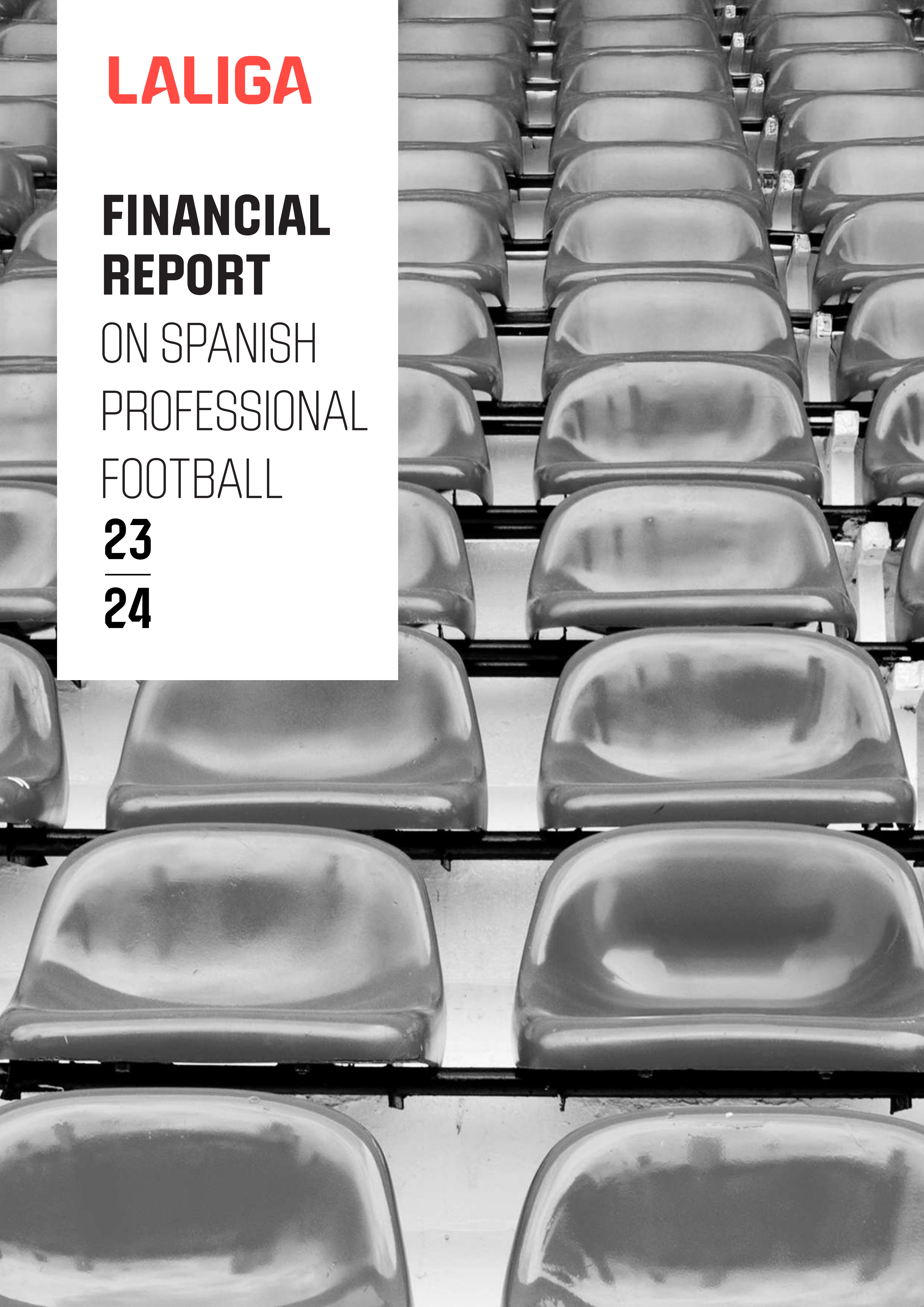
LALIGA

FINANCIAL REPORT ON SPANISH PROFESSIONAL FOOTBALL

23
24



LALIGA

Contents

LALIGA

Explanatory note

Throughout this Report, as in previous years, reference is made to the five classifications (i.e., financial groupings) that describe, as transparently and as detailed as possible, the performance of Spanish professional football at the end of the 2023/24 season (S 23/24):

1. ***LALIGA EA SPORTS:*** corresponding to the First Division of Spanish professional football (20 Clubs);

2. ***LALIGA HYPERMOTION:*** corresponding to the Second Division of Spanish professional football (22 Clubs);

3. ***LALIGA:*** the sum of *LALIGA EA SPORTS* and *LALIGA HYPERMOTION*, i.e., all Spanish professional football (42 Clubs). This is the core grouping analysed in the document;

4. ***NETTED LALIGA EA SPORTS:*** *LALIGA EA SPORTS* excluding the two largest Clubs in terms of income level and balance sheet size (18 Clubs); and finally,

5. ***Netted LALIGA:*** *LALIGA* excluding the two largest Clubs in terms of income level and balance sheet size (40 Clubs).

In this Report, all values are expressed in millions of euros (€m), unless stated otherwise.

As in previous editions, *LALIGA* has carried out work to update, standardise and improve certain calculations relating to figures, ratios and financial indices this year. Consequently, there could be slight differences with respect to the information appearing in previous editions. Likewise, some Clubs and sports limited companies (SAD) (hereinafter, interchangeably called , "the Clubs") introduced certain technical restatements in 2023/24 with respect to previous seasons (in their audited annual accounts). Moreover, some entities have restated their financial statements for the previous year. In all cases, these amendments, which are of limited impact in both cases, do not substantially alter the conclusions of the analysis carried out this season or in previous years, and have been taken into account in the Report. Where these have a material effect, a detailed explanation is provided.

01

Letter from the Chairman

2023/24 has been a transitional season from an economic and financial point of view. For the first time, Spanish professional football recorded aggregate ordinary billings of €4 billion, which includes ordinary broadcasting, commercial and matchday revenues, coinciding with the generation of normalised total income (TI) of more than €5 billion. This second figure does not take into account revenues related to extraordinary corporate operations derived from the monetisation of assets, more specifically the availability of future credit rights of the Clubs, but it does incorporate the selling price for transfers of players and other minor items. These are the highest figures in the history of *LALIGA*.

However, we are moving towards a markedly different business growth model than the one that has characterised our activity in recent times. What had been a vector of profitability and solvency until the emergence of Covid – the player transfer market – seems to be structurally at levels ostensibly lower than what we are used to. The benefits we derive from the capital income associated with the creation and rotation of the sporting value created are only a third of the level we come to enjoy. Both the number and the average amount of transactions have fallen considerably. And this is a pattern shared with the rest of the major European competitions, in which additionally has a lot to do with the commitment of *LALIGA* to the principles of financial sustainability and the financial rules of *fair play*. In this sense, we can perceive the intention of a change of direction in the rest of the major leagues – often not self-imposed, but forced – which international institutions (mainly UEFA and FIFA) should try to consolidate on a permanent basis. It is now or never. This is not a threat, but an opportunity. In this respect, we welcome the new trend that seems to be beginning to emerge in English professional football, where the British government has decided to take action, triggering an intervention to improve the financial sustainability of the system. We will see if it has an effect. We also applaud the emergence of various sanctioning processes, hitherto non-existent, for certain Clubs that systematically undermined the rules of competition and accelerated instability for the whole.

Javier Tebas Medrano
Chairman of *LALIGA*

The Financial Control ecosystem of *LALIGA*, one of our hallmarks, one of our raisons d'être, has proven its effectiveness and its capacity to anticipate, so that the slowdown in player disinvestment activity is automatically matched by a proportional decrease in investment intensity. Our automatic stabilisers have made it possible to preserve the short-term liquidity and long-term solvency of Spanish Clubs, although some are still unable – or unwilling – to understand that, immediately, which leads to a distortion – merely apparent, not effective – in the visibility of formal results. Accounting is a necessary code, but it is also an imperfect language that shows realities with delays. *LALIGA* is laying the foundations for a more profitable and balanced future. And that will take a few more years to show up in our earnings records.

