



LIGA NACIONAL DE FÚTBOL PROFESIONAL

Annual accounts and management report
at 30 June 2023



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BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2023 (In thousands of euros)

ASSETS	Note	To 30 June	
		2023	2022
NON-CURRENT ASSETS		925,097	681,143
Intangible assets	7	702	884
Property, plant and equipment	8	5,268	7,001
Long-term investments in group companies, multigroup and associates		35,502	35,502
Equity instruments	10	35,502	35,502
Long-term financial investments	9-11	873,535	613,455
Credits to third parties		870,839	609,863
Derivatives	12	244	244
Other financial assets		2,452	3,348
Deferred tax assets	19	263	263
	09 November 2015		
Long-term sundry debtors		9,827	24,038
CURRENT ASSETS		1,165,759	980,669
Inventories		433	2,227
Trade debtors and other accounts receivable		533,504	500,524
Clients for sales and provision of services	9-11 09 November 2022	423,838	394,330
Clients, group companies and associates	09/11/ 2015	6,820	910
Sundry debtors	19	21,346	23,514
Current tax assets	19	237	3,914
Other credits with Public Administrations	19	81,263	77,856
Short-term investments in group companies, multigroup and associates		28,638	137
Credits to companies	09/11/ 2022	-	-
Other financial assets	09/11/ 2022	28,638	137
Short-term financial investments	9-11	57,517	38,017
Credits to companies		38,797	28,329
Other financial assets		18,720	9,688
Short-term accruals	4.10	9,210	114,024
Cash and cash equivalents	13	536,457	325,740
		2,090,856	1,661,812

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2023.

BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2023 (In thousands of euros)

EQUITY AND LIABILITIES	Note	To 30 June	
		2023	2022
EQUITY	14	8,287	14,622
Own funds		8,148	14,483
Social Fund		8,148	8,148
Other reserves		6,335	6,335
Profit/(loss) for the year	3	(6,335)	-
Adjustments for changes in value		139	139
Hedging operations	12	139	139
NON-CURRENT LIABILITIES		1,446,555	913,269
Long-term provisions		9,638	11,149
Other provisions	4.9	9,638	11,149
Long-term debt	9-15	1,380,797	847,250
Debt with financial entities		27,687	44,989
Finance lease creditors		716	833
Long-term derivatives	12	-	6,277
Other financial liabilities		1,352,394	795,151
Long-term accruals	4.10	56,120	54,870
CURRENT LIABILITIES		636,014	733,921
Short-term debt	9-15	204,864	122,119
Debt with financial entities		151,558	47,297
Finance lease creditors		713	1,232
Short-term derivatives	12	2,249	12,082
Other financial liabilities		50,344	61,508
Short-term debts with group companies	9-15-22	-	16
Trade creditors and other accounts payable		151,195	221,182
Suppliers	9-15	43,403	78,944
Suppliers, group companies and associates	9-15-22	26,365	17,869
Sundry creditors	9-15	80,733	123,720
Staff (remunerations pending payment)	9-15	466	473
Other debts with Public Administrations	19	8	54
Client advances	9-15	220	122
Short-term accruals	4.10	279,955	390,604
		2,090,856	1,661,812

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2023.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30 JUNE 2023 (In thousands of euros)

		To 30 June	
	Note	2023	2022
CONTINUING OPERATIONS			
Net Turnover	18	1,824,764	1,856,265
Sponsorship, licences and others		-	70,278
Income from the negotiation/marketing of Audiovisual Rights		1,824,764	1,785,987
Variations in inventories		-	(168)
Procurements	18	(1,667,785)	(1,701,480)
Sponsorships and Licences Clubs/SADs		(4,926)	(13,474)
Sales management expenses Sponsorship		-	(34,415)
Expenses from the negotiation/marketing of Audiovisual Rights		(1,662,859)	(1,653,591)
Other operating income		52,736	45,999
Sundry and other current management income	18	49,550	43,625
Football pools	4.11	3,186	2,374
Staff costs	18	(3,882)	(18,842)
Wages, salaries and the like		(3,173)	(15,454)
Staff welfare costs		(709)	(3,388)
Other operating expenses		(246,931)	(184,229)
External services	18	(139,876)	(136,096)
Taxes		(160)	(148)
Losses, impairment and changes in provisions for commercial operations	11	1,256	(486)
Other current management expenses	18	(108,151)	(47,499)
Depreciation of fixed assets	7-8	(2,867)	(3,354)
Other Profits (Losses)		5,545	3,936
OPERATING PROFIT/(LOSS)		(38,420)	(1,873)
Financial income		53,681	9,504
Financial expenses		(5,787)	(2,934)
Exchange rate differences		(14,312)	(4,638)
FINANCIAL PROFIT/(LOSS)	20	33,582	1,932
PRE-TAX PROFIT/(LOSS)		(4,838)	59
Taxes on profits	19	(1,497)	(59)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		(6,335)	-
PROFIT/(LOSS) FOR THE YEAR	3	(6,335)	-

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2023.

STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

A. STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2023

	Note	To 30 June	
		2023	2022
Result of the profit and loss account	3	(6,335)	-
Income and expenses recognised directly in equity			
Cash flow hedges		-	-
Tax effect	19	-	-
Total Income and expenses recognised directly in equity		-	-
Transfers to the income and loss account		-	-
Total transfers to the profit and loss account		-	-
TOTAL RECOGNISED INCOME AND EXPENSES		(6,335)	-

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2023.

STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEAR ENDED 30 JUNE 2023

(In thousands of euros)

B. STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEAR ENDED 30 JUNE 2023

	Social Fund (Note 14)	Other reserves (Note 14)	Adjustments for changes in value (Note 12)	Profit/(los s) for the year (Note 3)	TOTAL
2021 CLOSING BALANCE	8,136	-	139	12	8,287
ADJUSTED OPENING BALANCE 2022	8,136	-	139	12	8,287
Total income and expenses					
Recognised	-	-	-	-	-
Distribution of profits	12	-	-	(12)	-
Reserve for non-monetary contribution (Notes 6.3 and 14)	-	6,335	-	-	6,335
2022 CLOSING BALANCE	8,148	6,335	139	-	14,622
2023 ADJUSTED OPENING BALANCE	8,148	6,335	139	-	14,622
Total recognised income and expenses	-	-	-	(6,335)	(6,335)
Distribution of profits	-	-	-	-	-
2023 CLOSING BALANCE	8,148	6,335	139	(6,335)	8,287

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2023.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 June 2023

(In thousands of euros)

	2023	2022
Profit/(loss) before taxes	(4,838)	59
Adjustment to profit/(loss)		
- Amortisation of fixed assets (Notes 7 and 8)	2,867	3,354
- Valuation corrections on trade impairment (Note 11)	(1,256)	486
- Change in provisions (Note 4.9)	-	(148)
- Financial income (Note 20)	(53,681)	(9,504)
- Financial expenses (Note 20)	5,787	2,934
- Exchange rate differences (Note 20)	14,312	4,638
	(31,971)	1,760
Changes in working capital:		
- Inventories	1,794	(1,462)
- Debtors and other accounts receivable	(123,744)	30,633
- Other current assets	(10,406)	-
- Creditors and other accounts payable	34,827	(21,013)
- Other current liabilities	(18,698)	1,318
- Other non-current assets and liabilities	(3,811)	14,185
	(120,038)	23,662
Other cash flows from operating activities:		
- Interest paid	(5,787)	(2,934)
- Interest charged	18,824	9,504
- Charges (payments) for tax on profits	2,180	-
	15,217	6,570
Cash flows from operating activities	(141,630)	32,051
Payments for investments:		
- Group companies and associates	-	(2,158)
- Intangible assets (Note 7)	(89)	(690)
- Property, plant and equipment (Note 8)	(863)	(868)
- Participatory financing to clubs (Note 11)	(292,904)	(623,661)
	(293,856)	(627,377)
Charges for divestments:		
- Group companies and associates	-	11,313
- Participatory financing to clubs (Note 11)	20,834	6,887
- Other financial assets	-	3,306
	20,834	21,506
Cash flows from investment activities	(273,022)	(605,871)
Charges and payments for financial liability instruments:		
- Debts with financial entities (Note 15)	86,323	33,853
- Creditors for joint operations (Note 15)	553,358	836,597
	639,681	870,450
Cash flows from finance activities	639,681	870,450
EFFECT OF VARIATIONS IN EXCHANGE RATES	(14,312)	(4,638)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	210,717	291,992
Cash and cash equivalents at the start of the year (Note 13)	325,740	33,748
Cash and cash equivalents at the end of the year (Note 13)	536,457	325,740

Notes 1 to 26 of the attached Report form an integral part of these annual accounts for the year ended 30 June 2023.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

1. General information

Liga Nacional de Fútbol Profesional (hereinafter, LALIGA), was established in Madrid in 1984 as a sports association under private law. As is mandatory, it only comprises limited liability sports companies and clubs that take part in official, professional football competitions in Spain, and is legally responsible for organising such competitions in conjunction with the Real Federación Española de Fútbol. Its registered and tax office is at calle Torrelaguna, 60 in Madrid.

In article 2 of its Articles of Association, LALIGA sets out the following as its corporate purpose:

1. Organise and promote official nation-wide professional football competitions and oversee that they are properly run.
2. Commercially exploit, in the broadest sense of word, the competitions it organises within the constraints laid down by the Sports Act.
3. Commercialise the audiovisual contents exploitation rights of the professional football competitions it organises, as well as any other audiovisual rights of football competitions whose commercialisation is entrusted or assigned to it.
4. Promote, foster, finance and develop activities connected with physical fitness, sports training and football.
5. Promote and disseminate nation-wide official professional football competitions in Spain and abroad.
6. Perform any other additional or complementary activities to the above.

During the financial year ended 30 June 2023, and based on that set out in Royal Decree-Law 5/2015 of 4 April 2015, the sales of Clubs/SAD's audiovisual rights have been managed centrally with LALIGA, pursuant to Article 2 of said Royal Decree, as the organising entity with the joint marketing authority over audiovisual rights, see Note 4.11.

At 30 June 2023, LALIGA is the parent entity of the following legal entities, all of which are direct and indirect subsidiaries of LALIGA (see Note 10):

- LALIGA Group International, S.L. (previously named LALIGA Tech, S.L.U.)
- Sociedad Española de Fútbol Profesional, S.A.U.
- LALIGA DMCC (previously named LNFP FZE)
- LALIGA (USA) Inc.
- LALIGA South Africa Proprietary Limited
- LALIGA Singapore Pte. Ltd.
- LALIGA LFP Mex, S.R.L.C.V.
- Beijing Spanish Football League Consulting Co., Ltd.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

Likewise, LALIGA has a joint indirect shareholding through LALIGA Group International, S.L. in the following companies over which it exercises joint control:

- LALIGA North America LLC.
- LALIGA & Mena & South Asia DMCC.

Likewise, LALIGA has an indirect minority shareholding through LALIGA Group International, S.L. in the following companies over which it exercises significant influence:

- LALIGA Entertainment, S.L.U.
- LALIGA Studios, S.L.
- Sports Reinvention Entertainment Group, S.L.
- LALIGA Content Protection, S.L.
- Spanish Football Sports & Entertainment (Shanghai) Co., Ltd.
- Legends Collection Europe S.L.

On the other hand, LALIGA is an associate of the Asociación de Ligas Profesionales Españolas, where its representation percentage is 25%.

On 10 December 2021 Liga Nacional de Fútbol Profesional signed a Framework Investment Agreement with Loarre Investments S.à r.l. (the Investor or CVC) for a strategic collaboration that allows the objectives described in Note 6 of the report to be achieved.

Despite the group being exempt from the obligation to file consolidated annual accounts due to , as previously mentioned, LALIGA being a sports association and not a company (according to Article 122 of the Commercial Code, only groups, public limited and limited liability companies are considered companies) and, therefore, Article 42.1 of said Code of Commerce does not apply, it has consolidated the subsidiaries at 30 June 2023 on a voluntary basis.

2. Presentation basis

a) True and fair image

The annual accounts have been prepared from LALIGA's accounting records and are presented in accordance with current legislation, the rules established in the General Accounting Plan approved by Royal Decree 1514/2007 and the amendments incorporated into it by Royal Decree 1159/2010, Royal Decree 602/2016 and the amendments incorporated into it – the latest being those incorporated via Royal Decree 1/ 2021 of 12 January – in force for financial years beginning after 1 January 2021, to show the true and fair image of the assets, the financial position and the results of the Association, as well as the veracity of the cash flows included in the cash flows statement.

The members of LALIGA's Executive Committee estimate that the annual accounts for financial year ended 30 June 2023, which were prepared on 04 August 2023, will be approved by the Assembly without any amendments.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

b) Critical aspects of the assessment and estimation of uncertainty

The preparation of the annual accounts requires LALIGA to use certain estimates and judgements in relation to the future that are continuously evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under certain circumstances. The resulting accounting estimates, by definition, will rarely match the corresponding actual results.

Recognition of income

LALIGA recognises income pursuant to that described in Note 4.11 Recognition of income.

Recognition of the joint purse

LALIGA recognises the financial liability of the joint purse resulting from the corporate operation agreed at the assembly in December 2021 as described in Note 4.6 Financial liabilities measured at cost, considering the remuneration agreed with the non-managing participant as operating income or expense in the Profit and Loss Account according to the conditions stipulated in the contract.

c) Going concern

As detailed in Note 6 of the report, during financial year ended 30 June 2022, LALIGA made two non-monetary contributions to its subsidiary LALIGA Group International, S.L. (previously called LALIGA Tech, S.L.) in which it contributed, among other assets and liabilities, its shareholdings in subsidiaries.

In this regard, registration and valuation rule (NRV) 21.2 of the General Accounting Plan – approved by Royal Decree 1514/2007 of 16 November following the wording granted by Royal Decree 1159/2010 of 17 September – includes the accounting treatment of non-monetary business contributions when the acquiring and transferring companies are classified as group companies, in the following terms: "2.1 In non-monetary contributions to a group company, the contributor will value their investment at the book value of the assets delivered in the consolidated annual accounts on the date on which the operation is carried out, according to the Rules for Preparing Consolidated Annual Accounts, developed by the Code of Commerce. Any difference between the value assigned to the investment received by the contributor and the book value of the assets delivered must be recognised in reserves."

As a result of the above, the Association recorded an impact of 6,335 thousand euros on reserves resulting from the difference between the book value at cost (5,761 thousand euros, see Note 10) and the consolidated value of shareholdings and shares in the subsidiaries contributed to (12,096 thousand euros, see Notes 6.1 and 6.3).

Given the particular characteristics of LALIGA as an entity, it cannot, unlike commercial entities, propose dividend distributions to its associates. Considering the aforementioned in the previous paragraphs for which reserves amounting to 6,335 thousand euros were generated, LALIGA ended the financial year to 30 June 2023 with losses of 6,335 thousand euros, so the proposal of the Executive Committee to the General Assembly regarding the distribution of results for the financial year will be to offset these losses against the reserves generated in financial year ended 30 June 2022.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

At the end of financial year ended 30 June 2023, the Association had a positive working capital of 529,745 thousand euros (243,771 thousand euros at 30 June 2022). To fully understand the Association's working capital, it must be borne in mind that the "Short-term accruals" of the current liabilities are made up of the advance management of billings with the audiovisual business operators and therefore do not represent a real cash outflow obligation, thereby reverting in the subsequent year with the usual flow of the Association's operations. In addition, from the financial year ended 30 June 2022 there is a net positive impact between the provisions of the Joint Purse Account (see Note 15) and the participatory loans granted to clubs (see Note 11).

At the end of financial year ended 30 June 2023, the Group of which LALIGA is the Parent Association presents positive consolidated equity of 66,588 thousand euros (55,682 thousand euros at 30 June 2022).

All the subsidiaries have balanced equity at the close of financial year ended 30 June 2023. Considering the foregoing, these annual accounts have been prepared under the going concern principle.

3. Application of results

The Entity is a non-profit Sports Group so its Surplus (Profit) is distributed among its associates in its entirety or the Social Fund is increased. In the same way, if there were a Deficit (Loss), it would be the associates who would have to reimburse it or reduce the Entity's Social Fund.

Given the particular characteristics of LALIGA as an entity, it cannot, unlike commercial entities, propose dividend distributions to its associates. Considering the aforementioned in Note 2.c for which reserves amounting to 6,335 thousand euros were generated in financial year ended 30 June 2022, LALIGA, with the purpose of favouring Clubs/SADs through the distribution of greater resources, ended the financial year to 30 June 2023 with losses of 6,335 thousand euros, so the Executive Committee's proposal to the General Assembly on the distribution regarding the result for the financial year will be to offset these losses against the reserves generated in financial year ended 30 June 2022.

4. Accounting criteria

4.1 Intangible assets

a) Patents and trademarks

Patents and trademarks have a defined useful life and are recognised at cost less accumulated amortisation and recognised impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of patents and trademarks over their estimated useful life (10 years).

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

b) Computer software

Computer software licences acquired from third parties are capitalised on the basis of the costs incurred to acquire and prepare them for use. These costs are amortised over their estimated useful lives (maximum of 5 years).

Costs directly related to the development of unique and identifiable computer software controlled by LALIGA, and which are likely to generate economic benefits in excess of costs for more than one year, are recognised as intangible assets. Direct costs include the costs of the staff developing the software and an appropriate percentage of overheads. These costs are recognised as assets and amortised over their estimated useful lives (which do not exceed 5 years).

Expenses related to the upkeep of computer software are recognised as an expense when incurred.

4.2 Property, plant and equipment

Property, plant and equipment items are recognised at their acquisition price or production cost less accumulated depreciation and the accumulated amount of recognised losses, as a consequence of impairment where applicable.

The amount of work carried out by the company for its own property, plant and equipment is calculated by adding the direct or indirect costs attributable to said assets to the purchase price of the consumables.

The costs of expanding, modernising or improving property, plant and equipment are incorporated into the asset as a higher value of the good only when they involve an increase in its capacity, productivity or lengthening of its useful life, and whenever it is possible to know or estimate the accounting value of items that are derecognised from the inventory due to having been replaced.

Major repair costs are capitalised and amortised over the estimated useful life, while recurring maintenance expenses are charged to the profit and loss account during the year in which they are incurred.

The depreciation of property, plant and equipment, with the exception of land that is not depreciated, is systematically calculated using the straight-line method based on its estimated useful life, taking into account the depreciation actually suffered by its operation, use and enjoyment. The estimated useful lives are:

	Years of estimated useful life
Technical facilities	10
Furniture	10
Information processing equipment	5

The residual value and the useful life of the assets are reviewed on the date of each balance sheet and adjusted if necessary. When the book value of an asset is higher than its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

Gains and losses from the sale of property, plant and equipment are calculated by comparing the income obtained from the sale with the book value and are recorded in the profit and loss account.

4.3 Financial assets

a) Financial assets at cost

This valuation category includes:

- 1) Investments in the equity of group companies, jointly-controlled entities and associates (an example of these financial assets is detailed in Note 10).
- 2) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price on an active market for an identical instrument, or cannot be estimated reliably, and the derivatives underlying these investments.
- 3) Contributions made as a result of a joint purse contract and the like.
- 4) Participatory loans whose interests are contingent, either because a fixed or variable interest rate is agreed upon, subject to the compliance of a milestone by the borrowing company (for example, obtaining profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company. An example of this category will be participatory financing granted to the clubs (see Note 11).
- 5) Any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value.

b) Financial assets at amortised cost

Included in this category are loans and receivables that are made up of credits for trade operations and credits for non-trade operations with fixed or determinable charges. These assets are initially measured at fair value including incurred transaction costs, and subsequently valued at amortised cost using the effective interest rate method. However, financial assets are valued at their nominal value where they do not have an established interest rate, the amount is due or is expected to be received in the short term and the effect of updating is not significant. In this category, the Association recognises all its financial assets that have not been described in the previous section of this note.

The contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary or common loan, notwithstanding whether the operation is agreed at a zero or below market interest rate.

The credits for trade operations and credits for non-trade operations included in this category are:

- Credits for trade operations: those financial assets arising from the sale of goods and the provision of services for the company's trade provisions with deferred payment, and
- Credits for non-trade operations: those financial assets that, not being equity instruments or derivatives, have no commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

Initial valuation

Financial assets in this category will initially be valued at their fair value, which – unless there is evidence to the contrary – will be the transaction price, which will be equal to the fair value of the consideration given, plus the directly attributable transaction costs.

However, credits for trade operations maturing within one year that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments – where the amount is expected to be received in the short term – are valued at their nominal value to the extent that the effect of not updating the cash flows is not considered significant.

Subsequent valuation

Financial assets included in this category will be valued at their amortised cost. Interest accrued will be accounted for in the profit and loss account, applying the effective interest rate method.

However, credits maturing within one year which – pursuant to the provisions of the preceding section – are initially valued at their nominal value, continue to be valued at that amount, unless they have been impaired.

When the contractual cash flows of a financial asset are amended due to the financial difficulties of the issuer, the company studies the need to record an impairment loss or not.

Impairment losses

The necessary valuation corrections are made, at least at closing and whenever there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk profiles valued collectively, has been impaired as a result of one or more events that occurred subsequent to its initial recognition and that reduce or delay future estimated cash flows, which may be motivated by the insolvency of the debtor.

In general, the loss due to impairment of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees that are estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition.

Impairment loss adjustments, as well as their reversal when the amount of the loss decreases for reasons related to a subsequent event, are recognised respectively as an expense or income in the profit and loss account. Impairment reversal is limited to the book value of the asset that would be recognised on the reversal date had the impairment not been recorded.

Financial assets are derecognised on the balance sheet when all the risks and benefits inherent to the ownership of the asset are substantially transferred. In the specific case of accounts receivable, it is understood that this fact generally occurs if the risks of insolvency and default have been transferred.

4.4 Financial derivatives and accounting hedges

Both initially and at subsequent times, financial derivatives are valued at their fair value. The method for recognizing the resulting gains or losses depends on whether the derivative has been designated as a hedging instrument or not and, where appropriate, on the type of hedge.

Cash flow hedges

The effective part of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are temporarily recognised in equity. Their allocation to the profit and loss account is

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made in the years in which the expected hedged operation affects the result, unless the hedge corresponds to a forecast transaction that ends in the recognition of a non-financial asset or liability, in which case the amounts recorded in equity are included in the cost of the asset when it is acquired or the liability when it is assumed.

The loss or gain related to the ineffective part is recognised immediately in the profit and loss account.

Hedging instruments are valued and recorded according to their nature to the extent that they are not, or cease to be, effective hedges.

In the case of derivatives that do not qualify for hedge accounting purposes, the gains and losses on their fair value are immediately recognised in the profit and loss account.

4.5 Equity

The social fund is made up of the accumulated amount of surpluses (profits) and deficits (losses) from previous years, as well as contributions made by clubs/SADs.

4.6 Financial liabilities

Financial liabilities at amortised cost

Debts and payables comprise both trade and non-trade receivables.

These financial liabilities are initially measured at fair value adjusted for directly attributable transaction costs, and subsequently recorded at their amortised cost according to the effective interest rate method. Said effective interest is the discount rate that equals the book value of the instrument with the expected flow of future payments foreseen until the maturity of the liability.

Notwithstanding the foregoing, debits for trade operations maturing in under one year and that do not have a contractual interest rate are valued, both initially and subsequently, at their par value when the effect of not updating the flows of cash is not significant.

In the event of a renegotiation of existing debts, it is considered that there are no substantial modifications of the financial liability when the lender of the new loan is the same as the one that granted the initial loan and the present value of the cash flows, including net commissions, does not differ by more than 10% from the present value of the cash flows pending payment of the original liability calculated under the same method.

Financial liabilities measured at cost

Contributions received as a result of joint purse (JP) contracts and the like are measured at cost, increased or decreased by the profit or loss, respectively, to be attributed to non-managing participants (see Notes 6 and 15).

The excess or deficit attributed to the non-managing participant as a result of the remuneration agreed in the joint purse over the contribution made is recognised as an operating expense or income, respectively, in the profit and loss account.

It is considered that the straight-line cancellation of the liability measured at cost according to its nature over the term of the contract is the accounting treatment that best reflects the true and fair view of the operation, without prejudice to the existence of remuneration agreed by the parties that corresponds to the operating expense recognised in the profit and loss account.

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In general, the JP Contract establishes a criterion for remunerating the Investor based on the Net Distributable Income based on the relationship between the EBITDA of each year and the target EBITDA of a reference business plan (here, EBITDA is understood as the sum of the LALIGA's operating income associated with the sale of TV and media rights, as well as other future activities defined in the Partner contract that LALIGA and its subsidiaries carry out (other than LALIGA Tech and its subsidiaries), minus LALIGA's operating expenses associated with such activities; and the operating income minus the operating expenses of all the activities of LALIGA Tech and its subsidiaries). Thus, remuneration percentages are established on Net Distributable Income, ranging from a maximum of 8.5537%, if the EBITDA for a year is equal to or less than 92.5% of the target EBITDA in the Business Plan, to a minimum of 7.8773%, if the EBITDA for the year is equal to or greater than 107.5% of the target EBITDA in the Business Plan.

However, to materialise the spirit of the Investment Agreement, a particular criterion has been established with special remuneration percentages for the first four years (S21/22 to S24/25). The percentages are lower during the first two years, given that the Investor will not yet have contributed all the committed funds and, furthermore, the investments will not have been able to generate the desired return, and higher during the following two years, since if they have worked diligently – both LALIGA and the Investor – the different projects started with the funds contributed by the Investor could already be profitable, so that during the third and fourth years a higher remuneration is proposed.

Given that this fixed percentage remuneration only applies to the first four years of a 50-year contract, and that the remaining years will be remunerated between 7.8% and 8.5% depending on the performance of the Association, it is considered that these percentages, as agreed with the investor, best reflect the true and fair view of these agreements, and it is on this basis that the associated remuneration is being recognised.

4.7 Current and deferred taxes

The income tax expense (income) is the amount that, for this concept, accrues in the year and that includes both the current tax expense (income) and deferred tax.

Both current and deferred tax expense (income) is recorded in profit and loss account. However, the tax effect related to items that are recorded directly in equity is recognised in equity.

