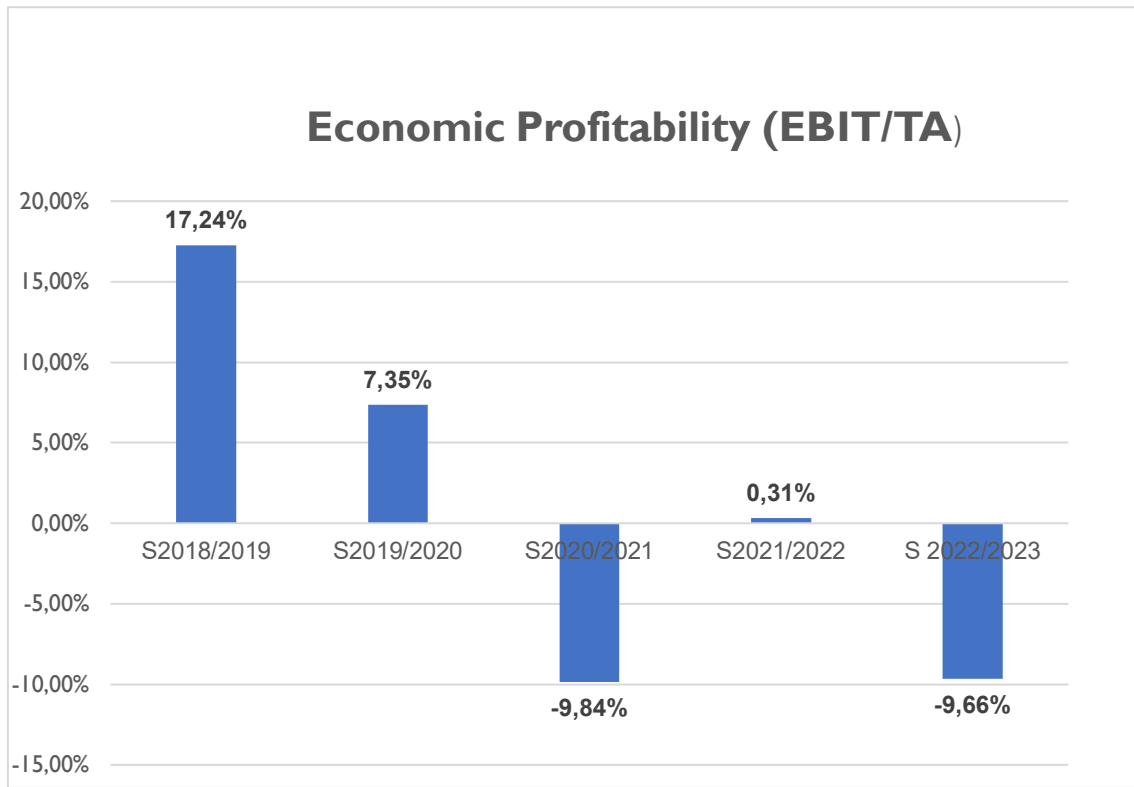


If we compare the evolution of the company's **financial profitability**, the ratio is negative in the seasons in which the company has had losses.



The same applies to the **economic profitability** ratio, which makes a comparison between the profit obtained from the activities carried out by the company before interest and taxes and the amount of the total assets. Economic profitability measures the degree of efficiency of the company in using its economic resources or assets to obtain benefits.

It is clear that the higher the ratio, the better, since it indicates greater “productivity” of assets and greater company efficiency, while a reduced ratio may be indicative of excess investments (assets) and other causes and, therefore, of lower “productivity”. In those seasons in which the company has had losses, economic profitability is negative.



1.2 . Institutional area.

The initial approval of the Regional Interest Project (PIA) of **Galicia Sports 360-Factoria del Deporte Gallego**, is the first step to obtaining definitive approval to begin work on a project that involves:

- Creation of the Galician Sports Hub, seeking to make our sport grow, providing it with innovation and fully introducing it to the technological and digital transformation in which the company is immersed. For this purpose, the University of Sport, the Higher Cycle of Vocational Training, the First Technological Centre for Innovation in Sports will be created
- To make Galicia a benchmark for sports and restaurant tourism as a complement to tourism in the Rias Bajas or the Xacobeo. It will be an international showcase for different stages and venue for national or international sporting events that place Galicia as a world reference for sports tourism.

- It is committed to health and with the High-Performance Centre, it intends to place health-sports tourism in a place of reference worldwide. The main guidelines for this sector are research and work in preventive health and in improving the quality of life.
- Sport is increasingly understood as an industry within a larger one, that of leisure. And it is in this industry that we must be competitive, growing and bringing our experience and facilities closer to Galician sports.
- General interest in training the youngest. A concrete commitment to bringing successful models such as RC Celta Denomination of Origin to society, through the Afouteza Sports City and Residence.