But there is no turning back: we must restructure the growth model so that it can be much more based on organic and recurring results: broadening the revenue base and controlling operating costs, with profits less dependent on the heat or cooling of volatile and uncontrollable drivers, such as the player market. Some might think (still!) that this will inevitably be to the detriment of the sporting competitiveness of our teams... but reality is stubborn and what is empirically verifiable always ends up confirming or denying expectations: so far this century, *LALIGA* Clubs have won 55.4% of the international trophies organised by UEFA and FIFA, and since the implementation of Financial Control in S 13/14 (the supposedly "austericial" one, according to the *trumpets of the Apocalypse*...) this percentage has risen to 60.5%. At the same time, our media following continues to grow, social media impact is ahead of any other competition, and stadium attendance and occupancy metrics have never been higher. In the current season, all indications are that we will smash these records. This is observable data.

Spanish professional football Clubs are transforming themselves, and they are doing so at a rapid pace and on the basis of solid guidelines like never before. More than half of the organisations have recently renovated, are in the process of renovating, or will do so in the coming years, their physical infrastructures (e.g. stadiums, training grounds, facilities for the general public, etc.), their technological assets and their international presence. They are investing in diversification and growth potential. They are achieving this on most occasions supported by the *LALIGA IMPULSO* strategic plan, but they are also doing so by controlling their level of organic spending (squad costs and general consumption), in an unprecedented exercise of responsibility. Sowing today to reap tomorrow. The easy, comfortable thing to do would be to think in terms of immediacy and to orientate oneself in another way.

Access to capital markets to accompany this strategy is no longer the preserve of the largest. Some other Clubs have managed in

the last financial year to appeal to international benchmark investors to transform their corporate capital structures, but also to finance their investments in the very long-term, supported by (*Investment Grade*) credit ratings by leading international rating agencies. The result: greater financial depth and rationality, diversification of its sources of funds, obtaining a much longer maturity and average life with considerably lower assumed cost and borrowing effort. Committing obligations (*covenants*) and extending sufficient but not excessive guarantees, aspects that allow the Clubs' autonomy of will to be preserved to a large extent and do not stifle their future management. Could anyone have foreseen this only 15 years ago, when around 50% of our Clubs were in bankruptcy proceedings and under the effects of creditors' agreements, even threatening their very existence? It would have been simply unimaginable...

All these growth investments generating incremental revenue and operating profitability, at a level far in excess of the cost of the capital required to execute them, can only result in the emergence of financial value added created for the Clubs in the decades to come. Certainly, Spanish football has *momentum*.

However, in order to avoid going back to the old ways, we cannot deviate from the roadmap; let us exercise extreme caution and not give up. Let us persevere in our determination and commitment. Because it is our model of competitiveness. The one we want and the one we are convinced benefits world football. Therefore, the one that should inspire competition on the field of play should also inspire competition in the economic-financial field. Otherwise, distortions and imbalances at all levels will be perpetuated or even deepened. And we will take the opportunity to make this beautiful, centuries-old sport the global leader in entertainment, but also a fantastic wealth generator for our country.

I trust that reading this report will be of interest to you and will allow you to properly understand the evolution, as well as the current economic and financial situation of Spanish professional football.

With best wishes,

Javier Tebas Medrano
Chairman of LALIGA. March 2025

02

Summary of the 2023/24 season in figures

NORMALISED TOTAL INCOME (NTI)

€5,049m

Annual change in TIN

+3.2%

EBITDA

€422m

Annual change in EBITDA

+74.0%

EBITDA margin

10.6%

+424 basis points

Gross CAPEX

€1,566m

Net CAPEX

€878m

Net equity
(including LALIGA IMPULSO)

€2,240m

Equity ratio

22.1%

Senior corporate gross financial debt

€2,869m

Senior corporate net financial debt

€1,337m

Net senior corporate financial debt / NET TURNOVER ratio

0.34x

Net senior corporate financial debt / EBITDA ratio

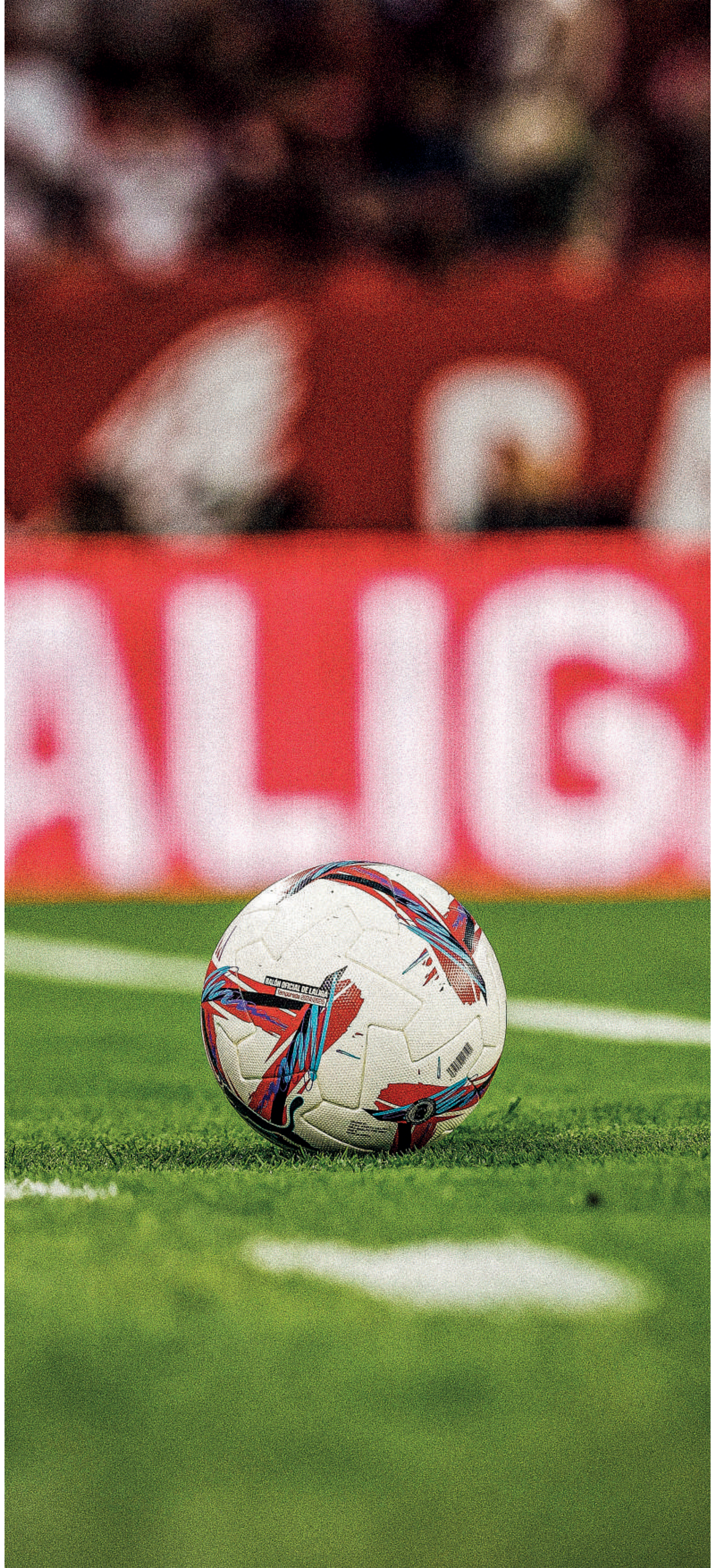
3.2x

Available cash

€1,190m

03

Financial Report on Spanish professional football 2023/24



Business context

This year, 2024, has been one of global financial stabilisation. This contrasts with previous years, which were characterised by the pandemic, the subsequent supply *shock* that led to strong inflationary pressures, and an accelerated tightening of monetary conditions in global terms.