Current tax assets and liabilities will be valued at the amounts expected to be paid or recovered from the tax authorities, in accordance with current or approved regulations and pending publication on the year-end date.

Deferred taxes are calculated, in accordance with the liability method, on the temporary differences that arise between the taxable bases of assets and liabilities and their book values. However, deferred taxes are not recognised if arise from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction did not affect the accounting result or the taxable base of the tax. The deferred tax is determined by applying the regulations and the tax rates approved or about to be approved on the balance sheet date and expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available with which to offset temporary differences and, therefore, given that LALIGA's objective is not to have profits, deferred tax assets are not recognised for temporary differences.

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4.8 Employee benefits

a) Retirement award

LALIGA offers a retirement award to some of its retired employees. The right to this type of benefits is conditional on employee remaining with the company until their retirement and for a specified minimum number of years.

The expected costs of these benefits are accrued during the working life of the employees in accordance with an accounting method similar to that of defined contribution pension plans.

A defined contribution plan is one under which LALIGA makes fixed contributions to a separate entity and has no legal, contractual or implicit obligation to make additional contributions if the separate entity does not have sufficient assets to meet the commitments assumed.

For defined contribution plans, LALIGA pays contributions to publicly or privately managed pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, LALIGA is not required to make additional payments. Contributions are recognised as employee benefits when accrued. Prepaid contributions are recognised as an asset to the extent that a cash return or a reduction in future payments is available.

LALIGA recognises a liability for contributions to be made when, at the end of the year, there are unpaid accrued contributions.

b) Severance payments

Severance payments are paid to employees as a result of LALIGA's decision to terminate their employment contract before the normal retirement age or when the employee agrees to voluntarily resign in exchange for those benefits. LALIGA recognises these benefits when it has demonstrably undertaken to terminate workers in accordance with a detailed formal plan without the possibility of retirement or to provide severance pay as a result of an offer to encourage voluntary resignation. Benefits that are not to be paid in the twelve months following the balance sheet date are discounted to their current value.

c) Profit sharing and bonus plans

LALIGA recognises a liability and an expense for bonuses. LALIGA recognises a provision when it is contractually obligated or when past practice has created an implicit obligation.

4.9 Provisions and contingent liabilities

Provisions for litigation are recognised when LALIGA has a legal or implicit present obligation as a result of past events, and an outflow of resources will likely be necessary to settle the obligation and where the amount can be reliably estimated. Provisions for restructuring include penalties for cancellation of leases and severance payments to employees. Provisions for future operating losses are not recognised.

Provisions are valued at the present value of the amounts that are expected to be necessary to settle the obligation using a pre-tax rate that reflects current market evolutions of the time value of money and the specific risks of the obligation. The adjustments in the provision due to its updating are recognised as a financial expense as they accrue.

Provisions with a maturity of less than or equal to one year, with a non-significant financial effect, are not discounted.

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When part of the amount necessary to settle the provision is expected to be reimbursed by a third party, the reimbursement is recognised as an independent asset, provided that its receipt is practically certain.

On the other hand, contingent liabilities are considered to be those possible obligations arising as a result of past events, where the materialisation is conditioned on one or more future events outside LALIGA's control occurring, or not. These contingent liabilities are not subject to accounting records and details of them are presented in the report.

LALIGA has recorded provisions amounting to 9,388 thousand euros in its long-term provisions account at 30 June 2023 (10,899 thousand euros at the end of the financial year to 30 June 2022), derived from the Wage Guarantee Fund: Within this account is a provision of an amount related to the debit balances held with clubs where the Association, in compliance with the provisions of the Collective Agreement signed with the Association of Spanish Footballers, has had to anticipate player salaries. The decrease in the provision with respect to 30 June 2022 amounting to 1,511 thousand euros is due to the repayment of salary debt made by Real Racing Club de Santander SAD (see Note 4.11.c).

At the end of financial years ended 30 June 2023 and 2022, a long-term provision is held for other responsibilities based on past events associated with the activity of the Association.

4.10 Accruals

At the end of financial year ended 30 June 2023, the Balance Sheet reflects accruals of liabilities for short-term anticipated income of 279,955 thousand euros (390,604 thousand euros at the end of financial year ended 30 June 2022), with the majority of this amount being income corresponding to audiovisual rights of contracts whose accrual will occur during the 2023/2024 season. Likewise, the heading "Long-term accruals" of the liabilities includes the expected income for seasons after 2023/2024. The amount of these long-term liability accruals amounts to 56,120 thousand euros at 30 June 2022 (54,870 thousand euros at 30 June 2022).

The asset reflects prepaid expenses at the end of financial year ended 30 June 2023 in the short term amounting to 9,210 thousand euros (at the end of financial year ended 30 June 2022 the asset reflected prepaid expenses amounting to 114,024 thousand euros). This decrease corresponds to the fact that payments on account were made to clubs/SADs in financial year ended 30 June 2022 for part of the audiovisual rights for the 2022/2023 season, without having been made at the close of financial year ended 30 June 2023.

4.11 Recognition of income

The Association recognises its ordinary income in such a manner that the transfer of goods or services committed to its customers is recorded for the amount that reflects the consideration that the entity expects to receive in exchange for said services, with the analysis made pursuant to the following steps:

- Identification of the contract.
- Identification of the different performance obligations.
- Determination of the transaction price.
- Allocation of the transaction price to each performance obligation.
- Recognise income at the time performance obligations are satisfied.

Where there is a variable consideration amount in the price set in contracts with customers, the best estimate of the variable consideration is included in the price to be recognised to the extent

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that it is highly probable that a significant reversal of the income recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Association bases its estimates considering historical information, taking into account the type of customer, type of transaction and the specific terms of each agreement.

a) Income from the assignment of trademark licences

LALIGA recognises revenue from brand licensing royalties in accordance with the economic substance of the relevant agreement. This income must be matched with the costs and considerations to be paid by LALIGA. This income is recognised under the heading "Sponsorships, licensing and others" in the Profit and Loss Account, with its accrual being on a straight line basis over the contracted period (see Note 18).

The brand licensing business was contributed to LALIGA Group International, S.L. effective from 1 February 2022 through a non-monetary contribution on 1 February 2022 (see Note 6).

b) Income from the marketing of audiovisual contents exploitation rights.

Joint marketing of audiovisual rights RDL 5/2015

Regarding the income from the marketing of the audiovisual contents exploitation rights of football competitions in the First and Second Division National League Championship, and as a result of Royal Decree-Law 5/2015 of 30 April 2015 coming into force in the 2016/2017 season (modified by Royal Decree-Law 15/2020 21 April) regulating the centralised sale of these rights as well as the analysis and interpretation of national and international regulations, LALIGA acts as Principal in the management of the income and expenses associated with the marketing of these rights. Acting as Principal entails that all income and expenses associated with the marketing are recorded in LALIGA's annual accounts, pursuant to compliance with the following points:

- LaLiga is primarily responsible for fulfilling the promise to provide the specified good or service.
- It has the capacity to set sales prices to end customers.
- It bears the credit risk assumed for the amount receivable from the customer.
- It has the freedom to choose its suppliers.
- It is consistent with the treatment applied during the 2015/2016 season in accordance with the statutory modifications approved in the Assembly.

This income is recognised under the heading "Income from Negotiation/Commercialisation of TV and media rights" in the Profit and Loss Account, with its accrual being recorded as the matches are played throughout the period in question (see Note 18).

c) Income from the distribution of the gambling tax on Sports Betting

Regarding the distribution of the gambling tax on Sports Betting corresponding to LALIGA, only the "remaining amounts" must be considered revenue attributable to LaLiga itself once the following applications have been made in accordance with the Single Article of Royal Decree 98/2003:

- 1) Repayment of the debts contracted by LALIGA as a result of the early cancellation of the Recovery Plan, amounting to 1,528 thousand euros during financial year ended 30 June 2023 (1,201 thousand euros in financial year ended 30 June 2022).

This debt is associated with the 1991 Recovery Plan and corresponds to the payment this season of the loan requested by LALIGA in its day to remedy the debt that the clubs/SAD

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belonging to LALIGA had with the Mortgage Bank, the Higher Council for Sports, Social Security and the Public Treasury. On the other hand, another part of this debt was to cover the costs of restructuring works of stadiums in accordance with the requirements determined in RD 769/1993.

2) Secondly:

- a. For the construction, expansion, remodelling, adaptation, improvement, maintenance, conservation of the sports facilities of the clubs/SAD belonging to Professional Football, amounting to 11,858 thousand euros during financial year ended 30 June 2023 (11,378 thousand euros in financial year ended 30 June 2022).

Pursuant to RD 203/2010 of 26 February approving the Regulation for the prevention of violence, racism, xenophobia and intolerance in sport, LALIGA is responsible for the prevention of such matters within the stadiums of league competition participants. To fulfil this task, the sole article of RD 566/2010 of 7 May establishes that an amount collected from the gambling tax is allocated for this purpose.

- b. To the guarantee and, where appropriate, to the payment of salary debts, in accordance with the aforementioned Royal Decree 566/2010 of 7 May, that the entities affiliated to LALIGA have with their players in accordance with the provisions of the Collective Agreement signed with the professional players' representatives. During the 2018/2019 season, 2,404 thousand euros was allocated to pay the salary debts that Club de Fútbol Reus Deportiu SAD had with its players, and during the 2021/2022 season, 356 thousand euros was allocated to pay the salary debts that Club Extremadura UD, S.A.D. had with its players. Should LALIGA recover any of the amounts used for these purposes, it must reincorporate them as a higher amount to be distributed in addition to the collection from Quinielas (football pools), as happened in financial year ended 30 June 2020 where a amount of 1,773 thousand euros was returned associated with Real Racing Club de Santander SAD and has happened in the current financial year with the same club, which has returned an amount of 1,511 thousand euros.

As a consequence of that established in Annex I of the agreement signed on 25 August 2011 to call off the strike initiated by professional footballers, LALIGA guaranteed the debts that the clubs/SADs associated with it had with said footballers corresponding to seasons 2010/2011, 2011/2012, 2012/2013, 2013/2014 and 2014/2015. Part of said debt was included in the insolvency proceedings of some clubs/SADs and was subject to a withdrawal, the latter amount being that which will not be recoverable in the agreement phase that is being recovered by LALIGA from this tranche of Quinielas.

Therefore, and in accordance with the foregoing and to the extent that LALIGA is a mere distribution instrument, the payments made for the aforementioned items should not be considered expenses nor their financing income, but are payments and collections whose control must be made on Balance sheet accounts.

The amount corresponding to LALIGA in financial year ended 30 June 2023 for its part of the distribution of the gambling tax on Sports Betting amounted to 16,520 thousand euros (14,981 thousand euros in financial year ended 30 June 2022). Additionally, an amount of 0 euros has been recovered from the financing of works charged to Quinielas (78 thousand euros in financial year ended 30 June 2022), plus the amount returned from salary debts that has amounted to 1,511 euros (0 euros in financial year ended 30 June 2022), thus resulting in the final amount collected of 18,031 thousand euros (15,059 thousand euros in financial year ended 30 June 2022).

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3) The remaining amounts, once the applications of the two previous sections have been made, will be distributed as follows:

- 3.a) 60% of the remaining amounts resulting from deducting the total amount received in financial year ended 30 June 2023 by LALIGA from the distribution of the gambling tax on Sports Betting that amounted to 16,520 thousand euros (14,981 thousand euros in financial year ended 30 June 2022) plus the amount recovered from the financing of works charged to Quinielas, which amounted to 0 euros (78 thousand euros in financial year ended 30 June 2022) plus the amount repaid from salary debts that amounted to 1,511 thousand euros (0 euros in financial year ended 30 June 2022), i.e., 18,031 thousand euros (15,059 thousand euros in financial year ended 30 June 2022) derived from the amounts of the previous sections 1), 2.a) and 2.b), and that will be distributed directly to the clubs without being considered in LALIGA's Profit and Loss Account.
- 3.b) The remaining 40% will be recorded in LALIGA's Profit and Loss Account as revenue for the latter, amounting to 1,858 thousand euros during financial year ended 30 June 2023 (850 thousand euros in financial year ended 30 June 2022).

The summary of all the above can be viewed in the following table:

		Thousands of euros	
		30.06.2023	30.06.2022
Amounts to distribute			
Collections from Quinielas		16,520	14,981
Recovery of salaries payable		1,511	-
Recovery of works financing		-	78
Total to distribute		18,031	15,059
Amounts with specific destinations			
Recovery Plan		(1,528)	(1,201)
Facilities		(11,858)	(11,378)
Player salary guarantee		-	(356)
Remaining amounts		4,645	2,124
Direct payment to clubs	60%	2,787	1,274
LALIGA income	40%	1,858	850

4.12 Leases

a) When LALIGA is the lessee – Finance lease

LALIGA leases certain property, plant and equipment. Leases of property, plant and equipment in which LALIGA substantially holds all the risks and benefits derived from ownership are classified as finance leases. Finance leases are capitalised at the beginning of the lease at the lower of the fair value of the leased property or the current value of the minimum payments agreed for the lease. The implicit interest rate of the contract is used to calculate the current value, or LALIGA's interest rate for similar operations if the former cannot be determined.

Each lease payment is distributed between the liability and the financial charge. The total financial charge is distributed over the lease term and charged to the profit and loss account in the year it accrues by applying the effective interest rate method. Contingent instalments are expenses in the year they are incurred. The corresponding lease obligations, net of financial charges, are included in "Financial lease creditors". Fixed assets acquired under a

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financial lease are depreciated over their useful life or the duration of the contract, whichever is the shorter.

b) When LALIGA is the lessee – Operating lease

Leases in which the lessor retains a significant part of the risks and benefits derived from ownership are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are charged to the profit and loss account in the year they accrue on a straight-line basis over the lease period.

c) When LALIGA is the lessor

When assets are leased under an operating lease, the asset is included in the balance sheet according to its nature. Income derived from the lease is recognised on a straight-line basis over the term of the lease.

4.13 Transactions in foreign currency

a) Functional and presentation currency

LALIGA's annual accounts are presented in thousands of euros, as its functional currency is the euro.

b) Transactions and balances

Transactions in foreign currency are translated into the functional currency using the prevailing exchange rates on the transaction dates. Foreign currency gains and losses resulting from the settlement of these transactions and from the translation at the closing exchange rates of the monetary assets and liabilities denominated in foreign currency are recognised in the profit and loss account, except where they are deferred in equity such as qualified cash flow hedges and qualified net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the book value of the security. Translation differences are recognised in profit/(loss) for the year and other changes in book value are recognised in equity.

Translation differences on non-monetary items, such as equity instruments held at fair value with changes in the profit and loss account, are presented as part of the gain or loss in fair value. Translation differences on non-monetary items, such as equity instruments classified as financial assets available for sale, are included in equity.

4.14 Transactions between related parties

In general, operations between group companies are initially accounted for at fair value. Where appropriate, if the agreed price differs from its fair value, the

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difference is recorded taking into account the economic reality of the operation. Subsequent valuations are carried out pursuant to the corresponding regulations.

Notwithstanding the foregoing, in merger, spin-off or non-monetary contribution operations of a business, the constituent elements of the acquired business are valued at the amount corresponding to them, once the operation has been carried out, in the consolidated annual accounts of the group or subgroup.

When the parent company, the group or subgroup, and its subsidiary are not involved, the annual accounts to be considered for this purpose will be those of the larger group or subgroup in which the equity elements whose parent company is Spanish are integrated.

In these cases, the difference that could be revealed between the net value of the assets and liabilities of the acquired company, adjusted by the balance of the groups of grants, donations and legacies received and adjustments for changes in value, and any amount of the capital and issue premium, if any, issued by the absorbing company is recorded in reserves.

4.15 Business combinations

Business combinations are accounted for using the acquisition method, for which the acquisition date is determined and the cost of the combination is calculated, recording the identifiable assets acquired and the liabilities assumed at their fair value referred on that date.

Goodwill or the negative difference of the combination is determined by the difference between the fair values of the assets acquired and liabilities assumed recorded and the cost of the combination, all referring to the acquisition date.

The cost of the combination is determined by aggregating:

- The fair values of the assets transferred, the liabilities incurred or assumed and the equity instruments issued on the acquisition date.
- The fair value of any contingent consideration that depends on future events or the fulfilment of predetermined conditions.

Expenses related to the issue of equity instruments or financial liabilities delivered in exchange for the items acquired are not part of the cost of the combination.

Likewise, the fees paid to legal advisors or other professionals who have been involved in the combination are not part of the cost of the combination, nor are the expenses generated internally by these concepts. These amounts are charged directly to the income statement.

In the exceptional event that a negative difference arises in the combination, it is charged to the profit and loss account as income.

If the valuation processes necessary to apply the acquisition method described above cannot be completed on the end date of the year in which the combination occurs,

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this accounting is considered provisional, and said provisional values may be adjusted in the period necessary to obtain the information required that in no case will be longer than one year. The effects of the adjustments made in this period are recorded retroactively, amending the comparative information if necessary.

Subsequent changes in the fair value of the contingent consideration are adjusted against results, unless such consideration has been classified as equity, in which case subsequent changes in its fair value are not recognised.

Merger, spin-off and non-monetary contributions of a business between group companies are recorded in accordance with the provisions for transactions between related parties (see Note 10).

5. Financial risk management

5.1 Financial risk factors

Managing the financial risks of LALIGA is centralised in Finance Management, which has the necessary mechanisms in place to control the exposure to variations in interest rates and exchange rates, as well as credit and liquidity risks.

The Association's Global Risk Management Programme focuses on the uncertainty of financial markets and tries to minimise the potential adverse effects on its financial profitability. LALIGA employs derivative financial instruments to hedge certain exposures to risk.

When all the required criteria are met, hedge accounting is applied to eliminate the accounting mismatch between the hedging instrument and the hedged item. This will be effective for currency exchange insurance contracted to cover the exposure to the (EUR/USD) exchange rate associated with firm contracts on the sale of audiovisual rights.

The main financial risks impacting LALIGA are listed below:

a) Market risk

(i) Exchange rate risk

Despite LALIGA having significant international operations, most of its contracts are negotiated and charged in euros and, therefore, it is not exposed to exchange rate risk due to foreign currency transactions.

To meet its risk management strategy, the Association hedges its exposure to exchange rate risk associated with its firm commitments in foreign currency (USD).

The purpose of the hedging relationship is to minimise the volatility of the exchange rate risk resulting from receipts in USD from the fluctuation of the exchange rate between the foreign currency (USD) and the Association's functional currency (EUR).

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(ii) Price risk

LALIGA does not have speculative capital investments, and are therefore not exposed to price risk.

(iii) Interest rate risk of cash flows

As LALIGA does not have significant remunerated assets, the income and cash flows from their operating activities are sufficiently independent from changes in market interest rates.

b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and outstanding accounts receivable.

The banks and financial institutions in which LALIGA has invested have a good reputation, as do the financial investments that are controlled by Finance Management.

For credit control, the credit quality of the client is assessed, taking into account their financial position, past experience and other factors. In general, LALIGA's clients do not have a credit rating.

Individual credit limits are established based on internal and external ratings in accordance with the limits set by Management.

The maximum credit risks at 30 June 2023 and 2022 are detailed below:

	Thousands of euros	
	2023	2022
Short-term investments in group companies, multigroup and associates	28,638	137
Long-term financial investments	873,535	613,455
Cash and cash equivalents	536,457	325,740
Short-term financial investments	57,517	38,017
Long-term trade debtors and other accounts receivable	9,827	24,038
Short-term trade debtors and other accounts receivable	533,504	500,524
	2,039,478	1,501,911

a) Liquidity risk

Prudent management of liquidity risk implies the maintenance of sufficient cash and marketable securities, the availability of financing through a sufficient amount of committed credit facilities and the ability to liquidate market positions. Given the dynamic nature of the underlying businesses, LALIGA's Treasury Management aims to maintain flexibility in financing through the availability of committed credit lines.

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Management monitors LALIGA's liquidity reserve forecasts (which includes credit availability (Note 12) and cash and cash equivalents (Note 13)) based on expected cash flows. Note 9.2 shows the breakdown of financial assets and liabilities by maturity. It should be noted that this breakdown is expressed based on the amortised cost of financial assets and liabilities, although this does not vary significantly from their nominal value. Based on expected cash flows and prudent liquidity risk management, Management expects sufficient cash levels to be maintained.

5.2 Estimation of fair value

The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. LALIGA uses a variety of methods and makes assumptions that are based on current market conditions on each balance sheet date. For long-term debt, quoted market prices or agent prices are used. To determine the fair value of the remaining financial instruments, other techniques are used, such as estimated discounted cash flows. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

It is assumed that the book value of credits and debits for commercial operations approximates their fair value. The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate available to LALIGA for similar financial instruments.

6. Non-monetary contributions made during financial year ended 30 June 2022

6.1 Non-monetary contribution on 1 July 2021 to LALIGA Tech

On 1 July 2021, Liga Nacional de Fútbol Profesional made a non-monetary contribution to LALIGA Tech (currently named LALIGA Group International, S.L.) amounting to 23,458 thousand euros. The non-monetary contribution was split between a capital increase of 226 thousand euros and a share premium of 23,232 thousand euros.

The asset elements of the Association's Balance Sheet contributed on 1 July 2021 were as follows:

- Shareholding in LALIGA Content Protection, S.L. amounting to 3,585 thousand euros.
- "BI&BA System" platform amounting to 5,244 thousand euros.
- "Mediacoach" application amounting to 8,967 thousand euros.
- "Capacity Management System" applications amounting to 2,800 thousand euros.
- Other intangible assets amounting to 879 thousand euros.
- Items of property, plant and equipment (mainly technical facilities and information processing equipment) amounting to 1,983 thousand euros.

The operation was covered by the special tax regime regulated in Chapter VII of Title VII of Law 27/2014 of 27 November on Corporation Tax, and the competent tax authorities were notified of its application.

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6.2 Investment Framework Agreement with Loarre Investments S.à.r.l.

On 10 December 2021 Liga Nacional de Fútbol Profesional (LALIGA or the Parent Association) signed a Framework Investment Agreement with Loarre Investments S.à r.l. (the Investor or CVC) for a strategic collaboration that allows the objectives pursued by the December 2021 Assembly Agreement – described below – to be achieved.

In the Framework Agreement, LALIGA presents – together with CVC – a strategic and innovative operation that will promote the growth of the competition and its Clubs in future years by bringing in a benchmark partner with extensive experience in the world of sport. This strategic operation will make it possible to improve infrastructures, implement digitisation and technological innovation or reinforce internal structures of the Clubs.

The agreement consists of the following legal transactions, which entered into force simultaneously on the Closing Date of the operation (1 February 2022):

- i. Contribution of CVC and acquisition of a stake in LALIGA TECH, S.L.U., which subsequently changed its name to LALIGA Group International, S.L. (hereinafter Tech, LALIGA Tech or Group International). CVC contributed 64,773,897.22 euros to Tech through the assumption and disbursement of a capital increase by which it acquired a shareholding equivalent to 8.2016% in its share capital. For this purpose, this subsidiary company increased its share capital through the creation of company shares, which constituted a special class of shareholding (see Note 6.3).

As a preliminary step to the capital increase, it was agreed that, on the closing date of the operation, LALIGA would transfer the following to its subsidiary company Tech (an event that came about and is described in Notes 6.3, 7 and 8 of this report):

- a) all business activities of LALIGA other than the sale of TV and media rights entrusted to LALIGA under RDL 5/2015 (such rights, the "TV Rights") and those others that, where appropriate, are attributed to it by law and are non-delegable;
 - b) the preparatory and support activities for the management by LALIGA of the sale of the TV Rights, including those related to the implementation of LALIGA's decisions in this area.
- ii. Contract between Partners. LALIGA, the Investor and Tech have signed a partner agreement regulating the relationship between them, after which LALIGA will continue to maintain control over Tech.
 - iii. Joint Purse Contract. LALIGA and CVC signed a joint purse contract for a duration of 50 years under which the Investor contributes a total of 1,929,420,480.16 euros to LALIGA funds to improve the competition organised by LALIGA and maximise the value of the TV Rights (the "Joint Purse Contract"). In exchange, as remuneration, the Investor receives a percentage (see the "Joint purse" section further down in this note) of the Net Distributable Income (concept defined below) derived from the sale of TV Rights in each season.

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The Clubs that do not participate in the project will receive an amount equal to the amount they would have received for the TV Rights had the Annual Payment (see "Joint purse" section lower down in this Note) of the joint purse not been made, i.e., as if the remuneration mentioned in the previous paragraph had not occurred.

At the same time as signing the Joint Purse Contract, LALIGA constituted the following guarantees to ensure compliance with its obligations under the aforementioned contract or derived from its termination or settlement (the "Joint Purse Contract Guarantees"):

- a) pledge on LALIGA's current accounts where the JP Funds are deposited or any other financial assets in which LALIGA keeps the funds contributed by the Investor invested under the Joint Purse Contract until these are used to grant loans to the Clubs under the Club Financing Agreement; and
 - b) pledge on LALIGA's credit rights derived from the loans granted to the Clubs under the Club Financing Contract.
- iv. Club Financing Contract. Additionally, LALIGA – and those Clubs that have opted to do so – have signed a financing contract for the amount of 1,899,420,480 euros under which LALIGA makes – and will continue to make – financing linked to improving the competition organised by LALIGA and maximising the value of the TV Rights available to said Clubs, and to other Clubs that adopt it after the Closing Date (the "Club Financing Contract"). The repayment period of the participatory loans will be 50 years. During the first 40 years from the closing of the operation, 95% of the loan's principal will be repaid. The remaining 5% will be paid between years 40 and 50. Clubs relegated from the Second Division have a grace period that may be up to a maximum of 10 years. The live amount of said club financing granted at 30 June 2023 amounts to 889,764 thousand euros (617,694 thousand euros at 30 June 2022) (see Note 11).
- v. Contracts for the provision of Services by Tech to LALIGA. Both signed two service provision contracts under which, during the term of the Joint Purse Contract, Tech will provide LALIGA with support services to manage and promote the competition (the "Management Support Services Contract") and audiovisual consulting services (the "Audiovisual Consulting Services Contract").
- vi. Temporary Services Contract. LALIGA and Tech signed a service provision contract under which LALIGA will temporarily provide Tech with certain services.