In short, the bases of the project are the generation of employment, the promotion of research, culture and leisure, for a sustainable future.

The High Council for Sports has awarded the company the **Gold Plate of the Royal Order of Sporting Merit**, the highest distinction granted to sport in Spain, which values the merits and circumstances that exist in the sports and professional histories of individuals and entities, their sporting successes or their contribution to the development of Spanish sports.

In August 2023, the company is 100 years old, which is why we are celebrating the **Centenary**, with various events such as the magical moment for the Celta family of the presentation of the Centenary anthem, the most significant event with the reception at the Vatican of a delegation from the company,...

1.3 . Management Objectives.

The company's management objective is excellence, both sports and business, trying to optimise management to the maximum through the effectiveness and efficiency of all the actions carried out, through the strengths of its business, which are:

1. **Quality**, through the implementation of different **quality systems under the UNE EN ISO 9001:2015 standard** certified by the accreditation body AENOR, in terms of customer orientation, process management, continuous improvement (in the security and facilities department and in the corporate area).

2. **Transparency**, through **social responsibility and business ethics** in the business world, which is why the RC Celta Group's Non-Financial Information Statement is voluntarily drawn up each season, an **INFUT rating of 100% in the ranking of the Transparency Index of football clubs** developed by Transparency International Spain and implementation of the **Criminal Compliance Management System under the UNE 19601:2017** standard.
3. **Sustainability**, through the **optimisation of resource and waste management**, which sets the company apart from its competitors and positively reinforces the image before society in general. The company integrates the environment into its overall management, being the first LaLiga club to implement an **environmental management system in accordance with ISO 14001:2015**

This optimisation in resource and waste management is also reinforced by obtaining the **Ardan Circular Company Indicator 2020; 2021 and 2022**, through the implementation of a circular economy strategy.

In the 2022/2023 season, the **BREEAM ES Urban planning 2020 certification** was achieved for the Galicia Sports 360- Factoría del Deporte Gallego project, as a sustainable construction that reduces environmental impact and saves energy costs, being the first LaLiga club to implement this type of certification.

4. **Social (Proximity)**, through involvement in the life of the community not only through the world of football, but also through social work. **Best practices have been implemented in the management of risks derived from COVID-19** under the COVID-19 Protocol standard, generating trust among all groups (customers, employees and the general public), we have an Equality Committee and we are the first LaLiga club to implement web accessibility.

All this means that we have received, among others, the following awards:

- **Certificate of Excellence in Business Management INFORMA-EI Economista in the years 2019, 2020, 2021, 2022 and 2023.**
- **Ardan Well-Managed Business 2022 Indicator.**
- **In the third edition of the Galician Atlas of Committed Business, valuing good governance (maximum valuation); environment; setting and people.**

- **Ardan Ranking of Intelligent Companies in Galicia 2022.**

1.4 . Future prospects.

The company's future prospects in the Centenary are to continue to grow and make profitable investments by applying criteria of sustainability and responsibility, measuring and managing risks and opportunities for success with a proven and solid reputation.

2. Events subsequent to closing.

In the summer market, the company has signed players through the acquisition of their economic and federative rights or through loans to strengthen the first team and Celta B squads and has transferred players to other sports entities as a result of their projection in terms of play and performance.

On September 28, 2023, Manuel Carlos Mouriño Atanes, the President of the Board of Directors of the company resigned. In accordance with article 224 of the Law on Anonymous Companies, the Administrative Council unanimously agrees to appoint Maria de los Ángeles Mouriño Terrazo, President of the Administrative Council.

As of the date this management report is drawn up, there are no subsequent events that reveal circumstances that already existed on the closing date of the season but that did not entail, according to their nature, the inclusion of an adjustment to the figures contained in the annual accounts and in this management report.

Nor are there subsequent events that show conditions that did not exist at the end of the season and that, given their importance, we provided in the annual accounts and in this management report.

There are no subsequent events that occurred after the closing of the annual accounts and this management report affecting the application of the going-concern principle.

3. Environmental information.

Given the company's activity, there are no liabilities, expenses, assets, or provisions and contingencies of an environmental nature that could be significant in relation to assets, financial situation and results.

The company works to create value and for this reason it has as its fundamental pillar the protection of the environment by optimising the management of resources and waste and the adequate management of the expectations of stakeholders in this area. For this reason, it has implemented an environmental management system in accordance with the ISO 14001:2015 Standard, as mentioned in note 1.3 of this management report.

The company's contribution to sustainability is characterised by the development of measures that are fully linked, in the day-to-day life of the activity and that contribute to efficient resource management, which is why, in view of the development of the Factoria del Deporte Gallego- Galicia Sports 360 Project, the sustainability of the urbanisation plans has been certified, as we mentioned in point 1.3 of this management report. The application of the BREEAM ES Urban planning methodology enables sustainable urban planning entailing economic, social and environmental benefits.