However, the year can be considered as one of *impasse*, waiting to verify whether it will be possible to resume the intensity of the growth rate of the pre-crisis years. The recovery shows certain signs of weakness and multiple vulnerabilities, such as the continuation of certain international armed conflicts (some even on European soil), various geopolitical tensions and an involution of protectionism – accompanied by tariff rearmament – that threatens world trade and even the foundations of multilateralism that have characterised international relations for decades. For their part, public debt levels continue to rise and several countries that are considered "locomotives" in global terms are showing clear signs of exhaustion. At another level, in developed countries, increasing fragmentation towards the extremes of the political spectrum and the questioning of environmental policies add pressure to the landscape over which financial activity takes place.

Global macroeconomic environment of stabilisation but marked weakness and uncertainties

In a context of uncertainty, the Spanish economy has performed favourably. The pace of growth has been ostensibly higher than in neighbouring countries, supported by the strong recovery in tourism, the strength of domestic demand (favoured by the increase in the purchasing power of wages and the fall in unemployment) and the dynamism of exports (which, however, are beginning to show signs of depletion, as a result of the international outlook). Spain has been particularly well served by the disinflationary process and a monetary policy on the path of easing. All this has contributed to an increase in financial wealth (rising stock market indices and a reduction in the risk premium quoted in sovereign debt yields). The balance of the accumulated level of financial activity since the emergence of Covid is positive for Spain compared to the rest of the eurozone.

The evolution of the Spanish economy stands out in comparison with the rest of the world

In this framework, both billings and total income (TI) of Clubs set historical records, although with dynamics that must be analysed in a differentiated manner. In addition to the endogenous growth of the business, there is the impact of the corporate asset monetisation operations carried out by Real Madrid Club de Fútbol ("*RMA*") – a key entity in *LALIGA* –, which improve the aggregate result of the competition and which are analysed throughout the Report. However, it is worth noting that S 23/24 is the one with the lowest extraordinary impacts of this type in recent years, around €76m (vs €808.2m in S 22/23 and €582.5m in S 21/22). These are therefore favourable and much more "normalised" levels of activity.

In S 23/24, it is very significant to note how the Clubs adhering to the *LALIGA IMPULSO* strategic project, or others that have put their renovated stadiums into operation (such as *RMA*), have consolidated significant growth in their revenue figures. More specifically in the headings related to match days and the commercial sphere, thanks to investments focused on infrastructures and growth (internationalisation, technology, branding, etc.), which are business vectors that can be exploited financially and generate incremental and structural turnover.

On the other hand, the relaxation of inflationary pressures, together with the effectiveness of the Financial Control regulations in *LALIGA*, has meant the lowest annual growth in the structure of Clubs' operating costs since records began (with the exception of S 20/21, with all the operational adjustment and the extraordinary measures – such as ERTE – articulated in regulations to compensate for the paralysis of activity due to the health crisis), which basically reproduces the level of the previous season in S 23/24 (even lower in absolute terms, when revenues have grown in a normalised manner).

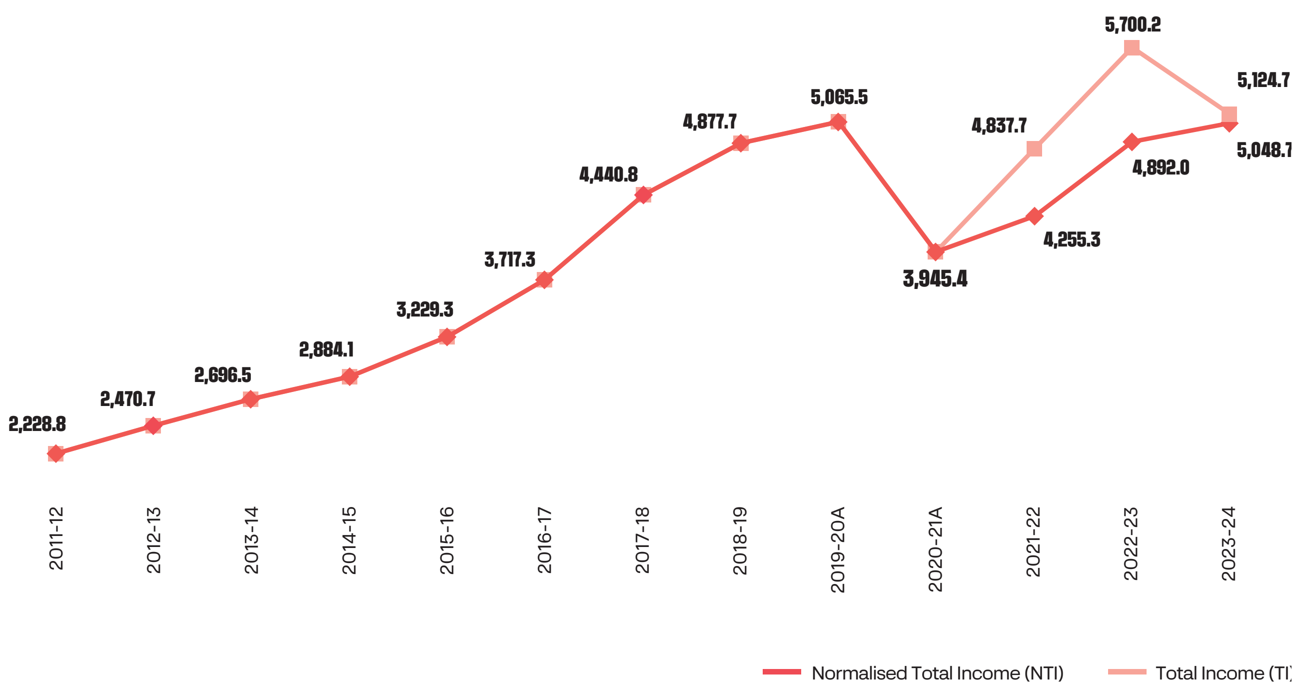
However, the pandemic had an indirect impact on the financial situation of the Clubs that is

still continuing, as has been the contraction in activity (both in volume and average prices) in the player market. In terms of financial performance, and despite some recovery in S 23/24, this translates into lower structural revenues from the selling price of transfers associated with the divestments in sporting talent. Thus, the recovery of the aggregate profits of Spanish professional football continues, but without yet achieving the levels of total income (TI) and profits reached before the outbreak of the pandemic. This is a pattern shared with the other major national competitions in the UEFA environment. It is also an opportunity for the aggregate results of *LALIGA* to depend in a few years' time much more on purely organic factors (such as the boost in ordinary billings and the control of recurring costs) than on more cyclically elastic, volatile and largely uncontrollable issues, such as certain dynamics (of "heating" and "cooling") that are periodically generated in the player market.

Income

Figure 1

LALIGA – Historical evolution of TI and Normalised TI (€M)



***Normalised Total Income ("NTI")[1]:* €5,048.7m (+3.2% in the last season / *CAGR*$_{5y}$[2] +0.7%)**, the second time the psychological threshold of €5,000m has been exceeded, supported by the significant evolution of *Commercial* (€1,288.4m), *Matchday* (€715.8m) and UEFA (€456.4m) revenues, all three at record highs. Against this very favourable performance, extraordinary corporate asset monetisation operations were substantially reduced (€76.0m vs €808.2m in the previous season). As a result, the *Total Income* (*TI*),[3] which includes the impact of these discontinued "levers", fell from €5,700.2m to €5,124.7m (-10.1%) in the last completed season.