6.3 Non-monetary contribution on 1 February 2022 to LALIGA Tech

On 1 February 2022, Liga Nacional de Fútbol Profesional made a non-monetary contribution to LALIGA Tech (currently named LALIGA Group International, S.L.) for a net amount of 11,242 thousand euros. In this second non-monetary contribution from LALIGA to LALIGA Group International, the remaining shareholdings and shares in subsidiaries were contributed so that the only direct investment in equity instruments held by LALIGA at 30 June 2023 is in LALIGA Group International, S.L.

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The non-monetary contribution included the following assets and liabilities:

HEADING	AMOUNT	NOTE
NON-CURRENT ASSETS	24,680	
Intangible assets	1,293	7
Property, plant and equipment	1,110	8
Long-term investments in group companies	21,948	
<i>Equity instruments</i>	8,511	10
<i>Credits to companies</i>	13,437	22
Long-term financial investments	329	
CURRENT ASSETS	41,824	
Inventories	458	
Trade debtors and other accounts receivable	35,583	
<i>Clients for sales and provision of services</i>	22,882	
<i>Clients, group companies and associates</i>	12,701	
Short-term investments in group companies	3,084	
Short-term financial investments	1	
Short-term accruals	1,924	
Cash and cash equivalents	774	
TOTAL ASSETS	66,504	

HEADING	AMOUNT	NOTE
CURRENT LIABILITIES	(55,262)	
Trade creditors and other accounts payable	(22,049)	
<i>Suppliers</i>	(17,360)	
<i>Suppliers, group companies and associates</i>	(1,148)	
<i>Personal</i>	(1,668)	
<i>Client advances</i>	(1,873)	
Short-term accruals	(33,213)	
TOTAL EQUITY AND LIABILITIES	(55,262)	

NET NON-MONETARY CONTRIBUTION	11,242
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Likewise, on 1 February 2022, LALIGA, in its capacity as Sole Partner, decided to increase the share capital of LALIGA Tech for an amount of 57,753 euros through the creation of 57,753 shares with a par value of 1 euro and a share premium of 5,871.232607 euros. Therefore, the total amount associated with the capital increase, including par and share premium, was 339,139,049.77 euros. This amount corresponded to the fair value valuation of the economic unit or company of the material elements and human resources transferred. For accounting purposes, this capital increase was accounted for at consolidated book values.

This increase was fully taken on by LALIGA and paid, also in full, through the non-monetary contribution of assets, liabilities, rights, obligations, contractual positions and human resources assigned to the Transferred Business. The Transferred Business was:

- (a) all business activities of LALIGA other than the sale of TV and media rights entrusted to LALIGA under RDL 5/2015 (such rights, the "TV Rights") and those others that, where appropriate, are attributed to it by law and are non-delegable; and

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(b) the preparatory and support activities for the management by LALIGA of the sale of the TV Rights, including those related to the implementation of LALIGA's decisions in this area.

In this regard, registration and valuation rule (NRV) 21.2 of the General Accounting Plan – approved by Royal Decree 1514/2007 of 16 November following the wording granted by Royal Decree 1159/2010 of 17 September – includes the accounting treatment of non-monetary business contributions when the acquiring and transferring companies are classified as group companies, in the following terms: "2.1 In non-monetary contributions to a group company, the contributor will value their investment at the book value of the assets delivered in the consolidated annual accounts on the date on which the operation is carried out, according to the Rules for Preparing Consolidated Annual Accounts, developed by the Code of Commerce. Any difference between the value assigned to the investment received by the contributor and the book value of the assets delivered must be recognised in reserves."

As a result of the above, the Association recorded an impact of 6,335 thousand euros on reserves resulting from the difference between the book value at cost and the consolidated value of certain investments in contributed equity instruments (see Notes 10 and 14), with no such difference between the individual and consolidated values of the remaining net assets contributed.

In that same act, it was decided to change the company name of LALIGA Tech, S.L.U. to LALIGA Group International, S.L, and change its company purpose.

The operation was covered by the special tax regime regulated in Chapter VII of Title VII of Law 27/2014 of 27 November on Corporation Tax, and the competent tax authorities were notified of its application.

6.4 Increase in additional capital on 1 February 2022 to LALIGA Tech

Also on 1 February 2022 and under the December 2021 Assembly Agreement framework, LALIGA increased the share capital of its subsidiary LALIGA Tech, S.L.U. from 286,870 euros to 312,500 euros, through the creation of 25,630 new company shares, with a par value of 1 euro each, representing 8.2016% of the company's share capital. These shares constituted a new class of share called "Class B" that were subscribed and paid by Loarre Investments S.à r.l. (the Investor or CVC).

The unitary creation rate of the new shares was 2,527.27 euros, corresponding to 1 euro at par value and 2,526.27 euros as the share premium. The aggregate share premium that corresponds to all the new company shares that were created was 64,748,267.22 euros.

CVC took on all Class B shares for a total amount of 64,773,897.22 euros, including par value and share premium per share.

Class B shares are associated with a special right to receive a cash distribution charged to available reserves, exclusively in their favour, for (a) an amount equal to the Damages payable to the Investor by the Company pursuant to Clause 8 of the Investment Framework Agreement or (b) if the amount of available reserves is less than the amount of the aforementioned Damages, an amount equal to the amount of available reserves.

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With this capital increase, which is fully subscribed and paid up by Loarre Investments S.à.r.l., the shareholding that LALIGA has in LALIGA Group International, S.L. is diluted to 91.8%.

7. Intangible assets

The detail and movement of items included in "Intangible assets" for financial years ended 30 June 2023 and 20212 is as follows:

	30/06/2022	Thousands of euros	30/06/2023
	Additions	Derecog nitions	Transfers
Patents, licences, trademarks and the like	73	-	-
Computer software	1,513	89	-
Computer software in progress	23	-	-
Total Cost of Intangible Assets	1,609	89	-
Accumulated amortisation on Patents, licences, trademarks and the like	(64)	(7)	-
Accumulated amortisation on Computer Software	(661)	(264)	-
Total Accumulated depreciation	(725)	(271)	-
Book Value of Intangible Assets	884	(182)	-

	30/06/2021	Thousands of euros	30/06/2022
	Additions	Derecog nitions	Dere cognitions (non- monetary contributions - Note 6)
Patents, licences, trademarks and the like	73	-	-
Computer software	28,656	690	(27,833)
Computer software in progress	4,484	-	(4,461)
Total Cost of Intangible Assets	33,213	690	(32,294)
Accumulated amortisation on Patents, licences, trademarks and the like	(57)	(7)	-
Accumulated amortisation on Computer Software	(13,035)	(496)	12,870
Total Accumulated depreciation	(13,092)	(503)	12,870
Book Value of Intangible Assets	20,121	187	(19,424)

In financial year ended 30 June 2022, there were two non-monetary contributions of members by LALIGA to its subsidiary LALIGA Group International, S.L. (see 6) involving the contribution of certain assets and liabilities relating to several of the businesses that had been developed by LALIGA. The net accounting amount of the contributed intangible assets amounted to 19,424 thousand euros. These contributions took place in July 2021 and February 2022 and mainly corresponded to the following intangibles:

- BI&BA System platform.
- Mediacoach application.
- Capacity Management System.

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The estimated useful lives of these assets, which have not changed after their contribution to LALIGA Group International, S.L., was as follows:

Description and use	Amortisation period
Brands association with LALIGA	10 years
BI&BA System platform	5 years
Mediacoach application	5 years
Capacity Management System	5 years

At the end of financial year ended 30 June 2023, there are fully amortised intangible assets in use amounting to 264 thousand euros; 264 thousand euros at the end of financial year ended 30 June 2022.

8. Property, plant and equipment

The detail and movement of items included in "Property, plant and equipment" for financial years ended 30 June 2023 and 2022 is as follows:

	Thousands of euros				
	30/06/2022	Additions	Derecognitions	Transfers	30/06/2023
Facilities	1,505	26	-	-	1,531
Other Installations	18,667	837	-	-	19,504
Furniture	128	-	-	-	128
Information processing equipment	11	-	-	-	11
Total Cost of Property, Plant and Equipment	20,311	863	-	-	21,174
Accumulated depreciation on Facilities	(13,182)	(2,593)	-	-	(15,775)
Accumulated depreciation on Furniture	(127)	(1)	-	-	(128)
Accumulated depreciation on Information processing equipment	(1)	(2)	-	-	(3)
Total Accumulated depreciation	(13,310)	(2,596)	-	-	(15,906)
Book Value of Property, plant and equipment	7,001	(1,733)	-	-	5,268

	Thousands of euros				
	30/06/2021	Additions	Derecognitions	Derecognitions (Non-monetary contributions – Note 6)	30/06/2022
Facilities	4,411	33	-	(2,939)	1,505
Other Installations	18,029	766	-	(128)	18,667
Furniture	481	39	-	(392)	128
Information processing equipment	3,069	30	-	(3,088)	11
Total Cost of Property, Plant and Equipment	25,990	868	-	(6,547)	20,311
Accumulated depreciation on Facilities	(11,658)	(2,820)	-	1,296	(13,182)
Accumulated depreciation on Furniture	(303)	(28)	-	204	(127)
Accumulated depreciation on Information processing equipment	(2,193)	(3)	-	2,195	(1)
Total Accumulated depreciation	(14,154)	(2,851)	-	3,695	(13,310)
Book Value of Property, plant and equipment	11,836	(1,983)	-	(2,852)	7,001

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In financial year ended 30 June 2022, there were two non-monetary contributions of members by LALIGA to its subsidiary LALIGA Group International, S.L. (see 6) involving the contribution of certain assets and liabilities relating to several of the businesses that had been developed by LALIGA. The net accounting amount of the contributed property, plant and equipment assets amounted to 2,852 thousand euros.

At the end of financial year ended 30 June 2023, there are fully depreciated tangible fixed assets in use amounting to 6,117 thousand euros; 3,619 thousand euros at the end of financial year ended 30 June 2022.

The following are representative additions for both periods (financial years ended 30 June 2023 and 2022):

Concept	Amounts (Thousands of euros)	
	2023	2022
Installation of 360° Security Cameras	-	395
Wiring for Cameras installed	163	209
Aerial Camera Installations	109	162
Anti-drone system	544	-
Total	816	766

Within its obligations resulting from the Regulation for the prevention of violence, racism, xenophobia and intolerance in sport, LALIGA is updating the video surveillance and recording systems to the new 360° technology in the stadiums of its partners. During financial year ended 30 June 2022, this technology was installed in the Son Moix stadium.

The heading of "Other Facilities" includes 7,588 thousand euros (7,588 thousand euros in financial year ended 30 June 2022) related to the installations of the video surveillance and recording systems of the aforementioned new 360° technology and 554 thousand euros corresponding to the installation of anti-drone systems and of which LALIGA is the lessee under a financial lease at 30 June 2023 (0 euros in financial year ended 30 June 2022).

Within its strategy of maximising security in stadiums and with the aim of making football enjoyable by all audiences, LALIGA is making significant efforts in investing and implementing the latest security technology. These investments have continued to be made from the subsidiary LALIGA Group International, S.L. from the contributions of aforementioned partners. LALIGA has taken out various insurance policies to cover the risks to which tangible fixed assets are subject. The coverage of these policies is considered sufficient.

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9. Analysis of financial instruments

9.1 Analysis by category

The book value of each of financial instrument category established in the rule for recording and valuing "Financial Instruments" for financial years ended 30 June 2023 and 2022, except investment in the equity of group companies, multigroup and associates (see Note 10), is as follows:

Miles de Euros

Activos financieros a largo plazo							
Activos financieros a valor razonable		Activos financieros a coste		Activos financieros a coste amortizado		Total	
2023	2022	2023	2022	2023	2022	2023	2022
Créditos a empresas del grupo y asociadas (Nota 11)	-	-	-	-	-	-	-
Créditos a terceros (Nota 11)	-	-	858.819	597.953	12.020	11.910	870.839
Derivados (Nota 12)	244	244	-	-	-	-	244
Otros activos financieros (Nota 11)	-	-	-	-	2.452	3.348	2.452
Deudores varios a largo plazo (Nota 11)	947	6.277	-	-	8.881	17.761	9.827
	1.191	6.521	858.819	597.953	23.352	33.019	883.362

Activos financieros a corto plazo

Activos financieros a valor razonable		Activos financieros a coste		Activos financieros a coste amortizado		Total	
2023	2022	2023	2022	2023	2022	2023	2022
Créditos a emp. del grupo y asoci. (Nota 11 y 22)	-	-	-	-	28.638	137	28.638
Créditos a empresas (Nota 11)	-	-	31.763	21.270	7.034	7.059	38.797
Deudores comer. y otras cuent. a cobrar (Nota 11)	1.302	12.082	-	-	450.702	406.672	452.004
Otros activos financieros (Nota 11)	-	-	-	-	18.720	9.688	18.720
	1.302	12.082	31.763	21.270	505.094	423.556	538.159

Long-term financial liabilities

Financial liabilities at fair value		Joint Purse		Financial liabilities at amortised cost		Total	
2023	2022	2023	2022	2023	2022	2023	2022
Debts with financial entities (Note 15)	-	-	-	-	27,687	44,989	27,687
Finance lease creditors (Note 15)	-	-	-	-	716	833	716
Long-term derivatives (Note 12)	-	6,277	-	-	-	-	6,277
Other financial liabilities (Note 15)	-	-	1,350,594	794,921	1,800	230	1,352,394
	-	6,277	1,350,594	794,921	30,203	46,052	1,380,797

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	Pasivos financieros a corto plazo							
	Pasivos financieros a valor razonable		Cuenta de Participación		Pasivos financieros a coste amortizado		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Deudas con empresas del grupo corto plazo (Nota 15 y 22)	-	-	-	-	-	16	-	16
Deudas con entidades de crédito (Nota 15)	-	-	-	-	151.558	47.297	151.558	47.297
Acreedores por arrendamiento financiero (Nota 15)	-	-	-	-	713	1.232	713	1.232
Derivados a corto plazo (Nota 12)	2.249	12.082	-	-	-	-	2.249	12.082
Otros pasivos financieros (Nota 15)	-	-	40.132	42.447	10.212	19.061	50.344	61.508
Acreedores comerciales y otras cuentas a pagar (Nota 15)	-	-	-	-	151.187	221.128	151.187	221.128
	2.249	12.082	40.132	42.447	313.670	288.734	356.051	343.263

9.2 Analysis by maturity

At 30 June 2023, the amounts of financial instruments with a specific or determinable maturity classified by year of maturity are as follows:

2023	Miles de Euros						
	Activos financieros						
	2024	2025	2026	2027	2028	Años post.	Total
Créditos a empresas del grupo y asociadas (Nota 11)	28.638	-	-	-	-	-	28.638
Créditos a empresas (Nota 11)	38.797	35.139	32.230	32.081	32.081	739.308	909.636
Derivados (Nota 12)	-	244	-	-	-	-	244
Deudores comerciales y otras cuentas a cobrar (Nota 11)	452.004	9.828	-	-	-	-	461.832
Otros activos financieros (Nota 11)	18.720	500	-	-	-	1.951	21.171
	538.159	45.711	32.230	32.081	32.081	741.259	1.421.521

2023	Miles de Euros						
	Pasivos financieros						
	2024	2025	2026	2027	2028	Años posterior.	Total
Deudas con entidades de crédito	151.558	8.024	15.954	3.709	-	-	179.245
Acreedores por arrendamiento financiero	713	716	-	-	-	-	1.429
Derivados (Nota 12)	2.249	-	-	-	-	-	2.249
Otros pasivos financieros	50.344	40.388	38.588	38.588	38.588	1.196.242	1.402.738
Acreedores comerciales y otras cuentas a pagar	151.187	-	-	-	-	-	151.187
	356.051	49.128	54.542	42.297	38.588	1.196.242	1.736.848

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10. Shareholdings in group companies, multigroup and associates

Shareholdings in Group companies

As detailed in Note 6 of the report, during financial year ended 30 June 2022, LALIGA made two non-monetary contributions to its subsidiary LALIGA Group International, S.L. (previously called LALIGA Tech, S.L.) in which it contributed, among other assets and liabilities, its shareholdings in subsidiaries. Thus, from 30 June 2022, LALIGA only holds a direct shareholding, and in LALIGA Group International, S.L. in which it has a 91.8% shareholding.

As a result, the summary of the movement of shareholdings in group companies, jointly-controlled entities and associates carried end during financial year ended 30 June 2023 is as follows:

Subsidiary	30.06.2022	Additions	Derecognitions	30.06.2023
LALIGA Group International, S.L.	35,502	-	-	35,502
TOTALS	35,502	-	-	35,502

The details of shareholdings in Group companies at the end of financial year ended 30 June 2023 is as follows:

30.06.2023

Name and address	Legal form	Activity	Proportion of capital		Voting rights	
			Direct %	Indirect %	Direct %	Indirect %
LALIGA Group International, S.L. (previously LALIGA Tech, S.L.U.)	Limited Company	Provision of services	91.8%	-	91.8%	-
Sociedad Española de Fútbol Profesional, S.A.U.	Public Limited Company	Provision of services	-	91.8%	-	91.8%
LALIGA DMCC (previously named LNFP FZE)	Limited Company	Provision of services	-	91.8%	-	91.8%
La Liga (USA) Inc.	Delaware Corporation	Provision of services	-	91.8%	-	91.8%
Beijing Spanish Football League Consulting Co., Ltd.	Limited Company	Provision of services	-	91.8%	-	91.8%
La Liga South Africa Proprietary Limited	Limited Company	Provision of services	-	91.8%	-	91.8%
LALIGA Singapore Pte Ltd.	Limited Company	Provision of services	-	91.8%	-	91.8%
LALIGA LFP Mex, S.R.L.C.V.	Limited Company	Provision of services	-	91.8%	-	91.8%

None of the Group companies in which LALIGA had a shareholding was listed on a Stock Market at 30 June 2023 or the date of preparing the annual accounts. All companies that were operational at 30 June 2023 are audited.

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International scope

The main objectives of these international subsidiaries controlled by the LALIGA Group in the territories in which they are established are the following:

1. International promotion and support in positioning the LALIGA brand.
2. Promotion, development and sale of LALIGA's assets.
3. Promotion of the LALIGA competition.
4. Creation of institutional alliances with third parties.

National scope

During financial year ended 30 June 2018, LALIGA formed a new company in Spain, LALIGA Servicios Digitales, S.L.U., whose corporate purpose is the provision of digital and technological services related to sport, as well as defending intellectual property rights.

On 6 October 2022, by virtue of the agreements adopted by the Sole Partner of LALIGA Servicios Digitales, S.L.U., the General Meeting of LALIGA Group International, S.L. agreed to the merger of the aforementioned entities through the absorption of LALIGA Servicios Digitales, S.L.U. by LALIGA Group International, S.L. with approval of the respective merger balance sheets at 30 November 2022 and with accounting effect date of 1 July 2022, which was deposited in the Mercantile Registry of Madrid and published on 16 February 2023 in the Official Gazette of the Mercantile Registry.

Through this merger, the entire equity of LALIGA Servicios Digitales, S.L.U. was transferred en bloc to LALIGA Group International S.L. who acquired it universally, leaving the former dissolved and extinguished without a liquidation period. As a result of this merger, the absorbing company (LALIGA Group International S.L.) fully succeeded the absorbed company in all its assets, rights and obligations, assuming each and every one of its asset and liability elements.

The merger by absorption is covered by the special tax regime regulated in Chapter VII of Title VII of Law 27/2014 of 27 November with its subsequent notification to the competent tax authorities.

Sociedad Española de Fútbol Profesional, S.A.U. has continued to provide the clubs/SADs associated with LALIGA with preventive, corrective and evolutionary maintenance services in the sports facilities where the competition's matches are held in order to comply with the requirements of the Regulations on Preventing Violence, Racism, Xenophobia and Intolerance in Sport.

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(In thousands of euros)

The details of shareholdings in Group companies at the end of financial year ended 30 June 2022 was as follows:

30.06.2022

Name and address	Legal form	Activity	Proportion of capital		Voting rights	
			Direct %	Indirect %	Direct %	Indirect %
LALIGA Group International, S.L. (previously LALIGA Tech, S.L.U.)	Limited Company	Provision of Services	91.8%	-	91.8%	-
Sociedad Española de Fútbol Profesional, S.A.U.	Society Anónima	Provision of Services	-	91.8%	-	91.8%
LALIGA Servicios Digitales, S.L.U.	Limited Company	Provision of Services	-	91.8%	-	91.8%
LALIGA Content Protection, S.L.	Limited Company	Provision of Services	-	68.9%	-	68.9%
LALIGA DMCC (previously named LNFP FZE)	Limited Company	Provision of Services	-	91.8%	-	91.8%
La Liga (USA) Inc.	Delaware Corporation	Provision of Services	-	91.8%	-	91.8%
Beijing Spanish Football League Consulting Co., Ltd.	Limited Company	Provision of Services	-	91.8%	-	91.8%
La Liga South Africa Proprietary Limited	Limited Company	Provision of Services	-	91.8%	-	91.8%
LALIGA Singapore Pte Ltd.	Limited Company	Provision of Services	-	91.8%	-	91.8%
LALIGA LFP Mex, S.R.L.C.V.	Limited Company	Provision of Services	-	91.8%	-	91.8%

As detailed in Note 6 of the report, during financial year ended 30 June 2022, LALIGA made two non-monetary contributions to its subsidiary LALIGA Group International, S.L. (previously called LALIGA Tech, S.L.) in which it contributed, among other assets and liabilities, its shareholdings in subsidiaries.

The summary of the movement of the contributions made on the equity instruments of subsidiaries is explained in the following table:

Subsidiary	30.06.2021	Additions	Derecognitions	30.06.2022
LALIGA Group International (previously LALIGA Tech, S.L.U.)	802	34,700	-	35,502
LALIGA Content, S.L.	3,585	-	(3,585)	-
LNFP FZE – Dubai	14	-	(14)	-
Beijing Spanish Football League Consulting Co Ltd	46	-	(46)	-
Sociedad Española de Fútbol Profesional, SAU	2,104	-	(2,104)	-
LALIGA Servicios Digitales SL	3	-	(3)	-
Digital Sports and Innovation, S.L.U.	6	-	(6)	-
LALIGA Entertainment, S.L.U.	3	-	(3)	-
	6,563	34,700	(5,761)	35,502

In this regard, registration and valuation rule (NRV) 21.2 of the General Accounting Plan – approved by Royal Decree 1514/2007 of 16 November following the wording granted by Royal Decree 1159/2010 of 17 September – includes the accounting treatment of non-monetary business contributions when the acquiring and transferring companies are classified as group companies, in the following terms: "2.1 In non-monetary contributions to a group company, the contributor will value their investment at the book value of the assets delivered in the consolidated annual accounts on the date on which the operation is carried out, according to the Rules for Preparing Consolidated Annual Accounts, developed by the Code

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of Commerce. Any difference between the value assigned to the investment received by the contributor and the book value of the assets delivered must be recognised in reserves."

As a result of the above, the Association recorded an impact of 6,335 thousand euros on reserves resulting from the difference between the book value at cost (5,761 thousand euros, see table above) and the consolidated value of shareholdings and shares in the subsidiaries contributed to (12,096 thousand euros, see Notes 6.1 and Note 6.3 of the report).

None of the Group companies in which LALIGA had a shareholding was listed on a Stock Market at 30 June 2022.

The amounts of capital, reserves, income for the year and other information of interest, as they appear in the individual annual accounts of the companies, at the end of 30 June 2023 are as follows:

Company	Equity				Thousands of euros	
	Capital	Reserves and other items	Operating profit/(loss)	Profit/(Loss) for the year	Book value in LaLiga	Dividends received
Sociedad Española de Fútbol Profesional, S.A.U.	2,104	118	1,615	1,234	-	-
LaLiga Group International, S.L. (previously LaLiga Tech, S.L.U.)	313	43,688	(5,688)	46,922	35,502	31,196
LaLiga DMCC (previously named LNFP FZE)	23	(824)	(1,462)	1,159	-	-
La Liga (USA) Inc.	-	516	(492)	2,077	-	-
Beijing Spanish Football League Consulting Co., Ltd.	43	269	(35)	185	-	-
La Liga South Africa Proprietary Limited	-	(227)	332	236	-	-
LaLiga Singapore Pte. Ltd.	-	(7)	302	234	-	-
LaLiga LFP Mex, S.R.L.C.V.	-	(838)	1,365	764	-	-
Totals					35,502	31,196

All companies that were operational at 30 June 2023 are audited.

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The amounts of capital, reserves, income for the year and other information of interest, as they appear in the individual annual accounts of the companies, at the end of 30 June 2022 were:

Company	Equity					Book value in LALIGA	Dividends received
	Capital	Reserves and other items	Operating profit/(loss)	Profit/(Loss) for the year			
Sociedad Española de Fútbol Profesional, S.A.U.	2,104	(259)	1,205	941	-	-	-
LALIGA Servicios Digitales, S.L.U.	3	191	108	24	-	-	-
LALIGA Content Protection, S.L.	286	4,477	(807)	(813)	-	-	-
LALIGA Group International, S.L. (previously LALIGA Tech, S.L.U.)	347	83,025	(9,105)	(8,146)	35,502	-	-
LALIGA DMCC (previously named LNFP FZE)	23	(233)	485	440	-	-	-
La Liga (USA) Inc.	-	(324)	(35)	1,626	-	-	-
Beijing Spanish Football League Consulting Co., Ltd.	43	242	165	99	-	-	-
La Liga South Africa Proprietary Limited	-	(194)	212	153	-	-	-
LALIGA Singapore Pte. Ltd.	-	(266)	533	466	-	-	-
LALIGA LFP Mex, S.R.L.C.V.	-	(158)	216	66	-	-	-
Totals	2,806	86,501	(7,023)	(5,144)	35,502		

All companies that were operational at 30 June 2022 were audited.

The Management of LALIGA considers there to be no impairment of any of the investments in group companies and associates at the end of financial years ended 30 June 2023 and 2022.