4. Research and development activities.

Project to improve the technological user experience: after several seasons focused on collecting data and incorporating tools for measuring and controlling them, and once this area has been reinforced, in this last season, a new variant has been incorporated, which is the improvement of the customer experience.

- From the analysis of the data, it is clear that it is necessary to incorporate digital processes that facilitate the day-to-day relationship of our clientele/fans. One of the pillars has been the implementation of a system for automating communication with our contacts, based on their behaviour and the consumer profile they represent.
- Depending on the connection they have with the different business channels, purchasers receive specific, personalised information. In addition, we centralise the traceability of their transactions in their virtual profile.
- The improvement of the e-commerce system and the consulting work to change the store and order management process, as well as the incorporation of new collection systems in stores, have helped us to be more efficient in this first phase and to streamline processes by reducing waiting times.

- We should also mention the new season ticket holder management system, a process started in the previous season but which, during this season, has allowed us to have a new fully digital management system for renewals, registrations and seat changes ready, in addition to serving as a basis for new functionalities related to Ticketing for the matches of the different teams.

5. Acquisitions of own shares.

The company has not acquired and does not plan to acquire any own shares.

6. Financial instruments.

Risk management is controlled by the company that identifies, evaluates and covers financial risks in accordance with policies approved by the Board of Directors.

- **Future impact of the war in Ukraine and rising inflation:** As of the date the management report was drawn up, like the rest of society in general, the Board of Directors is unaware of future developments on these issues and the impact they will have. During the 2023/2024 season, the Company will evaluate the future impact on its economic-financial situation.
- **Credit risk:** It is caused by the possibility of not recovering financial assets for the amount accounted for and by the established deadline. The company currently has established a procedure by which it carries out all its operations under careful control of risk and the granting of credit. The company carries out monthly monitoring in order to identify situations of risk and delays in receiving payment.
- **Liquidity risk:** caused by the possibility that the company cannot dispose of liquid funds or access them for the amount necessary to meet payment obligations. The company has established a procedure by which the liquid resources necessary both for the development of daily activities and for the execution of the various investments to be made are maintained.

The company addressed the debt for purchases and services and sports entities in accordance with the provisions of the law and in the respective agreements, collects season ticket fees at the time of issue and advertising rights according to the provisions of the respective contracts and agreements.

- **Market risk:** this is interest rate risk caused by uncertainty about the future evolution of financial markets and interest rates with the subsequent possible impact on the company's results and cash flows. The company applies a prudent financial borrowing policy.

The company does not use derivative financial instruments.

7. Securities listed for trading.

The company does not issue securities listed for trading on regulated markets in any member state of the European Union.

8. Average employment for the financial year.

The average number of people employed, as well as the workforce at closing, distributed by category and sex, is detailed in the following tables:

Breakdown	Season 2022/2023		Season 2021/2022	
	Men	Women	Men	Women
Staff at closing				
Playing staff (players)	52	0	36	0
Other staff	61	22	70	26
Total staff at closing	113	22	106	26
Breakdown	Season 2022/2023		Season 2021/2022	
	Men	Women	Men	Women
Average staff				
Playing staff (players)	46	0	41	0
Other staff	67	22	61	20
Total average staff	113	22	102	20

9. Deferral of payments to suppliers in commercial transactions.

According to the Resolution of 29 January 2016, of the Accounting and Audit Institute, and Act 18/2022 of September 28 on the information to be included in the report on the annual accounts in relation to the average period of payment to suppliers in commercial transactions, the following information is provided:

	30/06/2023	
	(Days)	
Average period of payment to suppliers	21 days	
Paid transactions ratio	22 days	
Ratio of unpaid transactions	9 days	
	Amount (Euros)	
Total payments made	14,711,565.08 EUR	
Total outstanding payments	1,191,171.72 EUR	
	Absolute value	Percentage weighting
Total payments made in less than the maximum period established in the regulations on delayed payments	10761482.00	72.85%
Number of invoices paid in a period less than the maximum established in the regulations on delayed payments	2044	62.22%

For this calculation, neither debts to sports entities nor debts related to agency and intermediation costs have been taken into account, due to the nature of these operations and standard sector practice.

10. Sponsors and creditors.

The sponsors of the company are provided on the company's website.

As for creditors, apart from the acquisition of players (sports entities and intermediation agencies), the list of the five most important suppliers/creditors of the company is:

Adidas España, S.A.

Viajes El Corte Ingles

RFEF

Royalverd Service, S.L.U.

LaLiga

The management report was prepared by the members of the company's Management Body, at a meeting held for this purpose.

The management report was issued on September 28, 2023 and this document is a literal translation of it



RC**Celta**