Figure 2

LALIGA – Contribution to Total Income (TI) (€m)

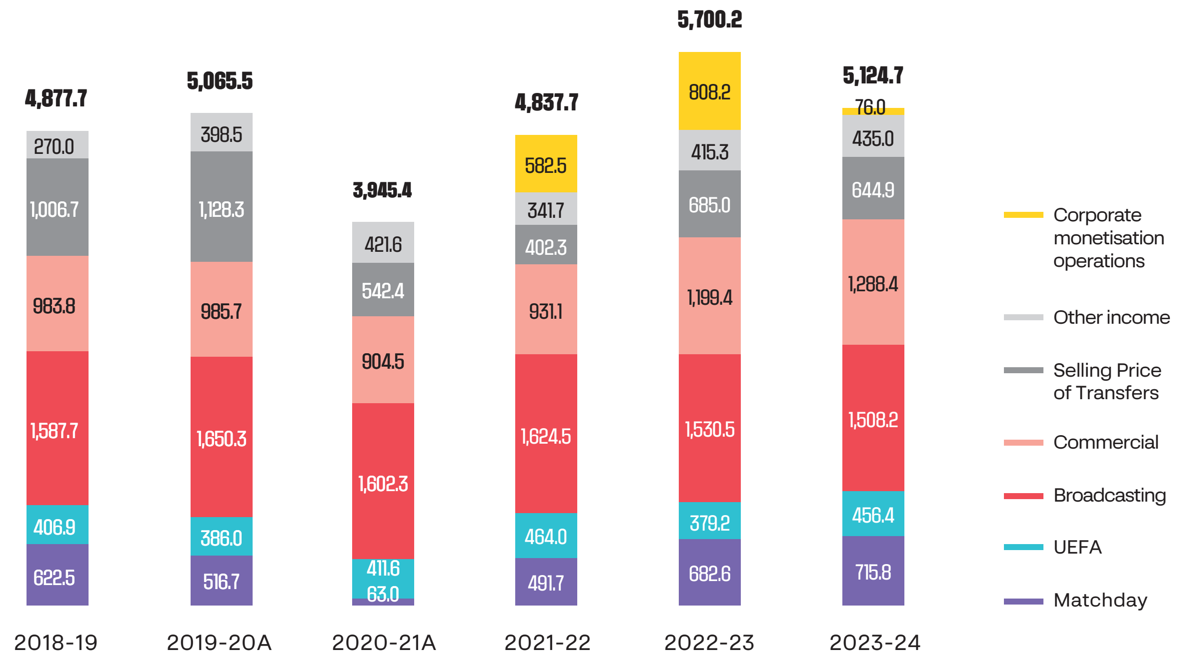


Figure 3

LALIGA – Contribution to Total Income (TI) (%)

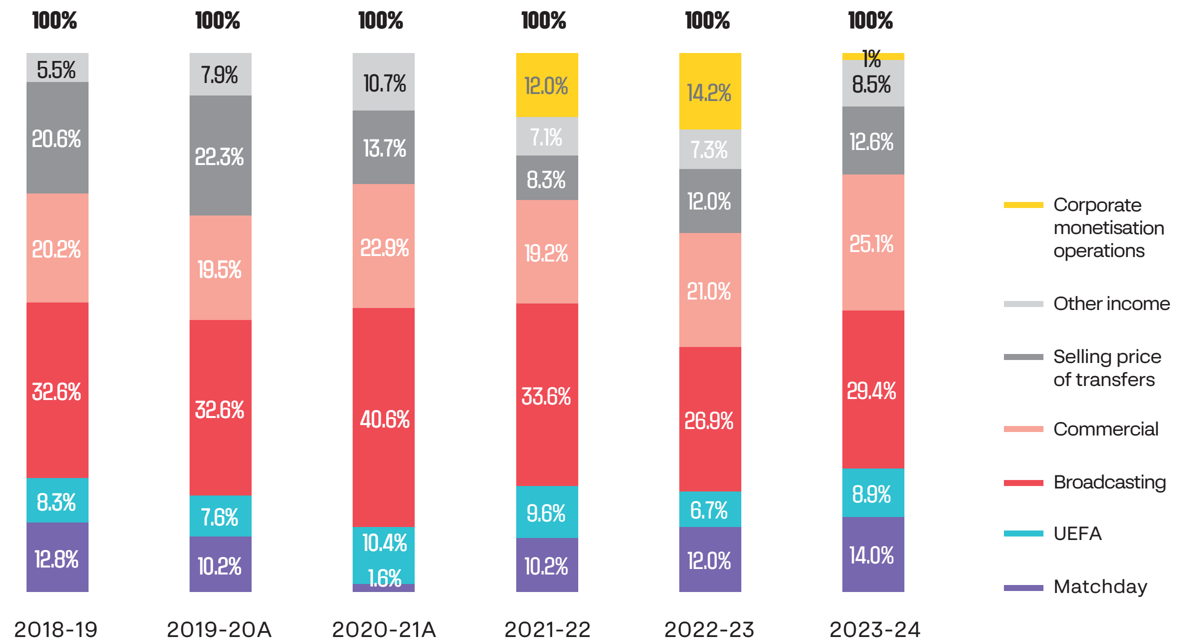


Figure 4

LALIGA – Contribution to Normalised TI (€m)

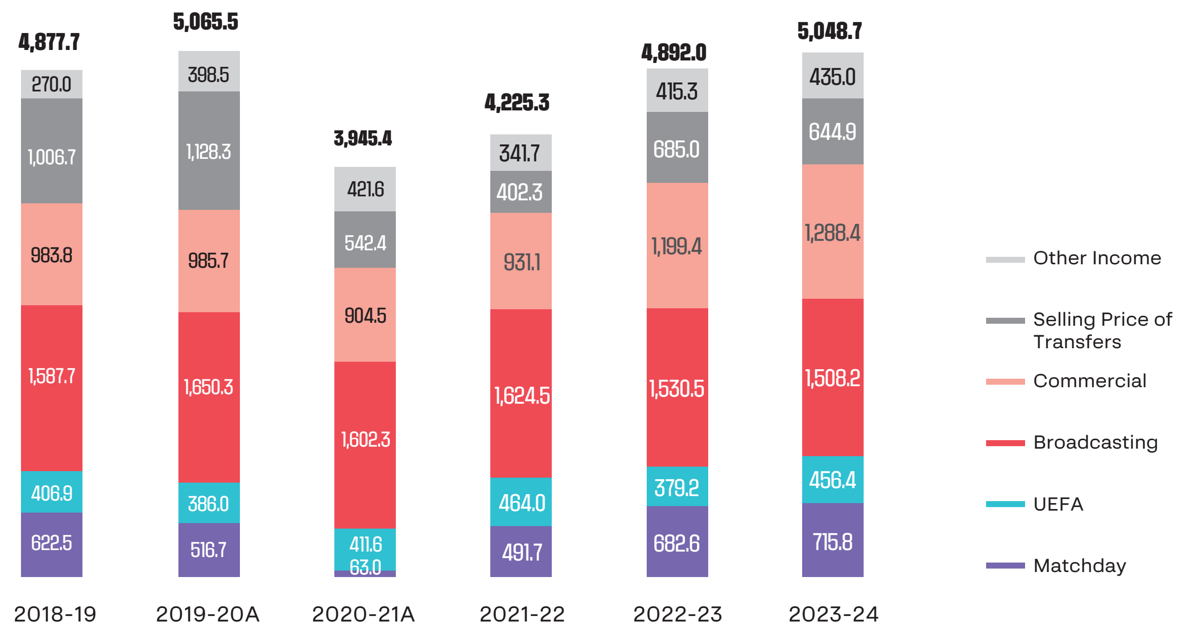
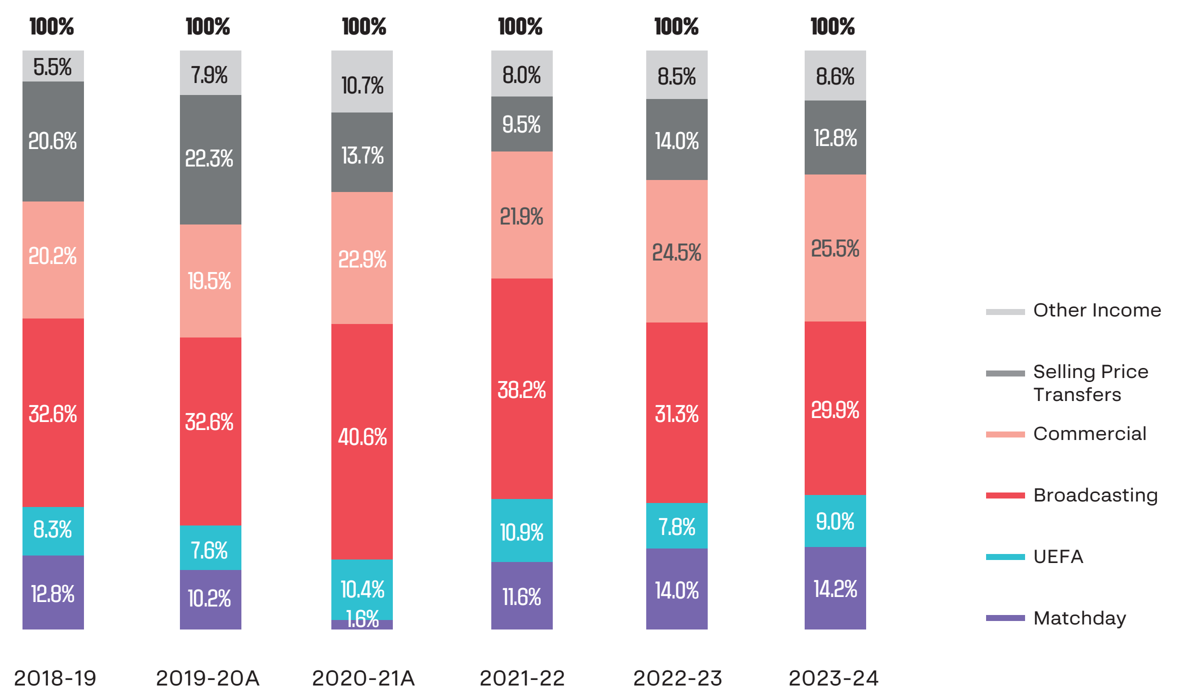