Shareholdings in jointly-controlled entities

In addition and in the context of an international expansion strategy, LALIGA holds an indirect joint shareholding through LALIGA Group International, S.L. in the following companies over which it exercises joint control:

- LALIGA North America LLC. During financial year ended 30 June 2019, LALIGA finalised a Joint Venture agreement with a 50% shareholding, for 15 years, in the United States and Canada, with Relevent Sports Group, one of the largest sports agencies in the United States and the main football industry agency in the region.
- LALIGA & Mena & South Asia DMCC. During financial year ended 30 June 2023, LALIGA Group entered into a 50% shareholding Joint Venture agreement with Galaxy Racer Holdings Limited.

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The amounts of capital, reserves, income for the year and other information of interest, as they appear in the individual annual accounts of the companies, at the end of 30 June 2023 are as follows:

Company	Equity				Thousands of euros	
	Capital	Reserves and other items	Operating profit/(loss)	Profit/(Loss) for the year	Book value in LaLiga	Dividends received
LaLiga North America, LLC	3,973	(7,756)	4,514	4,202	-	-
LaLiga & Mena & South Asia DMCC	12	3,500	-	-	-	-
Totals	3,985	(4,256)	4,514	4,402	-	-

The amounts of capital, reserves, income for the year and other information of interest, as they appear in the individual annual accounts of the companies, at the end of 30 June 2022 were:

Company	Equity				Thousands of euros	
	Capital	Reserves and other items	Operating profit/(loss)	Profit/(Loss) for the year	Book value in LALIGA	Dividends received
LALIGA North América LLC	3,973	(5,624)	2,116	2,116	-	-
Totals	3,973	(5,624)	2,116	2,116	-	-

Shareholdings in associated companies

Finally, LALIGA has an indirect minority shareholding through LALIGA Group International, S.L. in the following companies over which it exercises significant influence:

- LALIGA Entertainment, S.L.U.
- LALIGA Studios, S.L.
- Sports Reinvention Entertainment Group, S.L.
- LALIGA Content Protection, S.L.
- Spanish Football Sports & Entertainment (Shanghai) Co., Ltd. (minority shareholding).
- Legends Collection Europe S.L. (minority shareholding).

During the financial year ended 30 June 2021 LALIGA formed a new company in Spain called LALIGA Entertainment, S.L.U., whose corporate purpose is the development, promotion and commercial marketing of entertainment attractions for physical and/or virtual users located in certain theme, amusement or leisure parks. The company began operations on 1 March 2021. LALIGA Entertainment,

S.L.U. is a company whose management is independent from LaLiga where, in financial year ended 30 June 2022, new partners bought into the share capital of this company. With the new partners, LALIGA's – now indirect – shareholding percentage was 45% at the end of that year. At 30 June 2023, the remaining percentage of that company belongs to Port Aventura Entertainment, S.A. and Kosmos Entertainment, S.L. at 45% and 10% respectively.

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On 22 May 2023, LALIGA Group International, S.L. incorporated the company LALIGA Studios, S.L. with its registered office in Madrid, by means of a monetary contribution of 3,000 euros of share capital representing 3,000 shares with a par value of 1 euro.

Subsequently, on 1 June 2023, a capital increase of 2,940,487 shares with a par value of 1 euro was carried out, in which LALIGA Group International, S.L. assumed 49% of the shares. The remaining 51% is contributed by the company Banijay Iberia, S.L.U. The contribution of LALIGA Group International, S.L. amounted to 2,879,353 euros through a non-monetary contribution of the "LALIGA Studios" brand licence (share capital of 1,439,309 euros and share premium of 1,440,044 euros), while the monetary contribution of Banijay Iberia, S.L.U. amounted to 3,000,000 euros (share capital of 1,501,178 euros and share premium of 1,498,822 euros). As a result of this operation, LALIGA Group International, S.L. lost control of the company.

During the financial year ended 30 June 2023, LALIGA, through its investee company LALIGA Group International, S.L., and Software Production Creation, S.L. have reached a "Framework Shareholding Agreement" in which it is established that LALIGA Group International, S.L. transfers the technological arm/activity of the LALIGA Group (hereinafter the "Business") to a newly created company by virtue of a business spin-off operation, with the operation benefiting from the tax neutrality regime. This newly created company – Sports Reinvention Entertainment Group, S.L. – was incorporated on 1 December 2022, contributing the technology business of the LALIGA Group at the time of its incorporation.

Once the business was transferred, the following two milestones took place:

- Assumption and payment by Software Production Creation, S.L. of newly created shares representing 25.5% of the share capital of Sports Reinvention Entertainment Group, S.L.
- Acquisition by Software Production Creation, S.L. of 25.5% of the shares in Sports Reinvention Entertainment Group, S.L. (i.e. 34.2282% of the shares held by LALIGA Group International, S.L.)

In accordance with the two previously mentioned milestones, LALIGA Group International, S.L. reduces its shareholding in Sports Reinvention Entertainment, S.L. to 49% while Software Production Creation, S.L. acquires 51% of the shareholding and taking control of it.

Additionally, during financial year ended 30 June 2021, LALIGA formed a new company in Spain called LALIGA Content Protection, S.L. through a monetary contribution of 3 thousand euros to the share capital on 21 July 2020. The corporate purpose of this new company is the provision of anti-piracy services. Subsequent to the commercial incorporation of the entity – on 30 October 2020 – LALIGA made a non-monetary contribution using intangible assets and property, plant and equipment amounting to 3,582 thousand euros. The non-monetary contribution was split between a capital increase of 212 thousand euros and a share premium of 3,370 thousand euros.

Likewise, on 30 October 2020, Robota, S.L. made a non-monetary contribution in the capital of this entity through intangible assets amounting to 2,148 thousand euros. The non-monetary contribution is split between a capital increase of 72 thousand euros, representing 25% of the share capital, and a share premium of 2,076 thousand euros.

The spin-off of the technology business from LALIGA Group International, S.L. to Sports Reinvention Entertainment Group, S.L. detailed above includes the transfer of the shareholding in LALIGA Content Protection, S.L. As a result, the LALIGA Group has a minority shareholding in this company.

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On 20 December 2021, LALIGA Group International, S.L. (then known as LALIGA Tech, S.L.U.) purchased a shareholding in the companies Sports Legends & Collections, S.A. (hereinafter Legends Uruguay, a Uruguayan company with its registered office in Montevideo) and Legends Collection Europe S.L. (hereinafter Legends Europa, a Spanish company with its registered office in Madrid, a subsidiary of Legends). This purchase was instrumented as follows:

- Purchase of 1,250 shares from Legends Uruguay corresponding to Legends Europa in the amount of 3,000 thousand euros, representing 10% of its capital.
- Taking on of 1,110 shares corresponding to a first capital increase carried out by Legends Europa, in the amount of 2,000 thousand euros.
- Purchase of 2,250 shares of Legends, in the amount of 7,250 thousand euros, representing 10% of its capital. At 31 December 2021, an amount of 2,050 thousand euros had been paid.
- Taking on of 1,389 shares corresponding to a second capital increase carried out by Legends Europa in 2022, in the amount of 2,500 thousand euros. Once this last capital increase was carried out, LALIGA Group International, S.L. had a 25% stake in Legends Europa, exercising significant influence over it.

During financial year ended 30 June 2023:

- Assumption of 273 shares corresponding to a capital increase of 637 thousand euros carried out by Legends Europe.
- Assumption of 3,997 shares corresponding to a capital increase of 4,250 thousand euros through a non-monetary contribution capitalising a loan taken out with Legends Europe amounting to 3,505 thousand euros (3,500 thousand euros of principal and 5 thousand euros of interest) and a monetary contribution of 745 thousand euros.
- Waiver of the pre-emptive right of assumption of the capital increase made by the partners' agreement of 12 April 2023. Once this last capital increase was carried out, LALIGA Group International, S.L. had a 38.75% stake in Legends Europa, exercising significant influence over it.

On 20 December 2021, LALIGA Group International, S.L. purchased 2,250 shares in Legends Uruguay representing 10% of the share capital a total amount of 7,250,000 euros.

During financial year ended 30 June 2023, the Company purchased 8,649,181 shares from the majority partner for an amount of 3,625,000 euros, representing 5% of its share capital. Following this transaction, LALIGA Group International, S.L. now holds 15% of the shares of Legends Uruguay and is a minority shareholder having neither control nor significant influence over the investment.

In addition, in May 2023 the Company made a partner contribution of 77,147 euros.

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The amounts of capital, reserves, income for the year and other information of interest, as they appear in the individual annual accounts of the associated companies, at the end of 30 June 2023 are as follows:

Company	Equity				Thousands of euros	
	Capital	Reserves and other items	Operating profit/(loss)	Profit/(Loss) for the year	Book value in LaLiga	Dividends received
LaLiga Entertainment, S.L.U.	1,070	2,548	(531)	(475)	-	-
LaLiga Studios, S.L.	2,943	2,940	70	52	-	-
Sports Reinvention Entertainment Group, S.L.	87,074	13,385	(401)	1,005	-	-
LaLiga Content Protection, S.L.	286	3,284	167	190	-	-
Spanish Football Sports & Entertainment (Shanghai) Co., Ltd.	102	4,635	3,447	2,572	-	-
Legends Collection Europe S.L.	206	12,911	(5,212)	(5,286)	-	-
Totals	91,681	39,703	(2,460)	(1,942)	-	-

Likewise, the amounts of capital, reserves, income for the year and other information of interest, as they appear in the individual annual accounts of the associated companies, at the end of 30 June 2022 are as follows:

Company	Equity				Thousands of euros	
	Capital	Reserves and other items	Operating profit/(loss)	Profit/(Loss) for the year	Book value in LALIGA	Dividends received
LALIGA Entertainment, S.L.U.	(1,070)	2,876	(1,402)	(777)	-	-
Spanish Football Sports & Entertainment (Shanghai) Co., Ltd.	102	1,822	1,575	2,068	-	-
Legends Collection Europe S.L.	150	7,878	(546)	(619)	-	-
Totals	(818)	12,576	(373)	672	-	-

All companies that were operational at 30 June 2022 are audited, with the exception of Legends Collection Europe, S.L.

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11. Loans and receivables

The detail of loans and receivables at 30 June 2023 and 2022 is as follows:

	Thousands of euros	
	30.06.2023	30.06.2022
Non-current:		
Financial assets at cost		
Credits to companies	858,819	597,953
- Participatory financing loans to Clubs	858,819	597,953
Financial assets at amortised cost		
Long-term financial investments		
Credits to companies	12,020	11,910
- Accounts receivable by Collective Agreement	6,781	8,749
- AFE Joint Commission Loans	2,404	2,404
- Loan for "Economic Value LaLiga Participation" Promoted Clubs	2,835	757
Other financial assets	2,452	3,348
- Other Assets "Recovery Plan / Works"	501	2,193
- Other Assets	1,951	1,155
Long-term sundry debtors	8,880	17,761
- Clubs' Current accounts "Covid expenses financing" (Note 15)	8,880	17,761
Financial assets at fair value		
Derivatives	244	244
- Derivatives (Note 12)	244	244
Long-term sundry debtors	947	6,277
- Long-term trade debtors (Note 12)	947	6,277
	883,362	637,493
	Thousands of euros	
	30.06.2023	30.06.2022
Current:		
Financial assets at cost		
Credits to third parties	31,763	21,270
- Participatory financing loans to Clubs	31,763	21,270
Financial assets at amortised cost		
Clients for sales and provision of services	422,536	382,248
- Accounts receivable from Clients / Sponsors	422,536	382,248
Clients, group companies and associates	6,820	910
- Accounts receivable with Group companies (Note 22)	6,820	910
Sundry debtors	21,346	23,514
- Clubs' Current accounts "Covid expenses financing" (Note 15)	19,524	19,593
- Other balances with clubs	1,138	3,538
- Other sundry debtors	684	383
Other financial assets	28,638	137
- Dividend receivable "LaLiga Group International, S.L." (Note 22)	28,638	-
- LaLiga Group International spin-off liquidation account	-	137
Credits to third parties	7,034	7,059
- Loan for "Economic Value LaLiga Participation" Promoted Clubs	3,828	2,626
- Loans for Women's Football "Art. 6 e.1) RD 5/2015"	78	78
- Loans to Entities of Second Division B "Art. 6 e.2) RD 5/2015"	375	381
- Accounts receivable by Collective Agreement	2,753	3,896
- Accounts receivable "Financing of Works"	-	78
Other financial assets	18,720	9,688
- Other Assets	920	120
- Deposits	17,800	9,568
Financial assets at fair value		
Clients for sales and provision of services	1,302	12,082
- Derivative fair value hedge (Note 12)	1,302	12,082
	538,159	456,908
	1,421,521	1,094,401

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The book value and fair value of financial assets do not differ significantly.

11.a Long- and short-term participatory financing to clubs:

Based on the strategic operation agreed by majority at the General Assembly on 10 December 2021, those clubs forming part of this plan have received funds in the form of loans. This financing is participatory and subordinated in nature. Each affiliated club has a maximum of five ordinary drawdowns as long as it meets the following requirements:

- That the club has submitted the partial Development plan (purposes for which it is going to apply) which is the Investment Plan and has been approved by LALIGA.
- That it has submitted the full Development Plan (for drawdowns after the deadline).
- That the club has complied with the Investment and Development Plan with the necessary evidence (for drawdowns pending at that time).
- That the club complies with the other obligations of the participatory financing contract.
- That the club has not been relegated from the Second Division.
- That LALIGA has effectively received the funds from the Joint purse (see Note 15).

The remuneration of the participatory investment is 0% plus variable interest of 1.52% of the distributable net income of each club (Income from the audiovisual rights corresponding to each club that is part of the Assembly Agreement).

The repayment period of the participatory loans will be 50 years. During the first 40 years from the closing of the operation, 95% of the loan's principal is repaid. The remaining 5% is paid between years 40 and 50. Member clubs relegated from the Second Division will have a grace period that may be up to a maximum of 10 years.

From the start of the strategic operation until the end of financial year ended 30 June 2023, the movement of such financing has been characterised by the granting of participatory loans to the member clubs for 916,565 thousand euros (623,661 thousand euros at 30 June 2022) of which 26,801 thousand euros (5,967 thousand euros at 30 June 2022) has been amortised and repaid, leaving 30,945 thousand euros in the short term and 858,819 thousand euros in the long term (19,741 thousand euros and 597,953 thousand euros at 30 June 2022 respectively). Furthermore, the interest accrued in financial year ended 30 June 2023 from this financing amounted to 18,198 thousand euros (9,061 thousand euros at 30 June 2022), which is recorded under "Financial income" (see Note 20) and of which 818 thousand euros is pending collection at 30 June 2023 (1,529 thousand euros at 30 June 2022). Within the framework of the agreements reached by the Assembly in December 2021, LALIGA will have to grant participatory loans to member clubs in the following years to cover the funds that, in turn, will be obtained from CVC via a joint purse (see Note 15).

The members of the Executive Committee and the Association's Management consider there to be no signs of impairment in the participatory loans granted at 30 June 2023 and 2022, as they consider that all of them will be collected and that the financial effect of the maximum cumulative grace period of 10 years is not significant given that there is also payment protection insurance that would cover the estimated maximum potential risk at 30 June 2023 and 2022 in the event of such an eventuality. In any case, given that the potential impairment is mutualised by

the clubs in accordance with Clause 8.2.B. of the participatory loan contracts, LALIGA's annual accounts would not be affected and the result of this would be maintained.

11.b Other loans and receivables:

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As a consequence of that established in Annex I of the agreement signed on 25 August 2011 between LALIGA and the Association of Spanish Footballers to call off the strike initiated by the latter, LALIGA guaranteed the payment of the debts that its associated clubs/SADs had with their professional players corresponding to the 2010/2011, 2011/2012, 2012/2013, 2013/2014 and 2014/2015 seasons. In this sense, the receivables under "Accounts receivable by Collective Agreement" represent the debts once the deduction has been applied and included in the creditor agreements of the clubs/SADs, which will be recovered by LALIGA based on that established in each of the creditor agreements of the different debtor clubs/SADs. The classification between long and short term follows the distribution of the different Creditors' Agreements that vary according to multiple variables, one of the most frequent being the division that the club/SAD is in.

The heading "AFE Joint Commission Loans" reflects the accounts receivable that LALIGA has with the players of Club de Fútbol Reus Deportiu, S.A.D. resulting from its position as guarantor of their salaries in accordance with the Collective Agreement signed by the Association of Spanish Footballers, see Note 4.9.

Since the 2016/2017 season, and pursuant to LALIGA's Articles of Association, clubs promoted to the Smartbank League have been granted a series of loans to be able to pay for the economic value of the participation in LALIGA. These loans are registered as "Economic Value LALIGA Participation" Loan".

On the other hand, and as a consequence of the advance payments for the works associated with the 1991 Recovery Plan, LALIGA has a projected asset for this concept that is being recovered from the funds granted from Quinielas (see Note 4.11) in the same proportion as the syndicated loan that was requested for the payment of this concept is paid.

Continuing with the analysis of receivables, the balances pending collection from these groups of debtors are included under "Accounts receivable from Clients / Sponsors". The variation compared to the previous financial year is mainly due to a slight slowdown in collections due to the current economic situation in certain geographical areas.

Since the 2016/2017 season, LALIGA has granted loans to a series of entities, which are included in the group of those benefiting from collection rights derived from the obligations established in Article 6 of RD 5/2015, and which are guaranteed with, among others, the aforementioned collection rights derived from the obligations. These loans, depending on their recipient, have been reflected in the following headings, "Loans for Women's Football "Art. 6 e.1) RD 5/2015"" and "Loans to Entities of Second Division B "Art. 6 e.2) RD 5/2015"".

In relation to "Deposits", the amounts at the end of financial years ended 30 June 2023 and 2022 mainly correspond to deposits made by the

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Association in relation to currency exchange insurance contracted to cover the exposure to the (EUR/USD) exchange rate associated with firm contracts on the sale of audiovisual rights of future seasons. The amount of these deposits at 30 June 2023 is 15.4 million euros (8 million euros at 30 June 2022). At the year-end date of the financial year, the Association would have no obligation or need to have these deposits, although it maintains them as they are remunerated.

11.c Impairment of loans and receivables:

In general, accounts receivable from clients overdue less than six months are considered to have not suffered any impairment in value. In any case, from the analysis carried out at the end of the year, it has been concluded that there no "Loans and accounts receivable" have suffered any impairment in addition to the 45 thousand euros (541 thousand euros in financial year ended 30 June 2022).

Changes in the allowance for doubtful accounts/bad debts are as follows:

	Thousands of euros	
	2023	2022
Impairment at the beginning of the year	(541)	(2,435)
Impairment charge for the year	-	(486)
Impairment reversal for the year	496	-
Derecognised accounts receivable in non-monetary contribution (Note 6.3)	-	2,380
Impairment at the end of the year	(45)	(541)

Additionally, the financial year ended 30 June 2023, income has been recorded under the heading "Losses, impairment and changes in provisions for commercial operations" corresponding to the collection of trade receivables amounting to 760 thousand euros from an operator that had been written off in previous seasons.

At the date of preparing these annual accounts, the Association does not consider any other amount of its trade receivables accounts to be susceptible to impairment. However, an international audiovisual operator has failed to comply with its payment obligations, for which the Association has initiated legal proceedings. As set out in Note 17 of this report, the Association and its independent external advisers consider their claim to be well grounded in accordance with law, which added to the fact that – at the date these annual accounts were prepared – the procedural deadlines have been met, and it is believed that there are reasonable grounds for the conflict to be resolved satisfactorily.

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12. Derivative financial instruments

12.a Asset derivatives:

The detail of the financial instruments contracted by LALIGA related to interest-rate swaps at 30 June 2023 and 2022 is as follows:

	Thousands of euros			
	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedges	244	-	244	-
Total	244	-	244	-

The impact of these asset derivatives is recorded on a net basis in the Association's equity.

During the 2016/2017 season, and associated with the novation of the syndicated loan, see Note 15, the interest rate coverage was partially novated, 50% in favour of Banco Santander, 25% in favour of Bankia and another 25% in favour of Banco Bilbao Vizcaya Argentaria. Following this novation, the notional principal of the interest rate swap contracts outstanding at 30 June 2023 would amount to 3,896 thousand euros (6,188 thousand euros at 30 June 2022).

At 30 June 2023, the variable interest rate is the EURIBOR, as it was at 30 June 2022.

12.b Liability derivatives:

The Association's Global Risk Management Programme focuses on the uncertainty of financial markets and tries to minimise the potential adverse effects on its financial profitability. LALIGA employs derivative financial instruments to hedge certain exposures to risk.

When all the required criteria are met, hedge accounting is applied to eliminate the accounting mismatch between the hedging instrument and the hedged item. As with 30 June 2022, at 30 June 2023, this will be effective for currency exchange insurance contracted to cover the exposure to the (EUR/USD) exchange rate associated with firm contracts on the sale of audiovisual rights of future seasons.

The purpose of the hedging relationship is to minimise the volatility of the exchange rate risk resulting from receipts in USD from the fluctuation of the exchange rate between the foreign currency (USD) and the Association's functional currency (EUR).

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The detail of the financial instruments contracted by LALIGA related to fair value hedges at 30 June 2023 and 2022 is as follows:

	Thousands of euros			
	30.06.2023		30.06.2022	
	Assets	Liabilities	Assets	Liabilities
Long-term fair value hedges	-	-	-	6,277
Short-term fair value hedges	-	2,249	-	12,082
Total	-	2,249	-	18,359

These headings include the valuation of hedging derivatives at fair value for a total of 2,249 thousand euros due to the open positions contracted at 30 June 2023 in the short and long term (18,359 thousand euros at 30 June 2022). Similarly, the heading "Clients for sales and provision of services" and "Long-term sundry debtors" include the same amounts (2,249 thousand euros in total between long-term and short-term) as a result of the accumulated change in the fair value of firm positions at 30 June 2023 derived from these audiovisual contracts (18,359 thousand euros at 30 June 2022).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

When the hedged item is an unrecognised firm commitment or a component of it, the cumulative change in fair value of the hedged item after its designation is recognised as an asset or liability, and the related gain or loss is reflected in the profit and loss account.

13. Cash and cash equivalents

The detail of cash and cash equivalents amounts at 30 June 2023 and 2022 is as follows:

	Thousands of euros	
	30.06.2023	30.06.2022
Cash at hands	4	4
Banks	536,453	325,736
Total Cash and cash equivalents	536,457	325,740

Within the bank balance there is a guarantee account and a reserve account with Banco Santander. In the former, the monthly maturities of the syndicated loan that LALIGA has signed with Banco Santander, Caixabank and Banco Bilbao Vizcaya Argentaria are charged, and in the latter, 10% of the amount to be paid corresponding to the July and August maturities of said loan is deposited. Once the monthly instalment has been paid, and 10% of the amount to be paid corresponding to the July and August maturities of said loan has been deposited, the remaining amount of said withholding is freely available to LALIGA.

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The increase in the cash position with respect to the end of financial year ended 30 June 2022 is mainly due to the effect of the following factors:

- a) There have been significant net cash inflows (drawdowns and repayments) relating to bank financing contracts (as detailed in Note 15) with the net amount drawn down during financial year to 30 June 2023 being 86,959 thousand euros, with the principal net amount drawn down being for the accelerated management of the payment of Value Added Tax to the Clubs/SADs, taking into account the mechanisms of operation of Value Added Tax, (see further detail in Note 15).
- b) During financial year ended 30 June 2023, there have been significant net cash inflows (drawdowns and repayments) relating to the balance of the Joint Purse Account amounting to 553,358 thousand euros (Note 15) while net cash outflows relating to participatory financing granted to clubs amounted to 271,359 thousand euros (Note 11).
- c) Increase in the net position of "Clients", "Clients, group companies and associates", "Sundry debtors" and "Accruals of short-term liabilities" amounting to 77,399 thousand euros mainly due to a reduction in the volume of advanced invoicing to operators for the audiovisual rights for the 2023–2024 season compared to the previous year.
- d) Decrease in the net payment position to "Suppliers", "Suppliers, group companies and associates" and "Sundry creditors" amounting to 70,032 thousand euros due to a significant reduction in the average payment period to them (see Note 15).

14. Equity

The composition of Equity at 30 June 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Social Fund	8,148	8,148
Reserves - Non-monetary contribution	6,335	6,335
Surplus Profit for the Season	(6,335)	-
Hedging operations	139	139
	8,287	14,622

In the context of the non-monetary contribution described in Note 6.3 of the report, among other assets and liabilities, LALIGA contributed the rest of shareholdings and shares in subsidiaries to its subsidiary LALIGA Tech (currently called LALIGA Group International) (see Note 10).

In this regard, registration and valuation rule (NRV) 21.2 of the General Accounting Plan – approved by Royal Decree 1514/2007 of 16 November following the wording granted by Royal Decree 1159/2010 of 17 September – includes the accounting treatment of non-monetary business contributions when the acquiring and transferring companies are classified as group companies, in the following terms: "2.1 In non-monetary contributions to a group company, the contributor will value their investment at the book value of the assets delivered in the consolidated annual accounts on the date on which the

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operation is carried out, according to the Rules for Preparing Consolidated Annual Accounts, developed by the Code of Commerce. Any difference between the value assigned to the investment received by the contributor and the book value of the assets delivered must be recognised in reserves."

As a result of the above, the Association recorded an impact of 6,335 thousand euros on reserves in financial year ended 30 June 2022 resulting from the difference between the book value at cost and the consolidated value of shareholdings and shares in the subsidiaries contributed to (see Note 10).

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15. Debits and payables

The detail of debts and payables at 30 June 2023 and 2022 is as follows:

	30.06.2023	30.06.2022
Non-current:		
<u>Joint purse</u>		
Other financial liabilities	1,350,594	794,921
- CVC Joint purse	1,350,594	794,921
<u>Financial liabilities at amortised cost</u>		
Debt with financial entities	27,687	44,989
- Loans with credit Institutions – Syndicated	1,571	3,888
- Loans with credit Institutions – Covid Financing	9,931	18,891
- Loans with credit Institutions – Policies and credit lines	16,185	22,210
Finance lease creditors	716	833
- Finance lease creditors	716	833
Other financial liabilities	1,800	230
- Economic Value LALIGA Participation	1,800	230
<u>Financial liabilities at fair value</u>		
Derivatives	-	6,277
- Derivative fair value hedge (Note 12)	-	6,277
	1,380,797	847,250
Current:		
<u>Joint purse</u>		
Other financial liabilities	40,132	42,447
- CVC Joint purse	40,132	42,447
<u>Financial liabilities at amortised cost</u>		
Debt with financial entities	151,558	47,297
- Loans with credit Institutions – Syndicated	2,325	2,300
- Loans with credit Institutions – Covid Financing	8,960	8,765
- Loans with credit Institutions – EBN (VAT)	48,516	-
- Loans with credit Institutions – Policies and credit lines	91,757	36,232
Finance lease creditors	713	1,232
- Finance lease creditors	713	1,232
Other financial liabilities	10,212	19,061
- Economic Value LALIGA Participation	5,515	4,164
- Withholdings made with Clubs/SADs for obligations "Art. 6 RD 5/2015"	2,687	13,107
- Sundry deposits received and others	2,010	1,790
Short-term debts with group companies	-	16
- Short-term debts with group companies	-	16
Trade creditors and other accounts payable	151,187	221,128
- Suppliers	43,403	78,944
- Accounts payable to related parties (Note 22)	26,365	17,869
- Sundry creditors Clubs' Current accounts	80,733	123,720
- Remuneration Pending Payment	466	473
- Client advances	220	122
<u>Financial liabilities at fair value</u>		
Derivatives	2,249	12,082
- Derivative fair value hedge (Note 12)	2,249	12,082
	356,051	343,263
	1,736,848	1,190,513

The book value of short-term debts is close to their fair value, since the discounting effect is not significant.

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The heading "Economic Value LALIGA Participation" corresponds to the amounts that LALIGA owes to the clubs that have ceased to be part of it for this concept. These amounts will be returned to said clubs/SADs based on the recovery of the amounts loaned by LALIGA to the clubs/SADs that have become part of it (see Note 11).

The financial leases signed with different banking entities to finance the installation of video surveillance and recording systems of the new 360° technology – and from financial year ended 30 June 2023, anti-drone systems – are recorded under "Finance lease creditors" (see Note 8).

During the 2017/2018 season, Royal Decree 2/2018 of 12 January 2018 was approved, detailing the criteria for the distribution of withholdings among beneficiary entities in accordance with Art. 6 of Royal Decree 5/2015.

During financial year ended 30 June 2020, as a result of the application of RD 5/2015, the amounts withheld were recorded under "Withholdings made with clubs/SADs for obligations "Art. 6 RD 5/2015"" and pending payment on behalf of the clubs/SADs as a consequence of their obligations included in the Royal Decree. The concepts for which the withholdings were made, pursuant to the provisions of Article 6 of Royal Decree-Law 5/2015, and were partially pending payment, on behalf of the clubs/SAD, are the following: 1% allocated to the Real Federación Española de Fútbol as a contribution to amateur football, 1% to the Higher Council for Sports to finance the costs of the public social protection systems of those workers who are considered high-level athletes and a 0.5% allocated to the Higher Council for Sports to be distributed – in the amount and on the terms established by regulation – to the First Division of Women's Football, entities participating in the Second Division of the National League Championship and to associations or unions of footballers, referees, coaches and trainers.

Additionally under "Withholdings made to clubs/SADs for obligations "Art. 6 RD 5/2015"", the withholdings corresponding to the Compensation Fund for relegation were recorded, representing 3.5%.

In relation to the previous paragraphs, Royal Decree-Law 15/2020 on supplementary urgent measures to support the economy and employment was approved on 21 April 2020. In its fifth final provision "Amendment of Royal Decree-Law 5/2015 of 30 April on urgent measures in relation to marketing the rights to exploit the audiovisual content of professional football competitions". The amendments include:

- Amendment to section 1 of article 6, letter a), reducing the financing of the Compensation Fund due for relegation from 3.5% to 2.5%.
- Amendment to section 1 of article 6, letter c), increasing the amount distributed to the Real Federación Española de Fútbol as a contribution to amateur football from 1% to 2%.
- Creation of section 1 of article 6, letter f), delivering an additional 1.5% to the Higher Council for Sports to be allocated to the promotion, development and dissemination of federated, Olympic and Paralympic sports, as well as the internationalisation of Spanish sport.

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The first financial year in which the effective application of the aforementioned changes took place was the financial year to 30 June 2021, with it continuing to be applied in subsequent financial years.

The variation in the balance at the end of each financial year depends directly on the characteristics of the club/SAD that may be relegated by applying the criteria determined in Book VIII of LALIGA's General Regulations. During financial years ended 30 June 2023 and 2022, higher payment obligations have been satisfied than withholdings corresponding to the Compensation Fund for relegation, mainly due to:

- i. The characteristics of the clubs/SADs that were relegated in the season.
- ii. The effect of the amendment to section 1 of article 6, letter a), reducing the financing of the aforementioned Compensation Fund due for relegation from 3.5% to 2.5%.

As listed in Article VIII.2. of the General Regulations, where the amount to be paid to the relegated Clubs/SAD exceeds the accumulated amount of the Compensation Fund on the relegation date, LALIGA will pay only the amount of the Compensation Fund accumulated on that date, leaving the excess that may correspond to each Club/SAD for subsequent seasons pending payment until the Compensation Fund has sufficient funds.

All withholdings associated with "Withholdings made to clubs/SAD for obligations "Art. 6 RD 5/2015"" have been reflected as long or short term, taking into account the estimated date of their payment.

Finally, "Clubs' Current Accounts" includes the balances pending payment to them. The variation with respect to the previous financial year is mainly due to the total amount pending payment related to audiovisual rights at the end of 30 June 2023 being lower than that of the previous financial year.

a) Loans with credit institutions

Syndicated financing

On 6 April 2017, LALIGA novated the syndicated loan it had with Bankia and Banco Bilbao Vizcaya Argentina, increasing the balance arranged at 500 thousand euros, increasing the fees and restructuring the operation at 329 thousand euros. As a consequence of this novation, Banco de Santander – "Title Sponsor" of LALIGA – was included as part of the syndicated loan with a 51.40% stake with Bankia and Banco Bilbao Vizcaya Argentaria holding 24.30% of the balance each. Two effects were achieved with this novation, on one hand, lowering the interest rate from the 12-month Euribor plus 4.5% to the 1-month Euribor plus 2.5% and, on the other, extending the repayment period from 2020 to 2025, with the refunds after the monthly novation instead of annually, with its consequent financial savings. Additionally, it has an interest rate hedge contracted for 70% of the amount of the syndicated loan.

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The outstanding repayment balances, which are made monthly, of the aforementioned syndicated loan are the following at 30 June of each year:

Amortisation Date	Amount to Amortise (Thousands of euros)
30 June 2024	2,325
30 June 2025	1,571
Total	3,896

As a result of the syndicated loan's contract clauses, it is subject to compliance with the following ratios:

- a) Debt service coverage ratio.
- b) Adjusted debt/adjusted EBITDA ratio.
- c) Maximum investment in CAPEX.

On 16 July 2019, the syndicated loan was novated whereby some points related to the ratios above were amended to adapt them to the current situation of the figures involved in their calculation.

Both at the end of financial year ended 30 June 2023 and 2022, LALIGA has complied with the requirements of said ratios, and expects to comply with them for financial year ended 30 June 2024.

Exceptionally, and as a consequence of excessive hedging in relation to the Credit Rights Derived from Quinielas, the syndicated loan was renewed on 16 July 2019 to adapt these credit rights to the current amounts owed from the existing loan since 2019 until its maturity.

Loan policies

The audiovisual income received from the commercialisation of international audiovisual rights generates greater input VAT than output VAT, as the income from international operators does not generate VAT, which is generated when the clubs invoice LALIGA for the distribution of audiovisual rights. To have the necessary cash available for the distribution of the rights and for the period between filing monthly VAT returns and their refund by the Spanish Tax Office, LALIGA formalised two loan policies during financial year ended 30 June 2023 aimed at accelerating management of the payment of Value Added Tax returns to the clubs/SADs:

- On 29 July 2022, Loan Policy contracted with Banco Santander of 70,000 thousand euros, with 0 euros drawn down at 30 June 2023. The Credit Line matures on 29 April 2023. Monthly settlement of interest. Interest rate 2.3%.
- On 12 January 2023, Loan Policy contracted with Banco Santander for 80,000 thousand euros, with 55,520 thousand euros drawn down at 30 June 2023, together with accrued and unpaid interest of 108 thousand euros which has been charged by the financial institution on 3 July 2023.

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The Credit Line matures on 12 October 2023. Monthly settlement of interest. Interest rate 3.95%.

In turn, on 4 August 2022, a loan policy was formalised with Banco Bilbao Vizcaya Argentaria for 30,000 thousand euros, which was also to manage the payment of Value Added Tax returns generated by the rest of the Association's working capital operations. The amount of 30,000 thousand euros drawn down at 30 June 2023. The Credit Line matures on 02 February 2024. Quarterly settlement of interest. Euribor interest rate + 1.80%.

During financial year ended 30 June 2022, three loan policies were formalised, which were equally intended to speed up management of the payment of Value Added Tax returns to clubs/SADs:

- On 4 August 2021, the Loan Policy contracted with Banco Santander of 56,000 thousand euros, with 0 euros drawn down at 30 June 2022. The Credit Line matured on 4 August 2022. Monthly settlement of interest. Interest rate 1.61%.
- On 4 August 2021, Loan Policy contracted with Banco Santander of 38,000 thousand euros, with 0 euros drawn down at 30 June 2022. The Credit Line matured on 4 August 2022. Monthly settlement of interest. Interest rate 1.61%.
- On 4 August 2021, Loan Policy contracted with Banco Santander of 56,000 thousand euros, with 30,012 thousand euros drawn down at 30 June 2022. The Credit Line matured on 4 August 2022. Monthly settlement of interest. Interest rate 1.61%. The amount outstanding at 30 June 2022 was repaid during financial year ended 30 June 2023.

During financial year ended 30 June 2022, another loan policy was formalised, which is primarily intended for the management of fixed assets:

- On 26 November 2021, Loan Policy contracted with BBVA of 32,000 thousand euros, with an amount drawn down at 30 June 2023 of 22,314 thousand euros. The Credit Line matures on 26 November 2026. Monthly settlement of interest. Nominal interest rate of 2% with 3-month Euribor benchmark rate.

The balances pending repayment at 30 June 2023 on the above policy are as follows:

Amortisation Date	Amount to Amortise (Thousands of Euros)
30 June 2024	6,129
30 June 2025	6,453
30 June 2026	6,795
26 November 2026	2,937
Total	22,314

Credit Assignment Agreement - EBNSistema

On 14 December 2022, LALIGA signed a VAT Credit Assignment Agreement with EBNSistema Finance, S.L. consisting of the financial institution acquiring the credit rights held by LALIGA against the Spanish Tax Agency in relation to VAT self-assessments from November to December 2021 totalling 50,781 thousand euros. The open amount at 30 June 2023 was 48,516 thousand euros. The Credit Line matures on 18 May 2024. Monthly settlement of interest. Interest rate of 3.96%.

These tax returns are currently pending settlement by the Spanish Tax Agency due to the inspection opened in the tax return period.

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COVID financing

On 3 September 2020, the Executive Committee prepared the draft budget for income and expenses for financial year ended 30 June 2021 – approved by the Ordinary General Assembly on 14 September 2020 – in which LALIGA, in order to support and maintain competitions and the value of audiovisual and commercial rights, has managed the extraordinary expenses generated by the health crisis (COVID-19), consisting mainly of travel expenses and testing, together with adapting stadiums to the action protocol.

On 25 February 2021, the Association told members of the Executive Committee, who approved, that in relation to the budgets and expenses that LALIGA is assuming and paying on behalf of the clubs/SAD, they will be distributed to them in five seasons among the clubs that competed in each of those seasons.

In this sense, and as stated in Note 11, LALIGA has recorded collection rights under the headings "Long-term sundry debtors" amounting to 8,880 thousand euros and "Sundry debtors" amounting to 19,524 thousand euros, of which an amount of 10,644 thousand euros has been invoiced at the end of financial year ended 30 June 2023 and will be collected at the beginning of the 2023–2024 financial year.

The balances pending repayment at 30 June 2023 on the above policy are as follows:

Amortisation Date	Amount to Amortise (Thousands of euros)
30 June 2024	8,960
30 June 2025	9,159
31 July 2025	772
Total	18,891

b) Joint purse

Taking that described in Note 6.2 of the report as a reference where the Investment Framework Agreement with Loarre Investments, S.à.r.l. is described, the funds from CVC to LALIGA are instrumented through a Joint Purse contract (hereinafter "JP" or "JP Contract"). The contract was signed on 1 February 2022, came into force the date it was granted and will remain in force until the end of the season in progress on 1 January 2072, a duration of 50 years.

According to the signed JP Contract, the Investor contributes 1,929,420,480.16 euros to LALIGA funds to improve the Competitions in order to enhance the value of the TV Rights in exchange for a variable shareholding consisting of a percentage of the Net Distributable Income derived from the Commercialisation activity in each season. The parties have agreed to regular settlements of the joint purse.

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For these purposes, Net Distributable Income for a season is considered to be the net result of the marketing account of LALIGA's TV Rights corresponding to the season in question, excluding certain income and expenses agreed in the JP Contract. It is also on this concept of Net Distributable Income that Clubs calculate their share of the income derived from the joint exploitation and commercialisation of the TV Rights in accordance with the distribution criteria provided for in RDL 5/2015.

In general, the JP Contract establishes a criterion for remunerating the Investor based on the Net Distributable Income based on the relationship between the EBITDA of each year and the target EBITDA of a reference business plan (here, EBITDA is understood as the sum of the LALIGA's operating income associated with the sale of TV and media rights, as well as other future activities defined in the Partner contract that LALIGA and its subsidiaries carry out (other than LALIGA Tech and its subsidiaries), minus LALIGA's operating expenses associated with such activities; and the operating income minus the operating expenses of all the activities of LALIGA Tech and its subsidiaries). Thus, remuneration percentages are established on Net Distributable Income, ranging from a maximum of 8.5537%, if the EBITDA for a year is equal to or less than 92.5% of the target EBITDA in the Business Plan, to a minimum of 7.8773%, if the EBITDA for the year is equal to or greater than 107.5% of the target EBITDA in the Business Plan.

However, to materialise the spirit of the Investment Agreement, a particular criterion has been established with special remuneration percentages for the first four years (S21/22 to S24/25). The percentages are lower during the first two years, given that the Investor will not yet have contributed all the committed funds and, furthermore, the investments will not have been able to generate the desired return, and higher during the following two years, since if they have worked diligently – both LALIGA and the Investor – the different projects started with the funds contributed by the Investor could already be profitable, so that during the third and fourth years a higher remuneration is proposed.

The funds received from the JP Contract are being made available to the Participating Clubs within the Financing framework provided for in the December 2021 Assembly Agreement. This financing has been instrumented through Participatory Loans to the clubs up to a maximum amount of 1,899,420,480.16 euros, of which 916,565 thousand euros was transferred to the clubs during the financial year ended 30 June 2023 (623,661 thousand euros at 30 June 2022) (see Note 11).

The movement of the joint purse during financial year ended 30 June 2023 was as follows:

	30.06.2022	Drawdowns	Amortisations	30.06.2023
Joint purse	837,368	594,261	(40,903)	1,390,726

Of the total outstanding balance at 30 June 2023, LALIGA has recognised 40,132 thousand euros in the short term as they are refunds to be made in the 12 months following the end of the financial year. Likewise, LALIGA has recognised 1,350,594 thousand euros as a long-term joint purse, since it corresponds to amounts to be repaid during the rest of the plan's life.

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(In thousands of euros)

The movement of the joint purse during financial year ended 30 June 2022 was as follows:

	30.06.2021	Drawdowns	Amortisations	30.06.2022
Joint purse	-	852,804	(15,436)	837,368

Of the total outstanding balance at 30 June 2022, LALIGA recognised 42,477 thousand euros in the short term as they are refunds to be made in the 12 months following the end of the financial year. Likewise, LALIGA recognised 794,921 thousand euros as a long-term joint purse, since it corresponds to amounts to be repaid during the rest of the plan's life.

During the financial year ended 30 June 2023, the cost of the remuneration of the joint purse amounted to 69,758 thousand euros (11,303 thousand euros at 30 June 2022), which has been included under "Other current management expenses" in the profit and loss account (see Note 18.f of the report).

Given that this is a 50-year participation account with a specific remuneration for the first four years, LALIGA consulted the Spanish Accounting and Audit Institute (ICAC) to confirm the accounting treatment described above; the ICAC responded to this consultation in June 2023, from which the Association's management considers the accounting treatment (see Note 4.6 "Financial liabilities measured at cost") applied so far to be appropriate. Notwithstanding the above, LALIGA and CVC have contemplated another additional remuneration alternative based on the amounts disbursed whose accounting impact does not differ significantly from the criteria described above.

Finally, it should be noted that, in future years, CVC will continue to contribute the contractually agreed funds up to a total of 1,929,420 thousand euros and these will be transferred to clubs pursuant to the provisions of "Participatory Financing" in the "Framework agreement" section of this note (see also Notes 6.2 and 11). The status of these funds is as follows:

	Thousands of euros	
	Amount	Status
Contract signing date	633,194	Received
25/06/2022	219,610	Received
25/07/2022	111,906	Received
30/06/2023	482,355	Received
30/06/2024	482,355	Pending
	1,929,420	

Therefore, at the date of preparing these annual accounts, 964,710 thousand euros is pending receipt.

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c) Information on deferral of payments made to suppliers. Third Additional Provision "Duty of information" of Law 15/2010 of 5 July

The "average payment period to suppliers" is understood to be the period between the delivery of the goods or the provision of the services by the supplier and the payment of the operation.

The third provision of Law 3/2010, amending Law 3/2004 of 29 December establishing measures to combat late payment in commercial operations, and Law 11/2013 of 26 July on measures to support entrepreneurs and stimulate growth and job creation, establishes the recommended maximum number of days to pay suppliers at 30 days, except for agreements documented in the contract that may allow this period to be up to 60 days, the maximum number of days to defer payment to commercial suppliers.

In compliance with Law 15/2010 and the resolution of 29 January 2016 of the Spanish Accounting and Audit Institute, the following information is provided at 30 June 2023 and 2022:

	2023	2022
	No. of Days	No. of Days
Average payment period to suppliers	25	46
Ratio of operations paid	25	38
Ratio of operations pending payment	26	68
	Thousands of euros	Thousands of euros
Total payments made	417,666	222,323
Total payments outstanding	20,293	75,837

	2023
	Thousands of euros
Total number of invoices paid	3,620
Number of invoices paid before the due date.	2,815
Monetary amount paid before the due date. (thousands of euros)	397,702
Percentage of the total number of invoices paid before due date.	78%
Percentage of the monetary value paid before due date.	95%

The information detailed above excludes information relating to invoices for the marketing of audiovisual rights issued by the clubs to LALIGA throughout the financial year, considering that it corresponds to the distribution of audiovisual rights income to the members of the Association. This invoicing is in accordance with an invoicing schedule that is submitted by LALIGA and approved, which establishes the dates for the invoicing of these rights for the current season and establishes a payment period of around fifteen days. The Management of the Association therefore considers the information on payments to suppliers to be more representative if split between audiovisual rights and that of the other suppliers with which they work.

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The following is the payment information associated with club invoices for the marketing of audiovisual rights for the financial year ended 30 June 2023:

	2023	2022
	No. of	No. of
	Days	Days
Average payment period to suppliers	14	12
Ratio of operations paid	14	12
Ratio of operations pending payment	28	5
	Thousands of	Thousands of
	euros	euros
Total payments made	1,630,287	2,009,664
Total payments outstanding	24,128	58,890

	2023
	Thousands of
	euros
Total number of invoices paid	1,416
Number of invoices paid before the due date.	1,392
Monetary amount paid before the due date. (thousands of euros)	1,619,596
Percentage of the total number of invoices paid before due date.	98%
Percentage of the monetary value paid before due date.	99%

d) Guarantees

At the end of financial year ended 30 June 2023, there are guarantees held with banks amounting to 2,182 thousand euros (3,406 thousand euros at the end of financial year ended 30 June 2022). Most guarantees provided by the LALIGA are as a result of LALIGA filing various Economic-Administrative claims with the Central Economic-Administrative Courts (TEAC).

16. Long-term staff benefit obligations

Retirement award

LALIGA offers a retirement award to its employees. The right to this type of benefits is conditional on employee remaining with the company until their retirement and for a specified minimum number of years.

The expected costs of these benefits are accrued during the working life of the employees in accordance with an accounting method similar to that of defined contribution pension plans. In financial year ended 30 June 2023, the expense amounted to 3 thousand euros (79 thousand euros in financial year ended 30 June 2022). It should be noted that the majority of LALIGA's personnel were transferred to LALIGA Group International, S.L. therefore, this type of expense has continued to accrue in that company from the moment at which the non-monetary contribution of the businesses in which those people worked was made effective (see Note 6).

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

17. Litigation

a) Civil and commercial proceedings

Ordinary 1925/2021 Court of First Instance No. 15 of Madrid: Claim from Real Madrid, FC Barcelona and Athletic Club de Bilbao against Assembly agreements in December 2021

On 25 January, a claim filed by FC Barcelona, Real Madrid and Athletic Club against LALIGA was reported, which is being processed under Ordinary Procedure 1925/2021 before the Court of First Instance No. 15 of Madrid, requesting the Agreements adopted as the third and fourth points on the agenda of the Extraordinary General Assembly of LALIGA on 10 December 2021 be declared void, referring to the corporate operation signed with the CVC Capital Partners Fund, as well as the removal of the effects of any execution of those agreements that may have occurred since its approval in the Assembly. Likewise, judgment is requested for LALIGA to abide by and observe the previous declaration and to execute the necessary acts to comply with the legal consequences that derive from the agreements being voided. Specifically, these agreements subject to challenge refer to:

- The approval of the strategic operation between LALIGA and the CVC Capital Partners Fund with the aim of promoting competition for the benefit of all the entities involved in Spanish professional football (Operation with CVC), which includes the Comprehensive LALIGA Club Development Plan. As well as the delegation of powers of execution.
- Approval of the transfer of LALIGA's business activities other than the sale of TV and media rights in favour of its wholly-owned subsidiary LALIGA Tech SLU. As well as the delegation in the Board of Directors for its execution.

The RFEF (as co-plaintiff) and 32 First and Second Division clubs (as co-defendants) have applied to intervene in the proceeding. Following the preliminary hearing, a trial date has been set for 1 February 2014. On 9 June 2023, FC Barcelona filed a notice of withdrawal.

Likewise, together with the claim, the adoption of an ex-parte injunction consisting of the preventive suspension of the aforementioned agreements and the removal of the effects of any acts of execution of them that may have occurred since the approval in the Assembly is requested.

However, on 24 January 2022, an order was issued rejecting the request for an ex-parte injunction, giving the date for holding the injunction hearing on February 24. On 2 March 2022, the Court issued an order rejecting the precautionary measures, which was appealed, and on 14 March 2023 the Madrid Provincial Court issued an order confirming the rejection of the precautionary measures.

In this regard, the order concludes that the adoption is inadmissible on the grounds that in the case in question: *"...the main lawsuit is not about the nullity of said contracts but about the nullity of the Agreements adopted by the Extraordinary General Meeting, affecting said contracts, affecting third parties, who are logically alien not only to the process of Precautionary Measures, but also to the main process."*

Considering that the appearance of good law does not exist: *"that would support the suspension of both the adopted agreements and the removal of the acts executed by virtue of them. Particularly when LALIGA's own Articles of Association provide for the possibility of third parties outside LALIGA to participate in the commercial activities of LALIGA, with LALIGA having full capacity for self-organisation with regard to its private legal sphere of action. Similarly, prima facie, and without prejudice to the outcome of the main proceedings, it should be noted that in principle there is no infringement of the appellants' right to share the income derived from the marketing of audiovisual rights*

of the appellants, given that a system of compensation to those clubs is established".

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

Additionally, also related to said project, the agreement adopted prior to said Assembly has also been challenged (albeit for formal reasons) and specifically, it is being processed before the Court of **First Instance No. 47 of Madrid under case number 1557 /2021**, claim also filed by Real Madrid CF, Athletic Club and FC Barcelona requesting the agreement adopted as the fourth item on the agenda of the Extraordinary General Assembly of LALIGA held on 12 August 2021 referring to the corporate operation signed between the CVC Capital Partners Fund and LALIGA be declared void, also requesting judgment that LALIGA abide by and observe the previous declaration and to execute the necessary acts to comply with the legal consequences derived from the aforementioned contested Agreement being declared void, leaving any acts of execution of the same without effect.

On 30 May, LALIGA lodged an appeal against the judgment upholding the claim.

The resolutions adopted include clauses by which, mainly, LALIGA would have to return the amounts arranged in a period not exceeding 13 years being declared void. Notwithstanding the foregoing, the corporate operation approved by LALIGA Assembly in December 2021 has been rigorously and carefully structured since its inception by the Association's Management, and appropriate professional advice has been received. Pursuant to the above, the Association's Executive Committee and its advisers do not expect the aforementioned litigation to have a significant impact on these annual accounts.

[Claim for an amount with unprecedented precautionary measures filed by LALIGA against Wuhan Dangdai Science & Technology Industry \(Group\) Co and Super Sport Media Inc and subsequent increase.](#)

Currently, Super Sports Media Inc ("SSM") has failed to comply with its payment obligations, relating to the 2021/2022 Season due on 20 January 2022 and amounting to 45,000 thousand euros. In light of SSM's breach and the terms of the Guarantee given by Wuhan Dangdai Science & Technology Industry (Group) Co ("the guarantor"), the main shareholder of DDMC Culture CO, Ltd (DDMC), in turn the parent company of SSM, LALIGA initiated legal action in the Wuhan Intermediate Court, both against "the guarantor" and against the licensee to obtain payment of the Amounts Owed as well as interest and legal costs.

Since the end of the 2021-2022 financial year, the Wuhan court frozen certain assets of "the guarantor" for a total amount of RMB 348 million (a valuation which, at the Yuan renminbi/Euro exchange rate in force on 30 June 2023, is equivalent to 44,079 thousand euros).