Figure 5

LALIGA – Contribution to Normalised TI (%)



It is appropriate to take a closer look at the positive evolution of *TIn*, due to the heterogeneity of the items that make it up and the asymmetric evolution of some of them.

On one hand, the Clubs' ordinary billings or ***Net Turnover ("NT")***, i.e. the most recurrent and stable ordinary revenues generated on the basis of the four traditional revenue pillars (*Matchday, Commercial, Broadcasting and UEFA*), reached an absolute maximum of €3,968.8m in S 23/24 (+4.7% YoY / $CAGR_{5y}$ +2.0%). Never before has *LALIGA's* turnover been so close to €4,000m.

Record revenues, largely supported by the virtuous cycle in Commercial and *Matchday* billings, which this season saw the addition of UEFA

Once again, it is worth highlighting the endogenous growth of the Clubs' recurrent billings that – after suffering the sharpest drop in the historical series[4] in S 20/21 following the outbreak of Covid – has not only been able to recover the "lost" revenues in a dizzying amount of time, but has also reached an all-time high and exceeds it consistently. This has been the case for the last two years in a row, with the previous highest benchmark being reached in S 18/19 (+€191m and +€368m respectively). It is also expected that this improvement will continue in the coming seasons, thereby consolidating a virtuous cycle of development, capitalising on the investments for growth made by the *LALIGA IMPULSO* member Clubs as well as other specific investment incentivise in infrastructures, whose impact is still to be realised and which will boost the evolution of the *LALIGA* entities in the medium and long-term.

Figure 6

LALIGA – Historical evolution NT (€m)

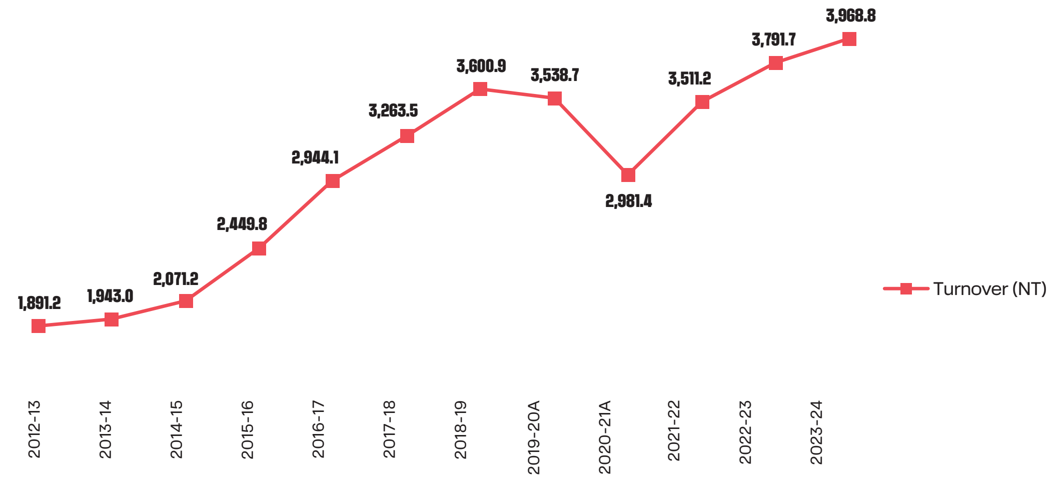
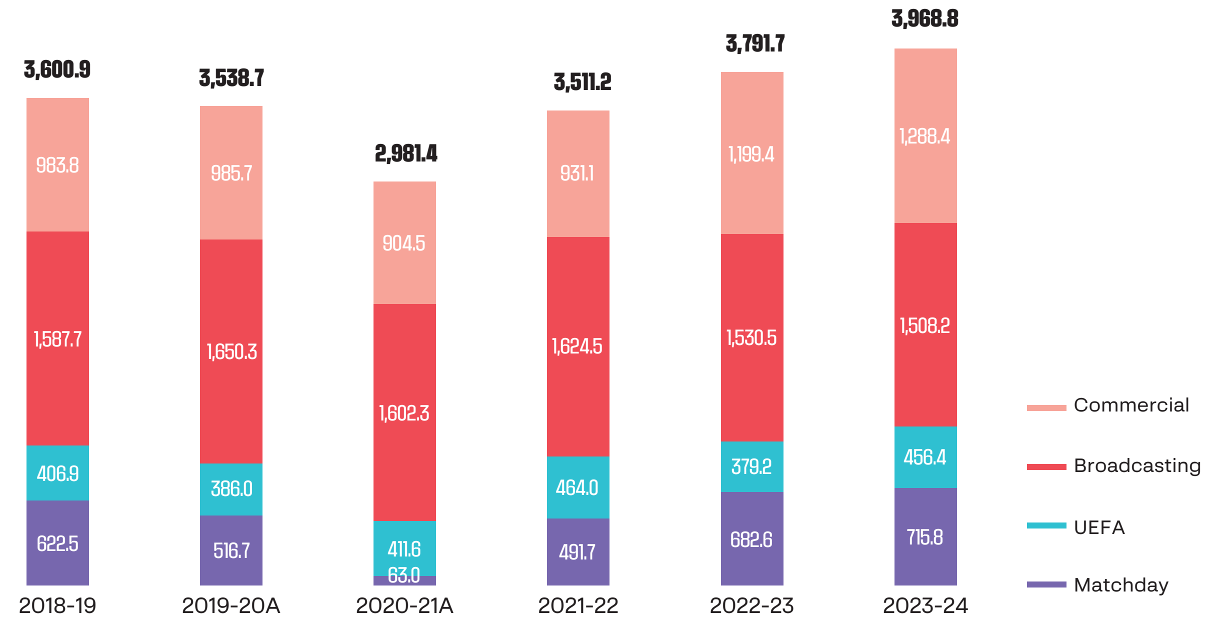


Figure 7

LALIGA – Contribution to NT (€m)



- ***Commercial*** **(sponsorship, advertising and *merchandising billings*): €1,288.4m (+7.4% YoY / *CAGR*$_{5y}$ +5.5%).**
  It recorded an all-time high, with significant growth compared to the previous season. This is now two consecutive years of exceeding the €1,000m in this heading, when only 10 seasons ago the aggregate figure was barely €500m.

  These figures show that the social dimension of *LALIGA* Clubs continues to grow season after season and the loyalty of fans is developing on all fronts (digital vs non-digital, matchday vs non-matchday, etc.), boosting this pillar of recurring revenue generation.

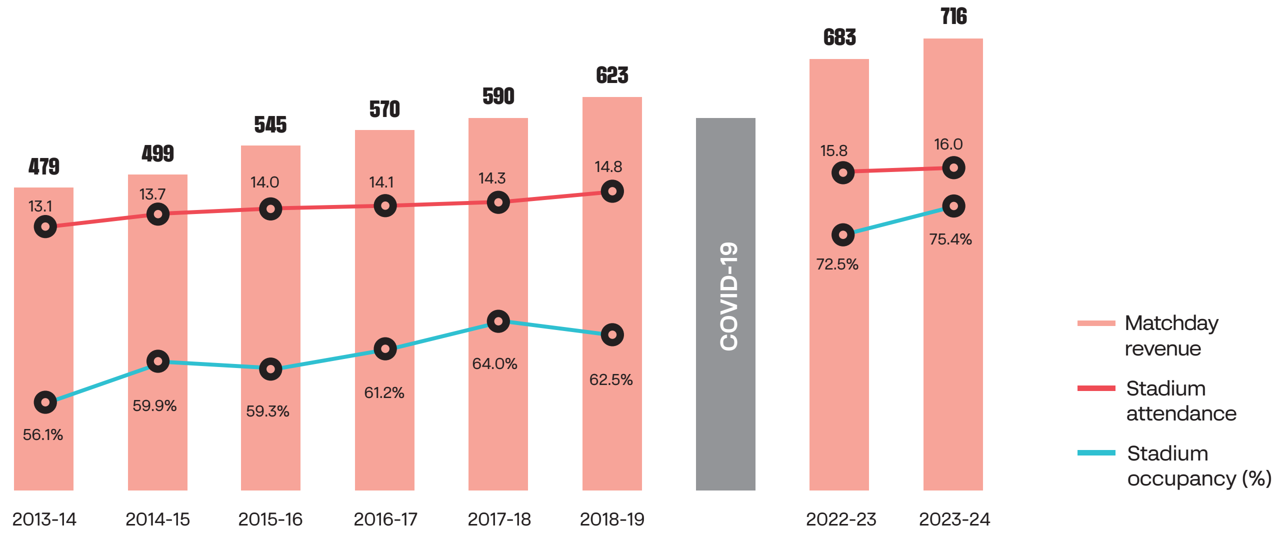
During the course of S 23/24, several Clubs invested heavily in the commercial expansion of the business, mainly through the opening of new physical shops (whether or not associated with the opening of new stadiums), the new *food & beverage* proposals, the greater sophistication and value proposition of *hospitality-related* proposals, etc. This aspect has had a positive impact on the level of activity already in this last closed season, but will also allow them to continue increasing revenues under the heading in the future.

On the more purely digital front, the *LALIGA* Clubs social networks as a whole ended S 23/24 with 1,202 million followers, a growth of 208 million (+21%) over the previous season's 994 million followers. In addition, the Association as an organisation also reached 229 million followers on social media, consolidating its position as the leader in digital strategy among the large football leagues worldwide.

- ***Matchday*** **(*ticketing* and season ticket revenues): €715.8m (+4.9% YoY / *CAGR*$_{5y}$ +2.8%).**
  In the reference season, another all-time high was consolidated, surpassing that of the previous year. In addition to full normality, with no stadium capacity restrictions as a result of the pandemic, there was a record stadium attendance in S 23/24 – with 16 million spectators –, an 8.1% increase compared to S 18/19, the last one with unrestricted access before Covid. Moreover, the available records for S 24/25 show that this pattern is accelerating.

Figure 8

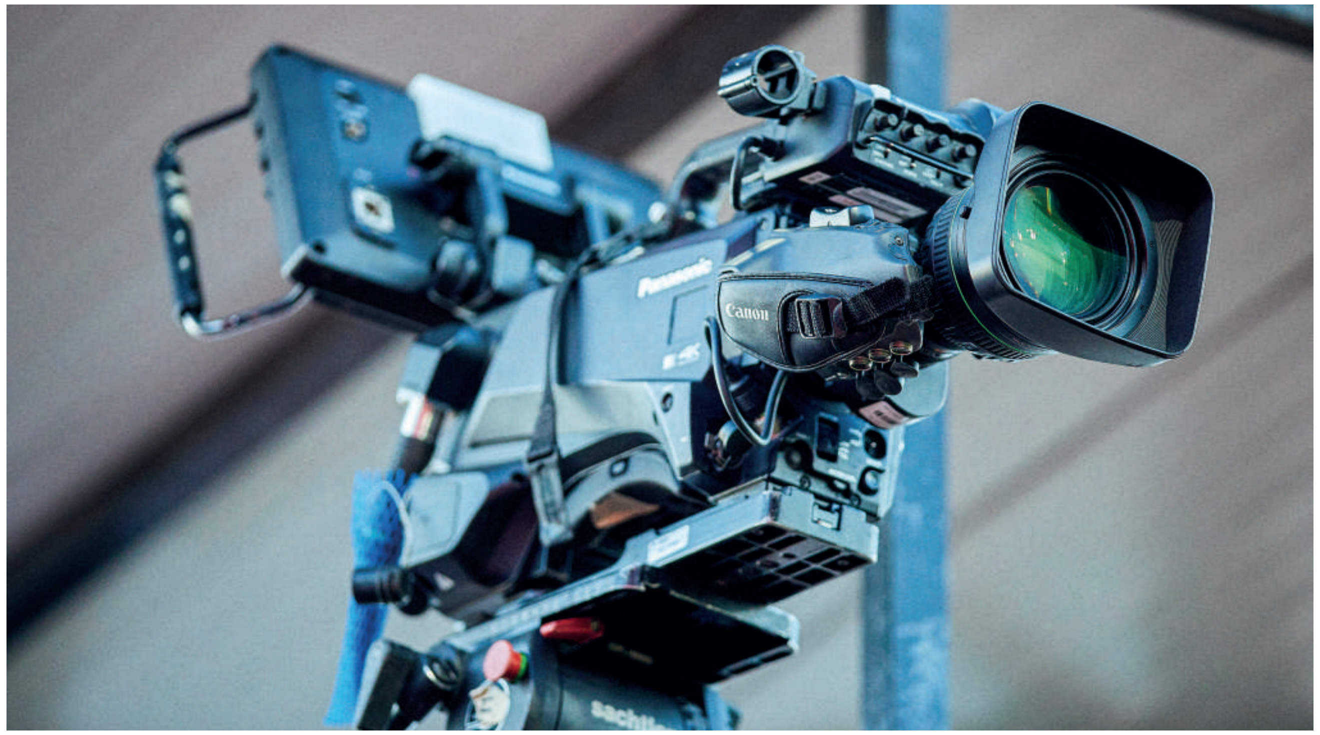
LALIGA – Stadium attendance (millions of people and % occupancy) and Matchday revenues



From the revenues recorded by *LALIGA* (both *ticketing* and competition season ticket holders) and stadium attendance figures, it can be deduced that the average revenue per seat per match in the Spanish professional competition amounted to €32.8 in S 23/24, +8.0% higher than the average revenue of €30.4 in S 18/19, the last season before the pandemic. Therefore, this average amount has increased at a cumulative annual rate of +1.6% (*$CAGR_{5y}$*) since then, a much lower level than effective annual inflation, which since 2019 has evolved at a cumulative annual rate of +3.6%. Consequently, it is evident that the Clubs have not passed on the inflation borne by fans, but rather the opposite has happened, which has helped increase the power of attracting fans to stadiums, generating a symbiotic movement of increased revenues, thanks to the greater attendance and consumption of fans on matchdays, and less relative effort in terms of consumption.

The stadiums of the *LALIGA* Clubs showed a significant dynamism in S 23/24, the third season without the impact of the pandemic, despite some stadiums continuing to have capacity restrictions due to ongoing infrastructure work, as was the case with the stadiums of *RMA* and *FCB*, the two largest in the competition, both with renovations that meant partial or total closures of stands in their facilities for at least part of the season.

The improved *Matchday* revenues are underpinned by record stadium attendances, with average ticket and season ticket prices remaining stable



- ***Broadcasting*: €1,508.3m (-1.5% YoY / *$CAGR_{5y}$* -1.0%).**
  This heading mainly includes broadcasting rights in domestic and international markets marketed and distributed by the Association under RDL 5/2015.