On 5 August 2022, the writ of extension of the claim was filed with the court for the penalty clause amounting to RMB 350,765,000.

Subsequently, on 16 January 2023, the Wuhan Intermediate People's Court of Hebei Province granted the extension of the precautionary measures amounting to RMB 350,765,000 corresponding to the penalty clause claim, and the decision was transferred to the enforcement section to seize assets up to the amount of the penalty clause claim.

On 19 April 2023, the enforcement section of the Wuhan Intermediate People's Court of Hebei Province seized DDMC's assets for a period of 3 years and registered the seizure with the Administration for Market Regulation.

In this regard, first ranking charges are placed on assets amounting to RMB 60,000,000, which as at 30 June 2023 is equivalent to 7,560 thousand euros, and second and subsequent ranking charges are placed on assets amounting to RMB 26,000,000, equivalent to 3,292 thousand euros.

Therefore, first ranking charges on the guarantor company's assets for an amount of 51,639 thousand euros at the exchange rate in force on 30 June 2023, and second ranking charges on the guarantor company's assets for an amount of another 3,292 thousand euros; amounts significantly higher than the unfulfilled payment obligations relating to the 2021/2022 Season of 45,000 thousand euros, have been levied in favour of LALIGA.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

It should be noted that DDMC filed an objection of jurisdiction on 19 October 2022 in the Wuhan Intermediate People's Court of Hebei Province, invoking the court's lack of jurisdiction to hear the case. LALIGA responded to this objection to jurisdiction with a statement of opposition on 16 November 2022.

On 2 March 2023, the court ruled on the objection to jurisdiction and declared that it had jurisdiction to hear the claim. On 12 March 2023, the order rejecting the objection to jurisdiction became final.

On 12 April 2023, the court summoned the parties on 24 April 2023 to examine the validity of the evidence submitted and, if necessary, request the parties remedy any formal aspects that might be applicable prior to the preliminary hearing. DDMC appeared at that preliminary hearing. SSM did not appear.

In accordance with this, the Association and its independent external advisers consider their claim to be well grounded in accordance with Spanish Law – which governs the contract and its guarantee according to the express agreement of the parties – that, added to the fact that at the date of preparing these annual accounts, the procedural deadlines have been met, and it is believed that there are reasonable grounds for the conflict to be resolved satisfactorily.

[Ordinary Procedure 733/2022 Court of First Instance No. 63 of Madrid: Action brought by Real Madrid CF and FC Barcelona against LALIGA.](#)

Claim filed by Real Madrid, CF and FC Barcelona for violation of fundamental rights, considering that they are deprived of their right to participate in the discussion and vote on certain matters of the control body for the management of audiovisual rights, of which they were members as a result of the conflict of interest coming from their involvement in EUROPEAN SUPER LEAGUE COMPANY, S.L. and promoters of the Super League Project. The voiding of said agreements is requested and it being declared that Real Madrid, CF and FC Barcelona being partners of the EUROPEAN SUPER LEAGUE COMPANY, S.L. does not imply any conflict of interest or cause for abstention in relation to the involvement of these clubs in LALIGA's control body. Having contested the claim, a preliminary hearing has been held and a trial date has been set for 9 October 2023.

[Ordinary Procedure 161/2023 Court of First Instance No. 53 of Madrid: Action brought by Real Madrid FC against LALIGA.](#)

Action brought by Real Madrid CF against LALIGA to challenge the resolutions adopted at LALIGA's Extraordinary General Assembly held on 7 December 2022, seeking nullity for alleged violation of the right of association in its participation and deliberation aspect and considering them contrary to mandatory rules of the current legal system. Following a response to the complaint, a preliminary hearing has been scheduled for 19 September 2023.

[Ordinary 1383/2022 Commercial Court No. 7 of Barcelona: Action brought by FC Barcelona against LALIGA.](#)

Action brought by FCB against LALIGA for (i) a declaration of breach of art. 2 of the Law on the Defence of Competition and 102 TFEU, for abuse of a dominant position by discriminating against FCB by not granting FCB the benefits derived from article 100bis of the budgeting rules for the Sixth Street Operation, favouring the clubs that signed the CVC operation, as well as (ii) a declaration that LALIGA is in breach of art. 4 of the Law on Unfair Competition.

It requests the cessation of that conduct and that LALIGA be ordered to recognise a registration balance of 15% of the income derived from the formalisation of the First and Second Lever, that is to say, the sum of 100,050,000 euros, independently of and in addition to what results from the provisions and rules of calculation contained in the Club Budgeting Rules. Following a preliminary hearing on 5 May 2023.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

On 21 June 2023, FCB filed a written withdrawal of the claim and on 7 July 2023, a Decree was issued accepting it, declaring the proceedings to be dismissed and the case closed.

Ordinary 273/23 Commercial Court No. 10 of Barcelona: Action brought by FC Barcelona against LALIGA.

FCB brought action on 1 March 2023, which was admitted for processing by Decree of 3 April 2023, for abuse of a dominant position, or alternatively, for acts of unfair competition, and (ii) the full removal of the effects on the market of these conducts. In relation to the exercise of the interpretation and application of the Budgetary Rules (BR) of which LALIGA is entrusted.

LALIGA filed a defence to the complaint on 10 May 2023. The main argument was that LALIGA's conduct could not constitute an abuse of a dominant position or unfair competition, since LALIGA would have limited itself to the objective application of the BRs, in the manner legally entrusted to it, without discriminatory treatment of FCB. The date of the preliminary hearing has been set for 18 October 2023.

Prior to bringing the action, FCB filed an urgent application for precautionary measures *inaudita parte* and *ante demandan*, by letter dated 27 January 2023, referring to the registration in the LALIGA register of the employment contract of an FCB player. This registration had been refused by LALIGA on 25 January 2023, in application of the BR. This was upheld by order of 30 January 2023. On 13 March 2023, a decree was issued annulling the precautionary measure. And by order of 6 June, the Barcelona Provincial Court upheld FCB's appeal, which annulled the Decree.

Ordinary No. 356/2023. Court of First Instance No. 81 of Madrid (EAD Romania)

On 3 March 2023, LALIGA brought action against EAD.RO INTERACTIVE SRL for its failure to meet its payment obligations under the Audiovisual Rights Licensing Agreement in Romania and for its failure to provide the guarantee it had undertaken to provide as security for the payment obligations. The unpaid amount totals 2,500,000 euros plus interest.

In June and July 2023, partial payments were made so that, to date, €600,000 of principal plus €68,397.28 in interest is owed. The proceedings are continuing.

Ordinary 1606/22 Court of First Instance No. 6 of Madrid: Action brought by LALIGA against BeIN IP Limited, BeIN Media Group LLC and BeIN Sports Mena LLC ("BeIN") seeking precautionary measures

On 7 October 2022, LALIGA brought ordinary action against BeIN IP Limited, BeIN Media Group LLC and BeIN Sports Mena LLC ("BeIN") claiming a total amount of 50,690,599.32 euros plus interest together with a request for precautionary measures *inaudita parte* consisting of the seizure of the defendants' assets.

On 10 October 2022, the Court of First Instance No. 6 of Madrid issued an order upholding the request for precautionary measures and ordered the seizure of the defendants' assets for the amount claimed.

Following voluntary payment of the amounts owed by the BeIN group to LALIGA, the Court decided that the subject matter of the proceedings was no longer relevant by order of 1 December 2022, which has now become final.

Ordinary 107/23 Court of First Instance No. 61 of Madrid: BeIN IP Limited, BeIN Media Group LLC and BeIN Sports Mena LLC ("BeIN") seeking precautionary measures

On 27 February 2023, LALIGA brought ordinary action against BeIN for the non-payment of invoices amounting to, as at that date, 41,546,798.54 euros, in respect of BeIN's contractual obligations as assignee of LALIGA's audiovisual rights for the broadcasting of certain sporting events provided for in the "Licence Agreements", together with any unpaid periodic amounts accrued under the Licence Agreements.

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In the action itself, LALIGA requested, as a precautionary measure *inaudita parte*, the preventive seizure of BeIN's accounts so as to ensure sufficient liquidity in the event of an eventual judgment upholding the claim. On 7 March 2023, the Court granted the request for precautionary measures.

BeIN filed a statement of defence to the claim on 25 April 2023 and requested that the measure be lifted following the payment of a substantial part of the debt, with 338,119.17 euros remaining to be paid. At the interim injunction hearing, LALIGA requested that the seizure be maintained in full in light of the new non-payment of invoices amounting to 42,500,000 euros. By Order of 11 July, the Court decided to maintain the precautionary measure for the outstanding amount of 338,119.17 euros, without, therefore, extending its effects to the new unpaid invoices after the date of the request for precautionary measure, for which a new precautionary measure has been requested. The hearing is scheduled for 14 September 2023.

EUROPEAN SUPERLEAGUE COMPANY, SL. Ordinary 150/2021 being processed in Commercial Court No. 17

Claim requesting unprecedented precautionary measures against UEFA and FIFA. The claim brings declaratory actions of violation of European Union law related to the alleged abuse of a dominant position (Art. 102 TFEU) and violation of free competition in the internal football market, cessation and prohibition of repetition, as well as removal.

Although the claim was not initially filed against LALIGA by order of 13 September 2021, LALIGA was permitted to intervene in the procedure on the understanding that the issues that are settled in the main process affect the sphere of rights, powers and functions held legally by LALIGA. In this procedure, the condition of an intervening third party implies defending the position of the defendants, in this case, UEFA and FIFA, but not assuming the procedural consequences. Likewise, a preliminary ruling is currently being processed with the CJEU.

The precautionary measure order adopted in an unprecedented part was lifted by Order of 20 April 2022.

On 30 January 2023, the Madrid Provincial Court upheld the appeal filed by the European Super League against the lifting of the precautionary measures, thus revoking their lifting.

Ordinary 37/2020. Court of First Instance No. 67 of Madrid: Action brought by Real Madrid FC against LALIGA

Claim by Real Madrid CF and request to arbitrate on public accountability in relation to the agreement of LALIGA's General Assembly on 28 October 2019. It requests that the club be paid amounts on the understanding that its deduction of the amount of the audiovisual rights that correspond to it does not comply with Royal Decree Law 5/2015, and that, moreover, they are not duly justified.

On 30 April 2021, a judgment favourable to the interests of LALIGA was handed down by dismissing Real Madrid CF's claim with an express order for costs.

Real Madrid CF filed an appeal that was declared void by the Provincial Court.

Ordinary 132/2020. Court of First Instance No. 15 of Madrid: Action brought by Real Madrid FC against LALIGA.

Claim and request to void and arbitrate on public accountability in relation to the agreement of LALIGA's Control Body dated 19 December 2019 in relation to the settlement of audiovisual income for the 2018/2019 season. Proceedings suspended due to civil preliminary judgment having been issued on 20 December 2021, a court order agreeing to said preliminary at the request of LALIGA and derived from its connection with the procedure processed by the Court of First Instance No. 67 in which a favourable ruling was issued to LALIGA.

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Ordinary 1468/2018 Commercial Court No. 12 of Madrid: Action brought by LALIGA against RFEF

Claim with a request for a precautionary measure to have the unfairness of the conduct declared and cessation and prohibition of subsequent repetition of unfair behaviour against the RFEF given the denial of authorisation to hold national league championship matches outside the national territory.

A dismissal judgment was issued on 6 March 2020. Having dismissed the appeal, LALIGA has appealed in cassation.

Ordinary No. 1443/2019 before the Commercial Court No. 2 of Madrid: Action by LALIGA against RFEF

On 11 July 2019, LALIGA filed an ordinary claim against the RFEF with a request for precautionary measures by which the former reproaches the latter for behaviour that is intended to obstruct LALIGA's power to determine the date and time of each commercialised event of the National League Championship and, specifically, in relation to the possibility of fixing the dispute of matches of this championship on the Friday before and/or the Monday after each official day.

Although by Order of 9 August 2019 by which the requested precautionary measures were partially upheld, allowing matches to be held on Fridays of each playing day of the National League Championship. Order with respect to which the Provincial Court revoked when upholding the appeal filed by LALIGA granting the measures requested by order of 1 June 2020.

Likewise, on 27 May 2020, Commercial Court No. 2 of Madrid issued a ruling dismissing the ordinary claim filed by LALIGA, which was also revoked by the Provincial Court in its Judgment of 7 May 2021 that has been appealed in cassation by the RFEF. On 24 July 2023, LALIGA filed its notice of opposition to the appeal.

Ordinary 828/2019 Court of First Instance No. 35 of Madrid: Action by RFEF against LALIGA.

Claim filed by the RFEF against LALIGA in which an action for compliance with the contract is brought, more specifically, the marketing agreement through which LALIGA marketed the audiovisual rights for the Copa de S.M. El Rey (the "Copa de S.M. El Rey" or simply the "Copa") during the 2016/2017, 2017/2018 and 2018/2019 seasons.

The Court upheld the claim on 7 January 2022, although LALIGA filed an appeal against the ruling on 16 February 2022.

Ordinary 730/2018 Commercial Court No. 4 of Madrid: Action brought by SPLENDENS IBÉRICA, SL against LALIGA.

Declarative action of disloyalty and compensation for damages brought jointly and severally against LALIGA and against the Director of the Audiovisual Area for the cancellation of the Fan Zone project linked to the audiovisual broadcast of National League Championship matches via giant screens and without having previously obtained the consent of LALIGA.

Ordinary No. 1799/2014 before the Commercial Court No. 2 of Malaga

Action against LALIGA for infringement of moral rights and exploitation of authorship (Intellectual Property Law), requesting the declaration of the right over a work registered in the Intellectual Property Register, prohibiting the use of the delectable paint sprays to mark pitch lines in football matches, making it compulsory to disseminate the sentence in the event of a conviction. The amount of these proceedings is undetermined.

The trial scheduled for 26 November 2020 at 11 a.m. was adjourned due to the death of the plaintiff and the necessary decision on the procedural succession of his heirs.

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b) Contentious-administrative proceedings

[Appeal 001/2021 before the Supreme Court \(section 3\) Contentious-Administrative Chamber against Royal Decree 958/2020 of 3 November on commercial communications of gambling activities.](#)

By order of the Supreme Court on 14 July, it has been agreed to raise the question of the unconstitutionality of Article 7 Section 2 of Law 13/2011 of 27 May on the regulation of gambling, considering that the reference made to the regulatory standard to establish the conditions and the limits of advertising in regard to gambling could be contrary to the principle of reserve of law, enshrined in Art. 53.1 ' EC, all in relation to the freedom of enterprise regulated in Art. 38.

[Special appeal of fundamental rights to the National High Court PO 1/2022 and precautionary measures](#)

On 27 December 2021, LALIGA filed a special appeal for the protection of Fundamental Rights, and requesting precautionary measures against the Information Requirements notified by the CNMC in relation to the tendering process and the exploitation of the audiovisual rights of LALIGA Santander for the national pay TV residential market.

On 29 June 2022, LALIGA was notified of an Order by which the National High Court approved the precautionary measure requested to suspend the execution of the Information Requirements of 13 and 14 December 2021. An order that has been contested for replacement by the State's legal counsel.

[Ordinary 1126/2022 Contentious-Administrative Chamber of the National High Court: Appeal filed by LALIGA against the CNMC](#)

Contentious-administrative appeal against the CNMC Resolution dismissing LALIGA's status as an interested party in Surveillance File VC/0612/14 Telefónica-DTS and request for precautionary measures.

[REAL MADRID CF currently \(other than those previously referenced\) has the contentious-administrative following procedures pending against LALIGA:](#)

1) Central Contentious-Administrative Court No. 2 of Madrid, processed under case number 6/2016 (prev. Ordinary 196/2016- Cont-adm chamber of the National High Court)

Appeal filed by Real Madrid C.F. against the Resolutions of 23 December 2015 by the HCS, in which amendments to articles of the Statutes and the General Regulations LALIGA (Book XI) were approved, adapting their content to the provisions of Royal Decree-Law 5/2015.

On 31 May 2021, a judgment was handed down rejecting the claim of Real Madrid CF with an order for costs, which has been appealed against and partially upheld by the Judgment of the National High Court of 29 June 2023, pending the lodging of an appeal in cassation by LALIGA.

2) Ordinary 25/2021 Central Contentious-Administrative Court No. 4 (prev. Ordinary 377/2016 Cont. Admin Chamber of the National Court)

Contentious-administrative appeal filed by Real Madrid CF against the Resolution of the Higher Council for Sports on 18 July 2016 approving the Regulation on TV Broadcasting.

On 6 September 2021, a dismissal judgment was issued, which has been appealed by Real

Madrid, and a judgment was handed down on 29 June 2023, which partially upheld the appeal. Pending appeal in cassation.

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3) Ordinary No. 574/2018 before the Contentious-Administrative Chamber of the National High Court (Sixth Section).

Real Madrid filed a contentious-administrative appeal against the Agreement of the Board of Directors of the Higher Council for Sports of 26 July 2018 approving the amendments to the Regulations for TV Broadcasting. No judgment has been handed down yet.

4) In addition to the previous procedures in process, the following are being processed by Real Madrid against the resolutions of the Administrative Court for Sport (TAD) derived from the disciplinary proceedings initiated by LALIGA as a result of non-compliance with the Regulations for TV Broadcast:

- 1) Ordinary 02/2020 Contentious-Administrative Court No. 3. Appeal by RM dismissed, appealed by them.
- 2) Ordinary 10/2020 Contentious-Administrative Court No. 3. Appeal by RM inadmissible, appealed by them.
- 3) Ordinary 21/2020 Contentious-Administrative Court No. 8. For Judgment.
- 4) Ordinary 25/2020 Contentious-Administrative Court No. 12. Appeal by RM inadmissible, appealed by them.
- 5) Ordinary 02/2021 Contentious-Administrative Court No. 8. Pending.
- 6) Ordinary 02/2021 Contentious-Administrative Court No. 5. Judgment favourable to LALIGA, which has been appealed by Real Madrid.
- 7) Ordinary 53/2021 Central Contentious-Administrative Court No. 3 of Madrid Inadmissible appeal by RM, appealed by them.
- 8) Abbreviated 51/2021 Contentious-Administrative Court No. 12. Appeal by RM dismissed, appealed by them.
- 9) Ordinary 32/2021 Central Contentious-Administrative Court No. 11 of Madrid, Ordinary 32/2021 Central Contentious-Administrative Court No. 11 of Madrid, Order of inadmissibility of the appeal filed by Real Madrid, has been appealed and appeal inadmissible, appealed in complaint.
- 10) Ordinary 22/2021 Central Contentious-Administrative Court No. 11 of Madrid. Appeal by RM dismissed, appealed by them.
- 11) Ordinary 15/2022 Contentious-Administrative Court No. 3. Judgment against LALIGA (question of illegality), appealed.
- 12) Ordinary 20/2022 Contentious-Administrative Court No. 8. Pending.
- 13) Abbreviated 58/2022 Contentious-Administrative Court No. 3. Judgment against LALIGA, appealed.
- 14) Ordinary 37/2022 Contentious-Administrative Court No. 1. For Judgment.
- 15) Abbreviated 111/2022 Contentious-Administrative Court No. 7. Judgment in favour of LALIGA, appealed, inadmissible and appealed on complaint.
- 16) Ordinary 45/2022 Contentious-Administrative Court No. 11. Judgment in favour of LALIGA appealed by RM.
- 17) Ordinary 46/2022 Contentious-Administrative Court No. 1. For Judgment.
- 18) Ordinary 46/2022 Contentious-Administrative Court No. 12. Pending.
- 19) Ordinary 36/2022 Contentious-Administrative Court No. 12. Pending.
- 20) Ordinary 70/2022 Contentious-Administrative Court No. 12. Pending.
- 21) Ordinary 17/2023 Contentious-Administrative Court No. 11. Pending.
- 22) Ordinary 22/2023 Contentious-Administrative Court No. 9. Pending.

In addition, in the case of CAS Resolutions other than RRT, Real Madrid maintains:

- 1) Ordinary 10/2023 Central Contentious-Administrative Court No. 9 (General RRT breach). Pending.

FC BARCELONA, apart from the above-mentioned, has the following disciplinary proceedings underway in contentious-administrative proceedings

The following procedures remain against the resolutions of the Administrative Court for Sport derived from the disciplinary proceedings initiated by LALIGA as a result of non-compliance with the Regulations for TV Broadcast:

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- a. Abbreviated 44/2022 Central Contentious-Administrative Court No. 12, Order of inadmissibility of the appeal filed by FC Barcelona, appealed and appeal upheld. Proceedings should be taken back, in process.
- b. Abbreviated 53/2022 Central Contentious-Administrative Court No. 12, Order of inadmissibility of the appeal filed by FC Barcelona, appealed.
- c. Abbreviated 144/2022 Central Contentious-Administrative Court No. 11, scheduled for hearing on 23 June.
- d. Abbreviated 39/2023 Central Contentious-Administrative Court No. 9, scheduled for hearing on 23 June.

In addition, in the case of CAS Resolutions derived from disciplinary proceedings, FC Barcelona maintains:

1) Ordinary 34/2022 Contentious-Administrative Court No. 10. Ruled in favour of LALIGA, appealed by FCB and currently being processed.

[Ordinary 49/2021 Central Contentious-Administrative Court No. 6 of Madrid.](#)

Appeal lodged by Málaga CF against the sanctioning Resolution of CCE and C2ILUEFA in economic control matters. A judgement upholding Malaga's case has been handed down, which has been appealed by LALIGA.

[Ordinary 64/22 Central Contentious-Administrative Court No. 1 of Madrid.](#)

Appeal brought by Rayo Vallecano de Madrid against the decision of CAS in disciplinary matters.

[Ordinary 24/2023 Central Contentious-Administrative Court No. 3 of Madrid.](#)

Appeal brought by Rayo Vallecano de Madrid against the social discipline penalty.

[Ordinary 17/2023 Central Contentious-Administrative Court No. 12 of Madrid.](#)

Appeal brought by Albacete Balompié against the decision of CAS in relation to sanctions arising from non-compliance with the Regulations for Television Broadcasting.

[Ordinary 32/2020 Central Contentious-Administrative Court No. 1 of Madrid.](#)

Appeal filed by the RFEF against the Resolution of the HCS's Board of Directors that resolved the existing conflict between LALIGA and the RFEF regarding the approval of the calendar for the 2020/2021 season.

On 12 July 2022, a ruling was issued rejecting the RFEF's claim. It is final.

[Ordinary 32/ 2020 \(accumulated with 36/2020\) Central Contentious-Administrative Court No. 2 of Madrid.](#)

Appeal filed by CD Numancia and RFEF against the Resolution by the TAD that resolves the conflict of powers raised by LALIGA regarding the disciplinary file imposed by the RFEF in relation to the CF Fuenlabrada case.

A judgment dismissing the appeals was issued on 10 December, which has been appealed by the plaintiffs.

[Ordinary 33/2020 Central Contentious-Administrative Court No. 8 of Madrid.](#)

Appeal filed by the RFEF against the Higher Council for Sports Resolution of 16 October 2020 that resolves the conflict regarding the scheduling of Monday and Friday matches by LALIGA.

The Court has declared itself incompetent and has referred the case to the National High Court, which is now ready for judgement,

[Ordinary 40/2021 Central Contentious-Administrative Court No. 7 of Madrid.](#)

Appeal filed by the RFEF against the Resolution of 15 June 2021 of the HCS that partially dismissed an

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amendment of its General Regulations (integration of LALIGA in the RFEF phoenix licensing system) which it sought to have upheld by administrative silence.

On 28 April 2021, a decision favourable to the interests of LALIGA dismissing the appeal was issued that had reported the amendment negatively, which has been appealed.

Ordinary 20/2019 Central Contentious-Administrative Court No. 12 of Madrid.

Challenged the approval by administrative silence of the agreement by the Higher Council for Sports Board of Directors in its meeting on 29 March 2019, in which it agreed to dismiss the request for the amendments of Articles 153, 154, 155, 156 and 214 of the General Regulations of RFEF.

Following a ruling on 11 May 2020 upholding the RFEF's claim against the HCS and LALIGA, LALIGA filed an appeal with the National High Court, which has been upheld by the ruling of 20 October 2021, although the RFEF has filed an appeal against it, which has been allowed and is currently being processed.

Ordinary 36/2020 Central Contentious-Administrative Court No. 3 of Madrid.

Appeal filed by LALIGA against the Resolution of the HCS's Board of Directors that approved the amendment to Article 214 of the General Regulations of the RFEF, referring to the possibility of registering players on an extraordinary basis due to prolonged injuries to teammates.

An unfavourable ruling was issued, and appealed by LaLiga.

Ordinary 24/2020 in the Central Contentious-Administrative Court No. 9 of Madrid.

Appeal lodged against a modification of the RFEF's bylaws in 2020, which culminated in a ruling rejecting LALIGA's appeal.

Different precepts are appealed on the grounds that the RFEF attributes functions and powers to itself that are beyond its scope or without reference to the limitations that it has over professional competitions, which are organised by LALIGA, and different precepts that affect the professional competition and competences of LALIGA, not having been coordinated and having been the subject of an unfavourable report under art. 46.4 LD 1990.

Ordinary 54/2022 in the Central Contentious-Administrative Court No. 7 of Madrid

Appeal lodged against a 2022 RFEF statutory modification (CD 36 and 74/2021) in process.

The existence and competence of the new competition bodies over professional competitions, the possible competence of the Ethics Committee over RFEF staff and the change of domicile to Madrid are appealed.

Ordinary 51/2022 Central Contentious-administrative Court No. 2 of Madrid

Appeal lodged against a RFEF general regulation (CD 74/2021), in process.

The appeal is against amendments by virtue of which the RFEF is granted powers to resolve competitive matters in the event of suspension of the professional competition for extraordinary reasons, the setting of certain requirements for club registration, competence over registration periods, the concept of dependent club, the possible competences of the ethics committee over the professional competition, the partial audiovisual regulation of the possible entrustment of management and applicable audiovisual regulations, the denomination "second b" to the RFEF Second Division and certain advertising limitations that may affect LALIGA.

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Ordinary 53/2022 in the Central Contentious-Administrative Court No. 8 of Madrid.

co-defendants in ACFF's appeal against RFEF's statutory modifications. Referred to the National High Court for lack of jurisdiction.