  S 23/24 corresponded to the second year of the current (five-year) cycle.

  Despite the increase in gross broadcasting income marketed inter-cycle by *LALIGA* (+2.6%), the evolution of this billings concept showed an annual decrease of €22.4m, basically because S 23/24 marked the expected intensification of the compensation (or consideration for the Investor) derived from the *LALIGA IMPULSO* strategic operation, although this will be reduced in relative terms from S 25/26 onwards. On the other hand, despite the incipient growth investment projects associated with *LALIGA IMPULSO*, the expenditure derived from this strategic operation is beginning to be offset by the increase in other billings – mainly *Commercial* and *Matchday* – whose trends are being strongly stimulated.

  As anticipated above, this slight decrease in Clubs' net *Broadcasting* billings should not hide the year-on-year increase in broadcasting revenues commercialised by *LALIGA*, which in S 23/24 reached €1,840m. In addition, the aforementioned growth investments are also able to sustain the *Broadcasting* revenue base in the medium to long-term (upcoming national and international broadcasting tender cycles).

- ***UEFA*: €456.4m (+20.4% YoY / *$CAGR_{5y}$* +2.3%).**
  This item represents a recurring source of revenue but with greater volatility due to the direct dependence on the number of Spanish Clubs competing in European competitions, as well as its variability depending on the sporting results achieved in official continental tournaments. As a result, the increase compared to the previous season is mainly due to the success of the last season, in which seven Spanish teams were represented in UEFA, with better sporting performance, and one, *RMA*, ended up winning the title in the top competition – the one that brings in the most revenue for the participating Clubs (*Champions League -UCL-*).

From the analysis of the different sub-items that make up the billings (*NT*) of the Clubs, it is generally observed that they are doing very well, especially thanks to the evolution of the *Commercial* and *Matchday* items, with which a consolidation of the upwards trend in the organic revenues of the entities can be seen, propitiated by the profound corporate transformations, particularly with key infrastructure renovation projects, as well as investments for growth, mainly in the digital field, in the branding and internationalisation.

Despite fewer than three seasons having passed since the birth of the *LALIGA IMPULSO* strategic project, to which 44 entities voluntarily became members, the results are starting to come thanks to the work of the Clubs. Since the beginning of this strategic initiative, the Association has set certain aspirational objectives, adapted to the needs of each entity, and these have drawn up development plans to meet these objectives, the implementation of which is being continuously and exhaustively supported by *LALIGA*.

For the current S 24/25, which will be analysed in more detail in the Guidance / *Outlook* section of this Report, billings are expected to continue evolving positively at an aggregate level, although the impact of the comprehensive renovation works of the largest *LALIGA* stadium in terms of capacity – the Fútbol Club Barcelona *FCB* stadium (Camp Nou) – will have a significant effect that will lead to a slower growth rate in the short term, offset by a higher one in S 25/26. Clubs that are renewing their physical and technological infrastructures will experience the greatest impact in the long-term results, so that major growth in billings in all their revenue lines over the coming years could be estimated.

Therefore, the improvement in *Normalised Total Income (NTI)* in S 23/24 derives largely from the growth in billings or *NT*, but also fed by other business lines that merit detailed analysis:

- ***Transfers of players*[5]: €644.9m (-5.9% YoY / *$CAGR^{5y}$ -8.5%*).**
  As indicated above, one of the indirect impacts of the pandemic, which continues to affect Clubs unfavourably, is the reduced activity in the transfer market, which is in a logical phase of economic-financial stabilisation after the impact of Covid.

  Consequently, domestic demand for players remains below pre-pandemic figures and the overall transfer market was sustained in S 23/24 primarily by the investment levels of other leagues, which, like the *English Premier League (EPL)*, rely on systematic capital injections by shareholders of English Clubs, with very little control, and which saw their transfer market systematically record investment every year until S 23/24.

Decreased revenues from player sales compared to the previous two seasons, and far from pre-pandemic levels

Figure 9

LALIGA – Player sales and destination markets (€m)

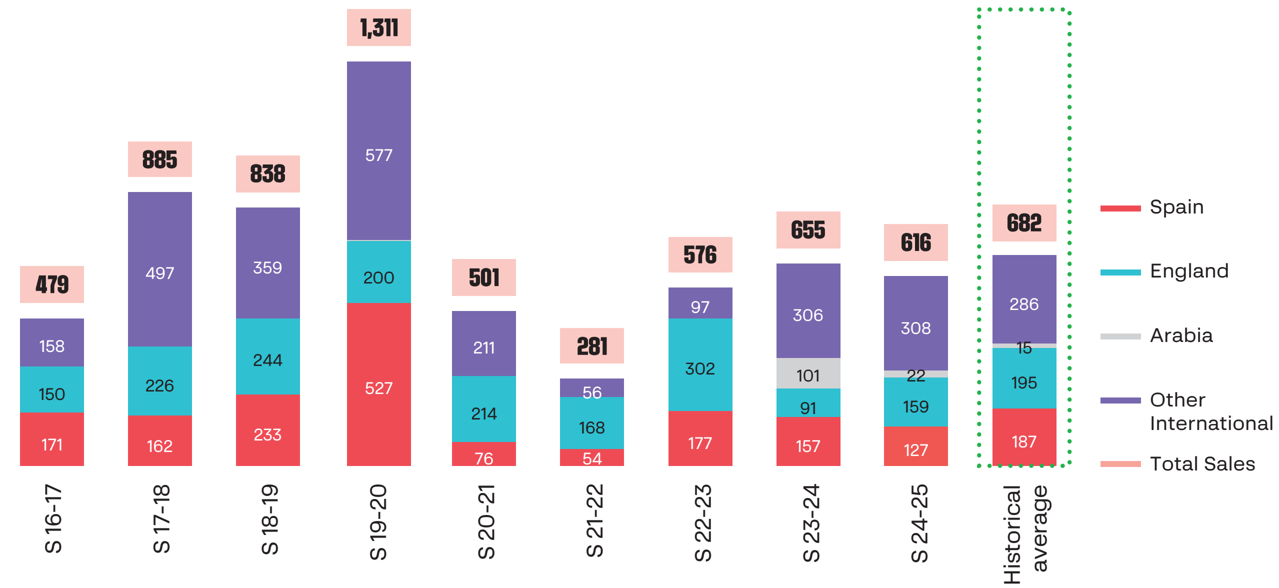
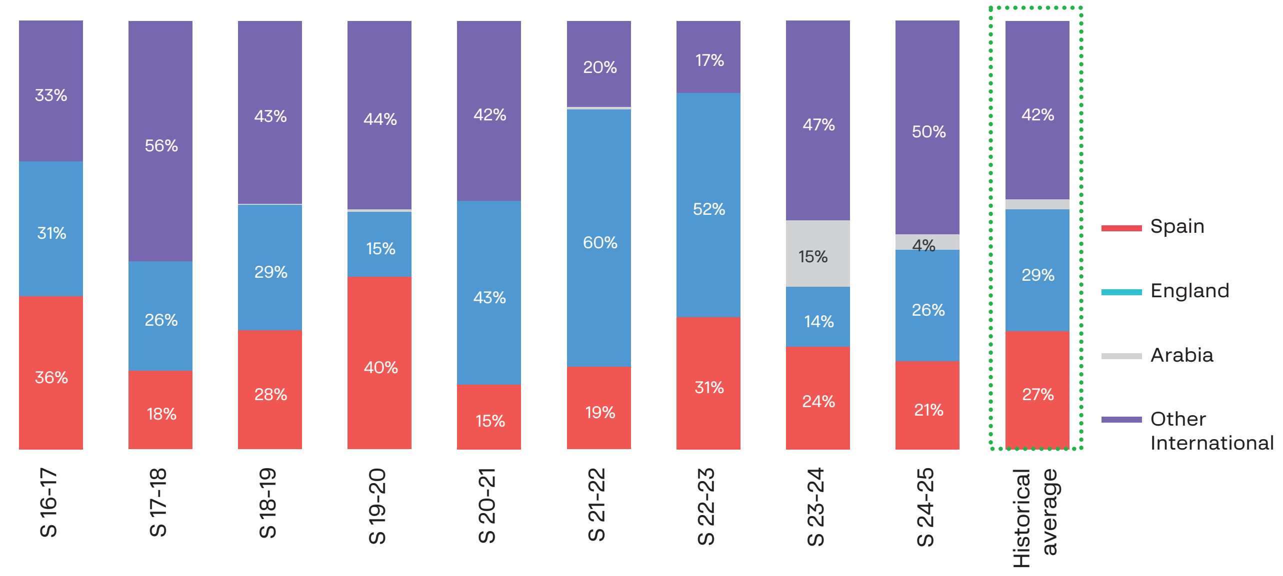