Ordinary 37/2023 in the Central Contentious-Administrative Court No. 8 of Madrid,

co-defendants together with RFEF and HCS, in the appeal brought by RC Deportivo de La Coruña against the presumptive rejection of its application to remain in the second division (Fuenlabrada case). Referred to the National High Court for lack of jurisdiction.

Challenges to decisions issued by the HCS regarding disciplinary complaints against RFEF officials, filed by LALIGA.

1. Ordinary procedure 71/2022 in the JCCA 4, against the suspension for prejudice Pending.
2. Ordinary procedure 12/2023 in the JCCA 3, as a consequence of the dismissal of the complaint Pending.

Appeal in cassation before the Supreme Court 1126/2015. ACCESS OF RADIO STATIONS TO STADIUMS

This appeal arises from the Resolution of the former National Telecommunications Market Commission (CMT, currently CNMC) against the Resolution of 29 November 2012, which resolved a conflict between LALIGA and the radio stations, setting the amount to be paid by the radio stations for access to the stadiums of the National League Championship Clubs. Following a contentious-administrative appeal before the National High Court (PO 51/2013), which partially upheld LALIGA's appeal, an appeal in cassation was lodged against certain issues, in particular, the constitutionality of the then art. 19.4 LGCA (currently art. 145 LGCA) was questioned. The appeal for constitutional protection was admitted before the Constitutional Court, which was resolved by Judgment dated 7 March 2023.

On 24 July 2023, LALIGA was notified of the Supreme Court ruling of 18 July, which partially upheld the appeal filed by LALIGA and concluded that the €100 financial compensation that LALIGA had been receiving must be paid for the entire season

by each audiovisual radio communication service provider wishing to exercise the right of access to a stadium or venue to broadcast the corresponding sporting event live.

Derivation of responsibility Recreativo de Huelva (PO 1280/2020)

On 11 April 2017, LALIGA was notified of the Agreement to bring proceedings for the derivation of joint and several liability derived from the enforcement procedure followed against the taxpayer REAL CLUB RECREATIVO DE HUELVA, S.A.D., with the scope of responsibility under the claim being 1,652,390.00 euros.

Faced with said Agreement to initiate the joint and several liability derivation procedure, LALIGA made submissions on 17 May 2017. These submissions were estimated in part by the Declaration of Joint and Several Liability Agreement notified on 19 July 2017, by virtue of which the scope of liability was reduced to 1,168,390.00 euros.

Against this Agreement, LALIGA filed an economic-administrative claim for referral to the TEAC on 16 August 2017, suspending the debt by means of the corresponding bank guarantee. On 12 April 2018, LALIGA filed a submissions brief and, on 18 June 2020, the TEAC issued a resolution rejecting the aforementioned claim.

Having filed a contentious-administrative appeal with the National High Court on 21 September 2020 against the dismissal resolution of the TEAC (which continues with P.O. 1280/2020), LALIGA filed a claim on

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1 October 2020. Subsequently, the National High Court admitted the evidence proposed by the parties and required LALIGA to provide certification of all registrations and annotations in the Registry Book of charges and encumbrances corresponding to REAL CLUB RECREATIVO DE HUELVA, S.A.D. from 2013 to 2018, as well as the identification of the records in which a certain player 'i' appears, a procedure that was dealt with by LALIGA by means of a letter submitted on 19 May 2022 providing the corresponding certificate. On 28 July 2022, LALIGA filed a written statement of conclusions.

Within the framework of the separate piece of precautionary measures, the National High Court denied the suspension of the payment of the debt and LALIGA paid the amount to which the scope of the derivation amounted (1,168,390 euros), as well as the suspensive late payment interest settled for the time during which the payment of said amount was suspended in the previous economic-administrative proceedings (59,306.62 euros). On 15 July 2022, the National High Court granted LALIGA a deadline for its conclusions, pending the submission of the written statement of conclusions.

While the National High Court denied the requested precautionary suspension measure, LALIGA paid the challenged debt in the last instance.

On 23 February 2023, the National High Court handed down a judgment fully upholding LALIGA's claims, which has become final. On 5 July 2023, the Central Delegation of Large Taxpayers issued a decision enforcing the judgment of the National High Court and, by virtue thereof, (i) both the decision declaring joint and several liability at the source of the appeal (in the amount of 1. 1,168,390 euros), as well as the settlement of suspensive interest (in the amount of 59,306.62 euros) and (ii) it has been ordered to repay to LALIGA the amount unduly paid (1,168,390 euros and 59,306.62 euros), together with the corresponding interest for late payment.

[Ordinary Procedure 886/2020 National High Court \(Contentious-Administrative Chamber\) Payment requirement for player transfer.](#)

On 12 May 2017, LALIGA received a Request for payment of amounts deposited with LALIGA by REAL BETIS BALOMPIÉ S.A.D. in compliance with the contract signed with REAL CLUB RECREATIVO DE HUELVA S.A.D. for the transfer of a player, issued by the Inspector of the National Collection Team from the Tax Assistance and Services Unit of the Central Large Taxpayers Office, by virtue of which the deposit of 726,000.00 euros was requested for said

concept. On 23 May 2017, the Central Large Taxpayers Office notified a rectification to the amount of the Payment Requirement from which the amount initially requested was reduced. Consequently, the amount whose payment was requested for the aforementioned concept amounted to 242,000.00 euros (this amount is also included in the scope of the liability referred to in the preceding section).

Not being satisfied with this requirement, on 31 May 2017, LALIGA filed an economic-administrative claim with the TEAC, suspending the debt by means of the corresponding bank guarantee. On 5 April 2018, LALIGA filed a submissions letter. On 16 June 2020, LALIGA received a decision dismissing the aforementioned economic-administrative claim.

Having filed a contentious-administrative appeal (followed by P.O. 886/2020) with the National High Court against the TEAC's dismissal resolution on 14 December 2020, a claim was filed. Subsequently, and once the evidence proposed by the parties was admitted, LALIGA submitted its conclusions on 8 April 2022. Within the framework of the separate piece of precautionary measures, the National High Court agreed to maintain the suspension obtained in the economic-administrative proceedings. On 4 July 2023, the National High Court handed down a judgment fully upholding LALIGA's claims, pending final judgment.

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[Ordinary Procedure 2506/2021 National High Court \(Contentious-Administrative Chamber\) of the High Court. Derivation of responsibility Jaén](#)

On 14 February 2018, LALIGA was notified of the Agreement to bring proceedings for the derivation of joint and several liability derived from the enforcement procedure followed against the taxpayer REAL JAÉN CLUB DE FUTBOL, S.A.D., with the scope of responsibility under the claim being 500,000.00 euros.

Faced with said Agreement to initiate the joint and several liability derivation procedure, LALIGA made submissions on 13 March 2018. These submissions were dismissed by the Declaration of Joint and Several Liability Agreement notified on 21 May 2018, by virtue of which the scope of liability was confirmed.

Against the aforementioned Agreement, LALIGA filed an economic-administrative claim for referral to the TEAC on 1 June 2018, suspending the debt by means of the corresponding bank guarantee.

On 22 November 2018, LALIGA filed a submissions brief and, on 16 June 2021, the TEAC issued a resolution rejecting the aforementioned claim.

Having filed a contentious-administrative appeal with the National High Court against the TEAC's dismissal resolution on 23 March 2022, a claim was submitted.

The aforementioned a contentious-administrative appeal (followed by P.O. 2506/2021) is pending the process of answering the claim by the State legal counsel.

The National High Court granted the precautionary suspension measure, having proven the sufficiency and validity of the guarantee constituted for this purpose.

[Ordinary 1410/2019 National High Court \(contentious-administrative chamber\). Challenge to the Sanctioning Resolution by the Spanish Data Protection Agency](#)

After issuing a dismissal judgment on 11 October 2021, an appeal has been filed against it.

In addition to the aforementioned procedures, there are a significant number of administrative (in defending LALIGA's trademark equity) and criminal proceedings (in matters of piracy) where LALIGA is pursuing private prosecutions and from which – neither individually nor aggregated for these annual accounts – a significant impact is not expected.

c) Proceedings at the Court of Arbitration for Sport in Lausanne (Switzerland):

[TAS 2021/A/8266 filed by LALIGA against FIFA](#)

Challenging the Decision of the Bureau of the FIFA Council to unilaterally amend the Men's International Match Calendar (IMC) 2020–2024, disseminated by Circular No. 1766 of 13 August 2021. (extension of international match windows in favour of CONMEBOL affecting availability of players with LALIGA teams. Pending ruling Pending Award.

[TAS 2022/O/9182 filed by LALIGA against UEFA](#)

The conduct of UEFA's economic control bodies with regard to the incorrect application of the financial fair play rules is contested, exemplified by LALIGA's complaints filed against PSG, Manchester City and Juventus. Pending.

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[TAS 2023/A/9363 filed by LALIGA against FIFA](#)

Contesting the approval by FIFA on 16 December 2022 of the new principles applicable to the international match calendar, including variations of the Club World Cup and the creation of the FIFA World Series, among others. Pending

[TAS 2023/A/9476 filed by LALIGA against FIFA](#)

Contesting the approval by FIFA of the dates of the 2023 FIFA Club World Cup. Archived due to refusal to assume part of FIFA's provision of funds. Action planned in ordinary Swiss courts.

[TAS 2023/A/9545 filed by LALIGA against FIFA](#)

Contesting the implementation by FIFA on 14 March 2023 of the new principles applicable to the international match calendar, including variations of the Club World Cup and the creation of the FIFA World Series, among others. Pending.

d) Labour Proceedings

[Appeal 118/2021 before the Social Chamber of the National High Court \(Social Chamber\) Procedure to protect fundamental rights filed by Futbolistas On against AFE and LALIGA](#)

In relation to the right of the Futbolistas On union to receive an amount from the agreement to end the strike that corresponds to the percentage of votes obtained in the electoral process held in the group of professional football players.

The National High Court issued a ruling on 30 April 2021, with both Futbolistas On and AFE filing an appeal against it. This appeal is pending.

[Appeal No. 238/2022 brought before the Social Chamber of the National High Court. Proceedings for the protection of fundamental rights brought by the trade union Asociación de Futbolistas Profesionales \(FUTPRO\), against the trade union AFE and LALIGA.](#)

Following action filed by Asociación de Futbolistas Profesionales (FUTPRO) against AFE and LALIGA, the National High Court handed down a judgment on 17 October 2022 upholding the action against AFE and declared that the End of Career Fund – which is fed from the distribution of 0.5 of the total net amount of the income derived from the joint commercial exploitation of the rights of Spanish football – discriminates on the grounds of sex and ordering AFE to pay FUTPRO compensation of 60,002 euros in damages for the alleged infringement of fundamental rights.

AFE lodged an appeal in cassation to the Supreme Court against this judgment, which is currently pending.

[Enforcement proceedings no. 7/2022 before the National High Court \(original proceedings 177/2019\) of the conciliation agreement signed on 27 November 2019 in relation to a challenge to a collective bargaining agreement.](#)

The issue concerns the voting system used to determine the composition of the Negotiating Committee of the Collective Bargaining Agreement for Professional Football and the possible repetition of the elections at certain polling stations by some clubs subject to the scope of the Collective Bargaining Agreement's application. There is no financial claim against LALIGA and therefore no amount to be referred to for the purposes of this letter and at this stage of the proceedings.

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This enforceable claim was dismissed by order of 9 September 2022, which, after being confirmed by the National High Court, was appealed in cassation at the request of Futbolistas ON and challenged by the remaining litigants. A decision is currently pending from the Supreme Court.

e) Criminal proceedings

Likewise, LALIGA is also pursuing a large number of private prosecutions in criminal proceedings related to sports violence, racism and corruption, for which a significant impact is not expected for these annual accounts, and which, in any case, would be positive.

Similarly, LALIGA is bringing private prosecutions in around seventy legal proceedings related to the infringement of the intellectual property rights of its competitions, most of them standing out due to the social relevance of the websites and/or web resources investigated, such as www.rojadirecta.me (Court of Instruction No. 1 of La Coruña, preliminary proceedings 2312/2015); IPTV Stack, processed by the Central Court of Instruction No. 4 of the National High Court, preliminary proceedings

35/2020, or the well-known mobile applications New Play (preliminary proceedings 573/2021 Court of Instruction No. 1 of Cieza) and IPTV Smarters Pro, (preliminary proceedings 2274/2021 Court of Instruction No. 53 of Madrid).

Finally, the LALIGA is bringing a private prosecution in the so-called "Soule" case brought before the Central Court of Instruction No. 1 of the National High Court, preliminary proceedings 35/2017, in which the alleged diversion by certain managers and subsidiaries of the Real Federación Española de Fútbol (RFEF) from part of the funds delivered by LALIGA to the RFEF between 2009 and 2017 is being investigated, and whose investigation has already been declared finalised, with the proceedings pending the Court giving the corresponding procedural processing.

In the opinion of the Parent Association's Executive Committee and its advisers, it is not expected that the aforementioned litigation will have a significant effect – individually or as a whole – on these consolidated annual accounts.

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18. Income and expenses

a) Net Turnover

Income from the marketing of audiovisual rights

The detail of Income from Negotiations of TV and media rights at the end of financial years ended 30 June 2023 and 2022 by territory is as follows:

	Thousands of euros	
	2023	2022
Marketing Audiovisual Rights National	1,105,545	1,084,868
Marketing Audiovisual Rights International	719,000	700,967
Subtotal Negotiation / Marketing of Audiovisual Rights	1,824,545	1,785,835
Sale of images and other services Spain	218	152
App income and other	1	-
Subtotal Re-invoicing Production Costs	219	152
	1,824,764	1,785,987

The income from "Marketing Audiovisual Rights" corresponds to that obtained from the joint marketing of the audiovisual rights of LALIGA's member clubs/SAD, with LALIGA assuming the position of Principal in these contracts, see Note 4.11.

The change compared to financial year ended 30 June 2022 is mainly due to the improvement in international audiovisual income both in the Americas and in the MENA region, as well as thanks to the increase in domestic income from the Horeca contract, a contract that was commercialised in the 2022-2023 season by LALIGA generating higher gross revenues than those obtained in previous years when commercialised exclusively.

Revenue from "Sponsorship, licensing and others"

The detail of the revenue from "Sponsorship, licensing and others" at the end of financial years ended 30 June 2023 and 2022 by territory is as follows:

	Thousands of euros	
	2023	2022
Spain	-	22,280
Africa	-	694
Americas	-	23,959
Asia / Oceania	-	5,037
Europe	-	17,865
MENA	-	443
	-	70,278

The decrease corresponds to the contribution of this business LALIGA Group International, S.L. since 1 February 2022 (see Note 6.3), which has meant that no income was generated by this activity in the Association during financial year ended 30 June 2023 and it is recorded in its subsidiary LALIGA Group International, S.L.

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b) Other operating income

Sundry and other current management income

The breakdown of this heading at the end of financial years ended 30 June 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Radio Broadcasts	696	659
Sundry Income	2,525	6,023
Sundry Income Group Companies	30,144	16,634
Data Income	-	2,181
Recovery for Abandonment of Division	825	1,296
LALIGA National and International Promotion - 1%	15,251	15,853
LALIGA Apps	109	979
	49,550	43,625

"LALIGA National and International Promotion - 1%" corresponds to the amount delivered by the clubs to LALIGA following the provisions of Article 6 of Royal Decree 5/2015, to be used to promote the professional competition in national and international markets.

The increase in "Sundry Income Group Companies" corresponds to the billings of LALIGA to LALIGA Group International, S.L. for the trademark licence contract and other intangible assets related to the National League Competition, as a result of the economic units transferred to this subsidiary under the non-monetary contribution of 1 February 2022 described in Note 6.3 of the report. During the 2022 financial year, invoicing was carried out for the equivalent of five months, while in the 2023 financial year, the entire financial year has been invoiced.

c) Consumption of goods, raw materials and other consumable materials

The breakdown of this heading at the end of financial years ended 30 June 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Procurements:		
Expenses Sponsorships and Licences Clubs/SADs	4,926	13,474
Sales management expenses Sponsorship	-	34,415
Sale of TV and media rights expenses	1,662,859	1,653,591
	1,667,785	1,701,480

The heading "Commercial management expenses and Sponsorships" includes the costs associated with the income from licences and sponsorships. The decrease corresponds to the contribution of this business to LALIGA Group International, S.L. since 1 February 2022 (see Note 6.3), which has meant that no costs were generated by this activity during financial year ended 30 June 2023.

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d) Operating grants included in profit or loss

LALIGA obtained and recognised the distribution of 45.50% of the gambling tax on Sports Betting as subsidy income, fundamentally, for 1,858 thousand euros (850 thousand euros in financial year ended 30 June 2022), see Note 4.11, section 3.c. The remaining amount corresponds to the income equivalent to the total lease amount for the year ended 30 June 2023 of the 360° cameras and the Access Control System charged to Quinielas in accordance with section 2.a. of "Facilities".

e) Staff costs

The breakdown of staff costs for financial years ended 30 June 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Wages, salaries and the like	3,173	15,454
Pension Plan Contribution	-	-
Other staff welfare costs	65	145
Staff welfare costs:	-	-
- Social Security	644	3,243
	3,882	18,842

The heading "Wages, salaries and the like" for financial year ended 30 June 2023 includes compensation costs of 95 thousand euros (75 thousand euros in financial year ended 30 June 2022).

The decrease in the expense for wages and salaries is mainly due to the non-monetary contribution of assets, liabilities, rights, obligations, contractual positions and human resources to LALIGA Group International on 1 February 2022 (see Note 6.3).

The average number of employees during the year distributed by category is as follows:

	2023	2022
Management Staff	5	12
Managers	4	24
Coordination and/or advisory staff Level I	10	58
Coordination and/or advisory staff Level II	19	53
Support Level I	1	37
Internships	-	2
	39	186

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Likewise, the distribution of LALIGA's staff by sex at the end of the financial year is as follows:

	2023			2022		
	Men	Women	Total	Men	Women	Total
Management Staff	3	1	4	5	1	6
Managers	4	-	4	4	1	5
Coordination and/or advisory staff Level I	6	6	12	6	5	11
Coordination and/or advisory staff Level II	17	4	21	4	3	7
Support Level I	-	1	1	-	-	-
Support Level II	1	-	1	-	1	1
	31	12	43	19	11	30

At 30 June 2023 and 2022 there were no employees with a disability greater than or equal to 33%:

f) Other current management expenses

	Thousands of euros	
	2023	2022
Competition Arbitration	6,682	6,790
R.F.E.F.	24,266	23,295
Professional Football Foundation Agreement	1,052	1,140
AFE Agreement	4,750	3,200
LALIGA 4Sports Agreement	-	120
Other Expenses	1,643	1,650
Remuneration cost - CVC Joint purse (Note 15)	69,758	11,303
	108,151	47,499

"Other current management expenses" mainly includes expenses associated with competitions and agreements.

"Agreement with R.F.E.F." includes expenses arising from the agreement signed with the Real Federación Española de Fútbol on 3 July 2019. The most representative costs correspond to the federative services, Spanish grassroots football, women's football, Copa de Rey, travel expenses, accommodation and expenses of referees.

The "Remuneration cost - CVC joint purse" heading exclusively includes the remuneration accrued in financial years to 30 June 2023 and 2022 as a result of the joint purse described in Notes 6.2 and 15 of this report. The increase in the amount of remuneration is due to the increase in the remuneration percentage with respect to financial year ended 30 June 2022 (See note 15).

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g) External services

	Thousands of euros	
	2023	2022
Leases and royalties	1,176	2,074
Independent professional services	136,087	100,101
Transport	304	3,257
Insurance premiums	642	1,203
Banking services and the like	173	423
Advertising and public relations	1,168	27,261
Other Services	326	1,777
	139,876	136,096

All the "External Services" sub-headings decreased as a result of the transfer of business to the subsidiary LALIGA Group International, S.L. after the non-monetary contributions that took place in financial year ended 30 June 2022 (see note 6.3) except for "Independent professional services" whose increase of more than 36 million euros corresponds, mainly to the invoicing received from its subsidiary LALIGA Group International, S.L. mainly due to:

- Technological services amounting to 20,176 thousand euros (38,099 thousand euros at 30 June 2022). The decrease in invoicing received is due to – effective 1 December 2023 – LALIGA Group International, S.L. having transferred the technological arm/activity of the LALIGA Group to Sports Reinvention Entertainment Group, S.L. (hereinafter "SREG") as reported in Note 10 of this report.

Thus the invoicing of technological services by LALIGA Group International, S.L. during financial year ended 30 June 2023 is limited to the first five months of the financial year, compared to the full season in financial year ended 30 June 2022.

- Re-invoicing of audiovisual structure costs amounting to 68,572 thousand euros (21,098 thousand euros at 30 June 2022). This increase in invoicing compared to last year is due to:
 - The effect of transferring business to the subsidiary LALIGA Group International, S.L. following the non-monetary contributions that took place in financial year ended 30 June 2022 (see note 6.3), which means that the expense items subject to this transfer of companies have gone from being recorded in LALIGA in previous seasons according to their nature (e.g. staff costs or depreciation of fixed assets) to being received through the audiovisual structure costs through invoicing by the company receiving the business (LALIGA Group International), without any change in the allocation of segmented activities.
 - During financial year ended 30 June 2022, the invoicing of audiovisual structure costs took place from 1 February 2022, following the partners' contribution detailed in Note 6.3 of this report, versus full application in financial year ended 30 June 2023.

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- In addition, from 1 December 2022 and as a result of the transfer of the technological arm/activity of the LALIGA Group, SREG will provide technological services to LALIGA Group International, S.L., which will finally re-invoice the technological costs associated with LALIGA within "audiovisual structure costs", without any change in the allocation of segmented activities.
- Re-invoicing corresponding to support services for audiovisual management amounting to 14,503 thousand euros (7,318 thousand euros at 30 June 2022). The increase is mainly explained by the fact that during financial year ended 30 June 2022, this re-invoicing took place from 1 February 2022, following the partners' contribution detailed in Note 6.3 of this report, versus full application in financial year ended 30 June 2023.

"Leases and royalties" mainly includes the rental of the LALIGA head offices in Madrid and Barcelona.

19. Tax on profits and tax position

a) Tax Asset

Position

	Thousands of euros	
	2023	2022
Short term:		
Tax Authority debtor for VAT.	74,238	75,191
Tax Authority debtor for I.G.I.C. (Canary Islands tax)	4	3
Current tax assets	237	3,914
Tax Authority, other concepts	7,021	2,662
	81,263	81,770

Liabilities

	Thousands of euros	
	2023	2022
Short term:		
Tax Authority creditor for Personal Income Tax.	8	54
	8	54

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b) Tax on profits

The reconciliation between the net amount of income and expenses for the year and the taxable base of the tax on profits is as follows:

	Thousands of euros		
	Profit and loss account		
Income and expenses balance for the year			(6,335)
Corporation Tax			(1,497)
Pre-tax profit/(loss)			(4,838)
	Increases	Decreases	
	41,847	(28,056)	13,791
Permanent differences			
Collaboration in favour of non-profit entities	1,678	-	1,678
Disciplinary proceedings	4	-	4
Dividends – LALIGA Group International, S.L. (*)	-	(27,206)	(27,206)
Recovery of relegation aid	-	(825)	(825)
Relegation compensation fund commission	3,316	-	3,316
Non-deductible losses	1,140	-	1,140
Temporary differences			
Amortisation limitation – 70%	-	(25)	(25)
Relegation compensation fund provision	1,565	-	1,565
Non-deductible financial expenses (**)	33,795	-	33,795
Bonus provision	328	-	328
Contributions to Retirement Award and similar	21	-	21
Offset of negative tax bases			(2,338)
Taxable base			6,615
Total amount			1,654
Deductions			(256)
Liquid amount			1,397

(*) This corresponds to the exemption on dividends or shares in profits of investees provided for in Article 21 of Law 27/2014 of 27 November on Corporation Tax.

(**) Note that the remuneration of the Joint Purse Contract entered into by the Association with CVC is taken into account as a financial expense for the period for the purposes of the limitation on the deductibility of financial expenses provided for in Article 16 of Law 27/2014 of 27 November on Corporation Tax.

The corporation tax expense is made up of:

	Thousands of euros	
	2023	2022
Current tax	1,397	74
Regularisation of previous years	100	(15)
	1,497	59

The current corporation tax results from applying a tax rate of 25% on the previous taxable base and deducting the deductions.

During financial year ended 30 June 2023, the Association offset 2,338 thousand euros of negative tax bases that were generated in financial years ended 30 June 2018 and 2020. The amount of

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inactive negative tax bases of the Association pending offset at 30 June 2023 amounts to 19,828 thousand euros and distributed by year generated as follows:

Source year	Base
2019	17,340
2020	2,488
Total	19,827

Deductions have been applied to the full amount for financial year ended 30 June 2023 for 256 thousand euros (63 thousand euros at 30 June 2022). Withholdings, interim payments and unused payments on account amount to 237 thousand euros (3,914 thousand euros at 30 June 2022).

On 2 February 2022, the Association was notified of the start of general verification inspection actions on the following taxes and periods:

- Value Added Tax: January 2018 / December 2021
- Withholdings/payments on account for earned income: January 2018 / December 2021
- Withholdings on account for non-resident tax: January 2018 / December 2021
- Corporation Tax: July 2017 / June 2021

At the date these annual accounts were prepared, the inspection actions are still in progress, and the result of these is not expected to have any significant effect on them.

Other than the procedures indicated in the preceding paragraphs, the Association has inspections by the tax authorities pending for the following years of the main taxes applicable to it:

- VAT: 2018 – 2022
- Personal Income Tax: 2018 – 2022
- Social Security: 2018 – 2022
- Corporation Tax: 2018/2019 - 2021/2022

As a consequence, among others, of the different possible interpretations of current tax legislation, additional liabilities may arise as a result of an inspection. In any case, the members of the Executive Committee consider that these liabilities, if arising, will not significantly affect the annual accounts.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

c) Deferred taxes

The detail of deferred taxes is as follows:

	Thousands of euros	
	2023	2022
Deferred tax assets:		
- Temporary differences	263	263
Deferred taxes	263	263

Tax assets and liabilities are offset if, at that time, LALIGA has the right to the offset for recognised amounts and intends to settle the amounts for the net amount or realise the asset and cancel the liability simultaneously.

The gross movement in deferred taxes is as follows:

	Thousands of euros	
2023	2022	
Opening balance	263	263
Charge to the profit and loss account	-	-
Tax charged directly to equity	-	-
End balance	263	263

Deferred tax assets for negative tax bases pending offset are recognised insofar that LALIGA is likely to obtain future tax gains that allow their application.

20. Financial profit/(loss)

	Thousands of euros	
	2023	2022
Financial income:		
From shareholdings in equity instruments		
- Dividends in group companies and associates	28,638	-
From marketable securities and other financial instruments		
- Of third parties	6,845	443
- Participatory financing income clubs	18,198	9,061
	53,681	9,504
Financial expenses:		
From marketable securities and other financial instruments	(5,787)	(2,934)
	(5,787)	(2,934)
Exchange rate differences	(14,312)	(4,638)
Financial profit/(loss)	33,582	1,932

During financial year ended 30 June 2023, LALIGA received dividends from its subsidiary LALIGA Group International, S.L. amounting to 28,638 thousand euros.

In financial year ended 30 June 2023, LALIGA recognised financial income from the variable remuneration of participatory financing to clubs amounting to 18,198 thousand euros (9,061 thousand euros in financial year ended 30

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

June 2022). The remuneration of the participatory investment is 0% fixed plus variable interest of 1.52% of the distributable net income of each club (Income from the audiovisual rights corresponding to each club that is part of the Assembly Agreement strategic operation) (see Note 11.a).

The increase in the heading "Exchange rate differences" is due to the accounting effect of the exchange rate at the invoice issue date on audiovisual income to broadcasters and the exchange rate hedged for audiovisual rights contracts in foreign currencies. The value of the audiovisual contracts has been as expected by the Association having negotiated exchange rate hedges for all foreign currency contracts.

21. Executive Committee and senior management

a) Remuneration to the members of the Executive Committee

Members of the Executive Committee do not receive any remuneration for their roles, as happened in financial year ended 30 June 2022, although the Chairman of the Association receives a remuneration as Chairman, which is included in the breakdown of section b) of this note of the report. Likewise, during financial year ended 30 June 2023, the Association has not granted advances or loans to the members of the Executive Committee and there are no payments for life insurance or pension plans.

b) Remuneration and loans to senior management staff

The total remuneration accrued in financial year ended 30 June 2023 to senior management as a whole amounts to 643 thousand euros (3,375 thousand euros in financial year ended 30 June 2022), and there are no loans to senior management at the end of financial years ended 30 June 2023 and 2022. The decrease in the amount remunerated compared to the same period of the previous year is directly related to the non-monetary contribution of assets, liabilities, rights, obligations, contractual positions and human resources to LALIGA Group International from 1 February 2022 as described in Note 6.3. As a consequence, part of the senior management has been transferred to the direct subsidiary LALIGA Group International, S.L.

c) Other information on the compliance body

During the 2022/2023 season, LALIGA continuously monitored conflicts of interest in a similar manner to that demanded by current business regulations. Based on the information provided by the affiliates themselves; the members of LALIGA's ordinary governance and administration body (i.e. the Executive Committee) and the competent management body on the management of audiovisual rights in accordance with the provisions of Royal Decree-Law 5/2015 of 30 April (i.e. the Audiovisual Rights Management Oversight Body); as well as based on public information and analysis by LALIGA's Legal Management and its Compliance Body, the following circumstance have been known that, places the clubs listed below in situations of current or potential conflicts of interest:

- Two clubs affiliated with LALIGA, FC Barcelona and Real Madrid CF, took part in the Super League project promoted by European Society Super League, S.L. in the 2022/2023 season, whose potential impact has been analysed by LALIGA and is described in the 2023 Management Report. The two clubs are members of the Audiovisual

Rights Management Oversight Body. In light of the above, after a case-by-case analysis of

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

the circumstances and based on internal and external, legal and financial reports, the access of these clubs to certain sensitive information has been limited and/or their duty to abstain as members of the Audiovisual Rights Management Oversight Body has been enforced, all in the interest of LALIGA.

- Various clubs have formed part (by themselves or through people linked to them) of other sports organisations, and are members of the governing bodies of those sporting bodies in the cases below:
 - Sevilla FC, S.A.D. has been part of the governing bodies of RFEF, UEFA (due to its status as member of the ECA) and the Liga Profesional de Fútbol Femenino (LPFF).
 - Real Betis Balompié, S.A.D. has been part of the governing bodies of LPFF.
 - Real Sociedad de Fútbol, S.A.D. has been part of the governing bodies of LPFF.
 - Levante Unión Deportiva, S.A.D. has been part of the governing bodies of LPFF.
 - Cádiz Club de Fútbol, S.A.D. has been part of the governing bodies of RFEF.
 - Club Atlético Osasuna has been part of the governing bodies of RFEF.
 - Club Atlético de Madrid, S.A.D. has been part of the governing bodies of the ECA, the LPFF and the boards of directors of two football clubs that are in turn members of the professional leagues of Mexico and Canada, respectively, although these clubs do not participate in the management bodies of those professional leagues.
 - Real Madrid has been part of the governing bodies of RFEF and UEFA.
 - FC Barcelona has been part of the governing bodies of UEFA, RFEF and LPFF.
 - Deportivo Alavés, SAD has been part of the governing bodies of the LPFF.
 - Villarreal CF, SAD has been a member of the governing bodies of the LPFF.

LALIGA monitors each of these situations and assesses the need to adopt, where appropriate, measures conducive to preventing conflicts from resulting in negative consequences for LALIGA.

In addition to the above, other circumstances of current or potential conflict of interest that have occurred during the 2022/2023 season and that were revealed at the appropriate time in the corresponding LALIGA bodies are recorded. Specifically:

- a) The Chairman of LALIGA, Mr Javier Tebas Medrano, who, in that position, is a member of the Executive Committee and the Audiovisual Rights Management Oversight Body, has reported the following circumstances:
 - his membership of the UEFA Executive Committee representing European Leagues until 5 April 2023. The Executive Committee approved Mr Tebas holding this position at its meeting on 25 March 2021.
 - His family relationship with the legal advisor of an entity that was considering carrying out a transaction related to an affiliate of LALIGA, Granada Club de Fútbol, S.A.D. This circumstance was brought to the attention of the Executive Committee and the Audiovisual Rights Management Oversight Body at its meetings on 21 September 2022 and 18 January 2023, respectively.
 - Its status as a private prosecution by a person unaffected by the alleged offence in the proceedings followed in the Court nº 4 of 1st Instance and Instruction of Majadahonda against Messrs. Rubiales and Piqué, the latter being the ultimate beneficiary of the business group that owns the LALIGA member club Fútbol Club Andorra, SAOE. This was brought to the attention of the Executive Committee and the Audiovisual Rights Management Oversight Body at their meetings on 21

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

December 2022 and 18 January 2023, respectively, as well as the board of directors of LALIGA's subsidiary, LALIGA Entertainment, S.L., at its meeting on 19 December 2022.

- His family relationship with the natural person representative of a member of the board of directors of Libertad Digital, S.A., with whom a subsidiary company of LALIGA, LALIGA Group International, S.L., maintains commercial relations. This circumstance was brought to the attention of the Executive Committee at its meeting on 27 July 2023.

Mr Tebas has abstained from participating in the adoption of decisions relating to the above circumstances and, where necessary, delegating his powers in accordance with the provisions of the internal regulations.

- b) From the beginning of the 2022/2023 season until 23 August 2023, one of the members of the Board of Directors of an affiliate club of LALIGA, Granada Club de Fútbol, S.A.D., was linked to an entity that was LALIGA's partner in a joint venture constituted abroad. As that club was not a member of the Executive Committee (or any other LALIGA management body) during the 2022/2023 season, no conflict of interest materialised. The above relationship was reported on at the meeting of the Executive Committee on 14 October 2020 and at the General Assembly Meeting on 30 June 2021.
- c) An affiliated club of LALIGA, Futbol Club Andorra, SAOE, is linked to companies belonging to the group of companies headed by Kosmos Global Holding, S.L. with which LALIGA has commercial relations, one of these companies being a LALIGA partner in a joint venture. As that club was not a member of the Executive Committee (or any other LALIGA management body) during the 2022/2023 season, no conflict of interest materialised. The above relationship was reported to the Executive Committee and the Audiovisual Rights Management Oversight Body at their meetings on 21 June 2022 and 18 January 2023, respectively, as well as the board of directors of LALIGA's subsidiary, LALIGA Entertainment, S.L., at its meeting on 19 December 2022.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

22. Other operations with related parties

The transactions detailed below were carried out with related parties:

a) Sale of goods and provision of services.

	Thousands of euros	
	2023	2022
Provision of services:		
Sociedad Española de Fútbol Profesional, S.A.U. - General Services	100	545
LALIGA Servicios Digitales, S.L.U.	-	219
LALIGA Group International, S.L. (previously LALIGA Tech, S.L.U.)	29,837	12,623
LALIGA Content Protection, S.L.	6	78
LALIGA Entertainment, S.L.	36	-
LALIGA DMCC (previously named LNFP FZE)	-	648
La Liga South Africa Proprietary Limited	-	260
La Liga (USA) Inc.	-	301
Beijing Spanish Football League Consulting Co., Ltd.	-	638
LALIGA LFP Mex, S.R.L.C.V.	-	95
LALIGA Singapore Pte Ltd	-	71
LALIGA North America	-	1,133
	29,979	16,611

The goods are sold based on a current list of prices applicable to non-related third parties. Services are typically negotiated with related parties on a margin-over-cost basis.

b) Purchase of goods and receipt of services.

	Thousands of euros	
	2023	2022
Provision of services:		
Sociedad Española de Fútbol Profesional, S.A.U. - General Services	21	71
LALIGA Servicios Digitales, S.L.U.	-	1,550
LALIGA Group International, S.L. (previously LALIGA Tech, S.L.U.)	116,322	69,302
LALIGA Content Protection, S.L.	50	868
Sports Reinvention Entertainment Group, S.L.	4,280	-
LALIGA Entertainment, S.L.	-	-
LALIGA DMCC (previously named LNFP FZE)	-	289
La Liga South Africa Proprietary Limited	-	-
La Liga (USA) Inc.	600	-
Beijing Spanish Football League Consulting Co., Ltd.	-	-
LALIGA LFP Mex, S.R.L.C.V.	-	39
LALIGA Singapore Pte Ltd	-	299
LALIGA North America	5,813	5,005
	127,086	77,423

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

c) End balances resulting from the sale and purchase of goods and services

	Thousands of euros	
	2023	2022
Accounts receivable from related parties (Note 11):		
Sociedad Española de Fútbol Profesional, S.A.U.	16	32
LALIGA Servicios Digitales, S.L.U.	-	17
LALIGA Content Protection, S.L.	-	10
LALIGA Group International, S.L. (previously LALIGA Tech, S.L.U.)	6,659	687
LALIGA Entertainment, S.L.U.	44	-
LALIGA DMCC (previously named LNFP FZE)	17	18
LALIGA LFP Mex, S.R.L.C.V.	-	13
La Liga South Africa Proprietary Limited	80	23
La Liga (USA) Inc.	-	83
Beijing Spanish Football League Consulting Co., Ltd	-	1
Spanish Football Sports & Entertainment (Shanghai) Co., Ltd.	-	-
LALIGA Singapore Pte Ltd.	4	26
	6,820	910

Accounts receivable from related parties arise from sales transactions and mature two months after the sales date. Accounts receivable are unsecured and do not accrue any interest.

	Thousands of euros	
	2023	2022
Accounts payable to related parties (Note 15):		
Sociedad Española de Fútbol Profesional, S.A.U.	8	2,180
LALIGA Group International, S.L. (previously LALIGA Tech, S.L.U.)	23,174	13,833
Sports Reinvention Entertainment Group, S.L.	3,183	-
La Liga (USA) Inc.	-	(51)
Beijing Spanish Football League Consulting Co., Ltd	-	44
LALIGA LFP Mex, S.R.L.C.V.	-	1
LALIGA North America	-	600
LALIGA Singapore Pte Ltd.	-	1,262
	26,365	17,869

d) Loans granted to related companies

	Thousands of euros	
	2023	2022
Opening balance	-	23,926
Loans granted during the year	-	-
Amortisations received or loan contributions	-	(23,926)
	-	-

Loans to related companies in financial year ended 30 June 2022 corresponded to what was lent to Group companies to develop their activity, although in financial year ended 30 June 2022 these were either transferred to LALIGA Group International, S.L. (see Note 6.3) or amortised.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

23. Information on the environment

The entity's activities do not generate negative environmental impacts and comply with all applicable regulations, therefore it is not considered necessary to allocate any provision or additional expense for possible contingencies due to this. Likewise, there is no significant equipment, facilities or other systems included in property, plant and equipment intended for environmental protection and improvement.

24. Events after the reporting period

From the close of the financial year to the date of preparing these annual accounts, no relevant events have been revealed that could impact these consolidated annual accounts or require an additional breakdown.

25. Auditor's fees

The fees accrued during financial year ended 30 June 2023 for individual and consolidated audit services amounted to 155 thousand euros (128 thousand euros in financial year ended 30 June 2022) and for other verification services amounting to 39 thousand euros (440 thousand euros in financial year ended 30 June 2022).

Likewise, the fees accrued by other companies in the PwC network for consultancy services were 0 euros in financial year ended 30 June 2023 (40 thousand euros for financial year ended 30 June 2022).

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

26. Segmented information

LALIGA's financial information broken down by operating segment for financial year ended 30 June 2023 is shown below:

	Thousands of euros		
	Licences, sponsorship s and the like	Centralised Audiovisual Rights	Total
CONTINUING OPERATIONS			
Net Turnover	-	1,824,764	1,824,764
Sponsorship, licences and others	-	-	-
Income from Sale of TV and media rights	-	1,824,764	1,824,764
Variations in inventories	-	-	-
Procurements	(4,926)	(1,662,859)	(1,667,785)
Sponsorships and Licences Clubs/SADs	(4,926)	-	(4,926)
Sales management expenses Sponsorship	-	-	-
Sale of TV and media rights expenses	-	(1,662,859)	(1,662,579)
Other operating income	50,928	1,808	52,736
Sundry and other current management income	47,742	1,808	49,550
Football pools	3,186	-	3,186
Staff costs	(2,447)	(1,435)	(3,882)
Other operating expenses	(49,635)	(197,296)	(246,931)
External services	(25,781)	(114,095)	(139,876)
Taxes	(66)	(94)	(160)
Losses, impairment and changes in provisions for commercial operations	-	1,256	1,256
Other current management expenses	(23,788)	(84,363)	(108,151)
Depreciation of fixed assets	(1,222)	(1,645)	(2,867)
Other Profits (Losses)	2,426	3,119	5,545
OPERATING PROFIT/(LOSS)	(4,856)	(33,564)	(38,420)
FINANCIAL PROFIT/(LOSS)	(1,479)	35,061	33,582
PRE-TAX PROFIT/(LOSS)	(6,335)	1,497	(4,838)
Taxes on profits	-	(1,497)	(1,497)
PROFIT/(LOSS) FOR THE YEAR	(6,335)	-	(6,335)

See Note 18 for greater analysis of the above items.

REPORT TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR ENDED 30 JUNE 2023 (In thousands of euros)

LALIGA's financial information broken down by operating segment for financial year ended 30 June 2022 is shown below:

	Thousands of euros		
	Licences, sponsorship s and the like	Sale of TV and media rights	Total
CONTINUING OPERATIONS			
Net Turnover	70,278	1,785,987	1,856,265
Sponsorship, licences and others	70,278	-	70,278
Income from Sale of TV and media rights	-	1,785,987	1,785,987
Variations in inventories	(168)	-	(168)
Procurements	(47,889)	(1,653,591)	(1,701,480)
Sponsorships and Licences Clubs/SADs	(13,474)	-	(13,474)
Sales management expenses Sponsorship	(34,415)	-	(34,415)
Sale of TV and media rights expenses	-	(1,653,591)	(1,653,591)
Other operating income	42,152	3,847	45,999
Sundry and other current management income	39,778	3,847	43,625
Football pools	2,374	-	2,374
Staff costs	(11,538)	(7,304)	(18,842)
Other operating expenses	(52,553)	(131,676)	(184,229)
External services	(29,548)	(106,548)	(136,096)
Taxes	(24)	(124)	(148)
Losses, impairment and changes in provisions for commercial operations	-	(486)	(486)
Other current management expenses	(22,981)	(24,518)	(47,499)
Depreciation of fixed assets	(768)	(2,586)	(3,354)
Other Profits (Losses)	1,201	2,735	3,936
OPERATING PROFIT/(LOSS)	716	(2,589)	(1,873)
FINANCIAL PROFIT/(LOSS)	(657)	2,589	1,932
PRE-TAX PROFIT/(LOSS)	59	-	59
Taxes on profits	(59)	-	(59)
PROFIT/(LOSS) FOR THE YEAR	-	-	-

See Note 18 for greater analysis of the above items.

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT ON THE EVOLUTION OF THE BUSINESSES AND THE SITUATION OF LALIGA

During the 2022/2023 season, LALIGA made a loss of 6,335 thousand euros (0 euros at the end of the 2021/2022 season). The negative result is based on the Association's decision to distribute the reserves generated in S21-22 to its members resulting from the spin-off of activities to LALIGA Group International. This result is therefore not generated by the Association's activity, which remains at the same level as every year.

"Net Turnover" in financial year to 30 June 2023 amounted to 1,824,764 thousand euros, resulting in a decrease of 31,501 thousand euros compared to the 2020–2021 season due to the Licensing and Sponsorship activity being marketed for seven months in the previous season compared to this activity being carried out in full by LALIGA Group International during the 2022–2023 season.

There was an increase in income from the marketing of audiovisual rights of 38,777 thousand euros in the 22-23 season mainly due to the improvement in international audiovisual income both in the Americas and in the MENA region, as well as thanks to the increase in domestic income from the Horeca contract, a contract that was commercialised in the 2022–2023 season by LALIGA generating higher gross revenues than those obtained in previous years when commercialised exclusively.

EVENTS THAT OCCURRED DURING THE SEASON

Within its global strategy, LALIGA continued with the internationalisation of the competition during the 2022/2023 season. For this, it has continued to work on positioning LALIGA as the best television sports content while maintaining the best league position in the world in the sporting sphere.

In the audiovisual area, LALIGA has continued with its continuous improvement on audiovisual content with the aim of its followers enjoying spectacular, novel content and where audiovisual excellence predominates.

In the 2022–2023 season, the international activity continued to develop with the creation of a new Joint Venture in the MENA territory with a local partner to further develop and evolve this market. The international subsidiaries obtained very positive net results during the 22–23 season, confirming their good performance and the strategy that began a few years ago. The international subsidiaries are becoming increasingly important and are generating better results that translate into a more positive consolidated result for the LALIGA Group.

LALIGA Group International sold 51% of its technological activity to the Globant Group with the aim of consolidating and developing the technological products developed to date and marketing them to third party companies. This sales operation generated significant capital gains that are reflected in LALIGA's income statement from the interim dividends received by LALIGA Group International.

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2023

On 18 April 2021, twelve of the main football clubs in Europe announced the creation of the Super League. Among the founding members were three clubs associated with La Liga Nacional de Fútbol Profesional: FC Barcelona, Real Madrid FC and Atlético de Madrid SAD.

A few days after the creation of the Super League – and after the widespread rejection with social and political pressures (politicians, fans, leagues, federations, clubs, players, along with their International Associations, media, etc.) from all parts of Europe against it – nine founder clubs announced they were abandoning the project, although two LALIGA clubs remained part of it: Real Madrid FC and FC Barcelona.

- The incursion of the new European competition implied a full-frontal attack against the most basic principles of football.
- At a sporting level: the classification to European competitions on sporting merit would disappear, as would the European Incentive of clubs, and the reasons for fighting for promotion.
- At a financial level:
 - On 14 May 2021, KPMG produced an expert report with the aim of estimating the impact that the potential implementation of the Super League would have on LALIGA.
 - KPMG estimated the following impacts on LALIGA's income and that of its clubs:
 - Audiovisual impact: 1,089.4 million euros.
 - Impact on sponsorships: 785.9 million euros.
 - Impact on Matchday: 174.1 million euros.
 - Total impact on Annual Income: €2,049.4m (63.0% of total income).

The impact on income over 10 years would exceed €20,000m since this would be recurrent and sustained damage over time. In addition, KPMG estimated the following impact on the value of non Super League clubs: €2,610.3m (81.3% of the total value).

- At a social level: consequent to the loss of sporting and financial incentives, it would drastically decrease the interest of fans. In addition, solidarity with grassroots football and other sports, such as the commitments that LALIGA currently has with RFEF and the Higher Council for Sports would be lost
- At a governance level: all the governance structures of current European football would be broken. With this Super League model, the 15 founding clubs would decide everything
- At an industry level: KPMG's expert report also estimated that the financial and tax impact of the Super League could be equivalent to 0.79% of GDP, made up of:
 - A loss of more than €9,000m in total income generated by LALIGA and the industry adjacent to its competitions
 - The direct and indirect loss of about 100,000 jobs.
 - The loss of over €2,100m in tax collection.

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2023

What's more, the incursion of the new European competition would result in:

- a new structure of European competitions that would remove significance and value from national leagues, resulting in them and their schedules being greatly affected.
- a competition "par excellence" complementary to national leagues to be an alternative to these, becoming a substitute competition for fans and telecoms operators.
- conflicts in the configuration of the schedule, both the matchdays in which national competitions (League and Copa del Rey) are held as well as days allocated for national team matches.

As a result of the above, the most likely solution to ensure compatibility of national competitions with the Super League would be to reformat national competitions – reducing of the number of teams in the First Division or by reducing/eliminating Cup and Super Cup tournaments. Therefore, LALIGA could be forced to reduce the number of teams in the First Division from 20 to 18 to offset the increase in the duration of European competitions and the burden of matches, with the consequent financial, sporting and social impacts that this would entail.

The changes induced by the new European competition model would impact on the main value levers that have allowed LALIGA to build its premium product status and explain the attractiveness that it raises for operators, sponsors, clubs, players and spectators.

Therefore, the creation of the Super League would be a real threat to LALIGA, other domestic competitions and for UEFA and its competitions, since, in the specific case of LALIGA, it would see its value as a premium product with audiovisual operators and their sponsors affected, and with the Super League also affecting the sporting interest in LALIGA.

EVOLUTION OF THE WORKFORCE

Most of the company's employees were subrogated to LALIGA Group International on 1 February 2022 as part of the company's strategy for a better operational performance of the activities it develops. Therefore, over the 2022/2023 season, there has been a decrease of 147 employees in the LALIGA workforce compared to the previous season due to the effect of the seven months in which the workforce was fully in LALIGA. In LALIGA, the Institutional departments such as Compliance, Economic Control and Competitions have been maintained. In turn, several managerial positions have a dual role in LALIGA and LALIGA Group International in order to ensure the proper functioning of the entities.

AVERAGE PAYMENT PERIOD TO SUPPLIERS

The Association's average period of payment to providers during the 2022/2023 season was 25 days, with the legal maximum based on Law 15/2010 of 5 July being 60 days.

ENVIRONMENT

LALIGA's activities do not generate negative environmental impacts and comply with all applicable regulations, therefore it is not considered necessary to allocate any provision or additional expense for possible contingencies due to this. Likewise, there is no significant equipment, facilities or other systems included in property, plant and equipment intended for environmental protection and improvement.

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2023

RESEARCH AND DEVELOPMENT

In previous seasons, the Spanish Innovation Certification Agency (ACIE) and the European Quality Assurance Agency (ECA) decided that several of the projects launched were worthy of said certification due to their eminently technological and innovative nature. LALIGA has maintained its commitment to innovation, although 51% of the technological activity has been sold to the company Sports Reinvention Entertainment Group to continue with the technological and digital development of the products developed in recent years.

SIGNIFICANT EVENTS AFTER YEAR END

From the close of the financial year to the date of preparing these annual accounts, no relevant events have been revealed that could impact these consolidated annual accounts or require an additional breakdown.

On 1 July 2023, a new era began for LALIGA, a revolutionary change for both Spanish football and the industry. The change of the competition's brand and sponsor is another step forwards in terms of positioning and strategy, the symbol of the change in our football and the beginning of what is expected to come.

ACQUISITION OF OWN SHARES

As LALIGA is private sports association, there are no shares and therefore no treasury shares.

USE OF FINANCIAL INSTRUMENTS

LALIGA's activities are exposed to market risk (interest rate risk). The LALIGA Global Risk Management Programme focuses on the uncertainty of financial markets and tries to minimise the potential adverse effects on its financial profitability. LALIGA uses derivatives to hedge certain risks.

Risk management is controlled by LALIGA's Finance and Administration Department that identifies, assesses and hedges financial risks.

During this season, LALIGA has hedged the exchange rate risk of the contracts for the current and future seasons based on contracts in foreign currency other than the euro, which are mainly signed in Latin America, Brazil and USA.



PREPARATION OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 June 2023

Diligence that states that the members of Liga Nacional de Fútbol Profesional's Executive Committee are aware of all content in the Annual Accounts and the Management Report corresponding to the year ended 30 June 2023 of Liga Nacional de Fútbol Profesional, presented to the Executive Committee and prepared by them at its meeting on 4 August 2023, across 100 sheets, all initialled by the secretary and the stamp of the Association, numbered as follows.

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Secretary



PREPARATION OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 June 2023

On 04 August 2023 the Executive Committee of Liga Nacional de Fútbol Profesional prepared the annual accounts and the management report for financial year ended 30 June 2023, which are constituted by the preceding documents attached to this text.

SIGNATORIES

Chairman	First Deputy Chairman	Second Deputy Chairman (*)
Secretary	Sevilla FC, SAD	Real Betis Balompié, SAD
Real Sociedad de Fútbol, SAD	Cádiz Club de Fútbol, SAD	Getafe CF, SAD
Villarreal C.F., SAD	Club Deportivo Tenerife, SAD	Deportivo Alavés, SAD
Sociedad Deportiva Eibar, SA	Unión Deportiva Las Palmas	SD Huesca, SAD
Club Deportivo Lugo, SAD		