Figure 10

LALIGA – Destination of player sales and destination markets (€m)



In any case, this sustained – but unsustainable – increase in investment and expenditure of certain competitions, mainly the *EPL*, supported by financial resources not generated by professional football, has been producing an inflationary spiral which, together with other factors, has led to the British government intervening. The latter has announced the creation of an independent supervisory body to increase oversight and Financial Control of English Clubs. The figures are still too large, and it would be desirable that the results begin to be seen with greater intensity. But for the first time in more than a decade, the pace of activity has slowed in the English competition. While this is good news for the European professional football ecosystem as a whole, the records are still outrageous and introduce serious distortions to the overall balance.

This revenue item (i.e. selling price for transfer of players), which for Spanish Clubs hit a low point in S 21/22, is gradually recovering – even having recorded a slight drop in the last season – and in S 23/24 it reached the fifth best figure ever, although it still only represents 57.2% of the all-time high achieved in S 19/20, when €1,128.3m in revenues from the selling price for the transfer of players was recorded. As has been analysed above, Spanish Clubs are effectively accommodating to this situation, absorbing the reduction in this part of the activity with an increase in recurrent revenue.

Figure 11

UEFA major leagues – Investment in players (purchase price)

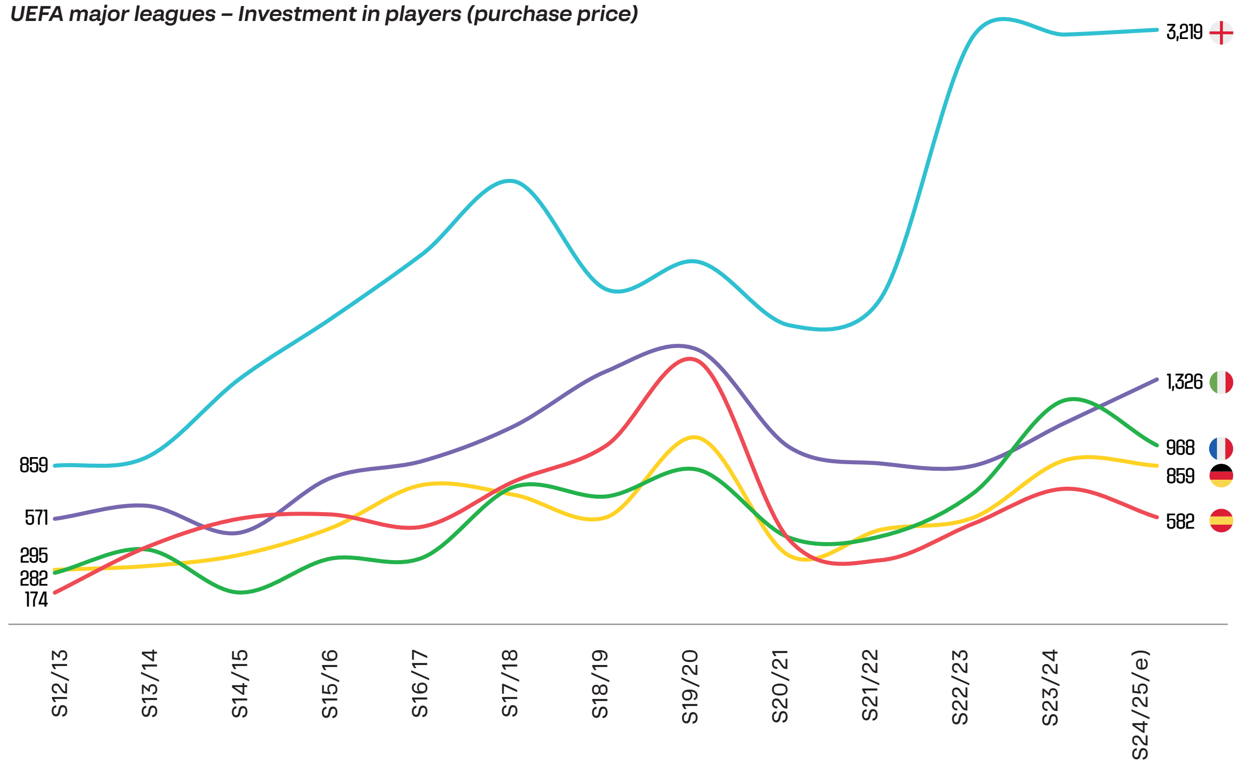


Figure 12

UEFA major leagues – Disinvestment in players (selling price)

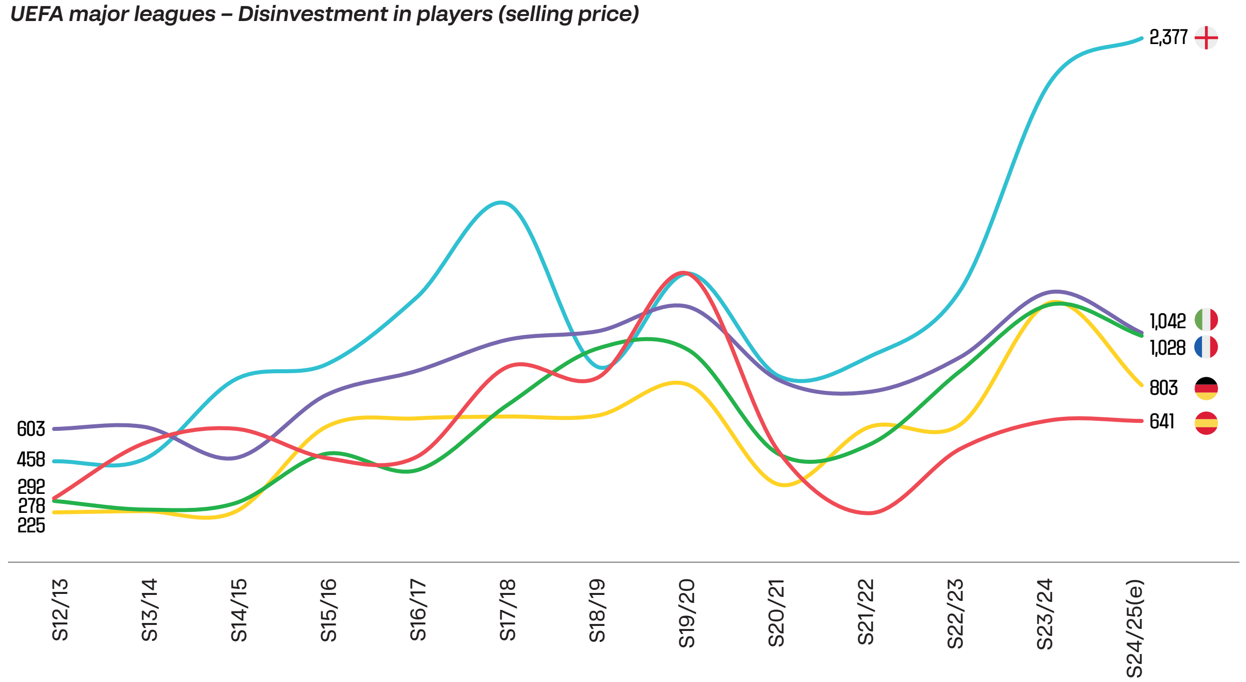
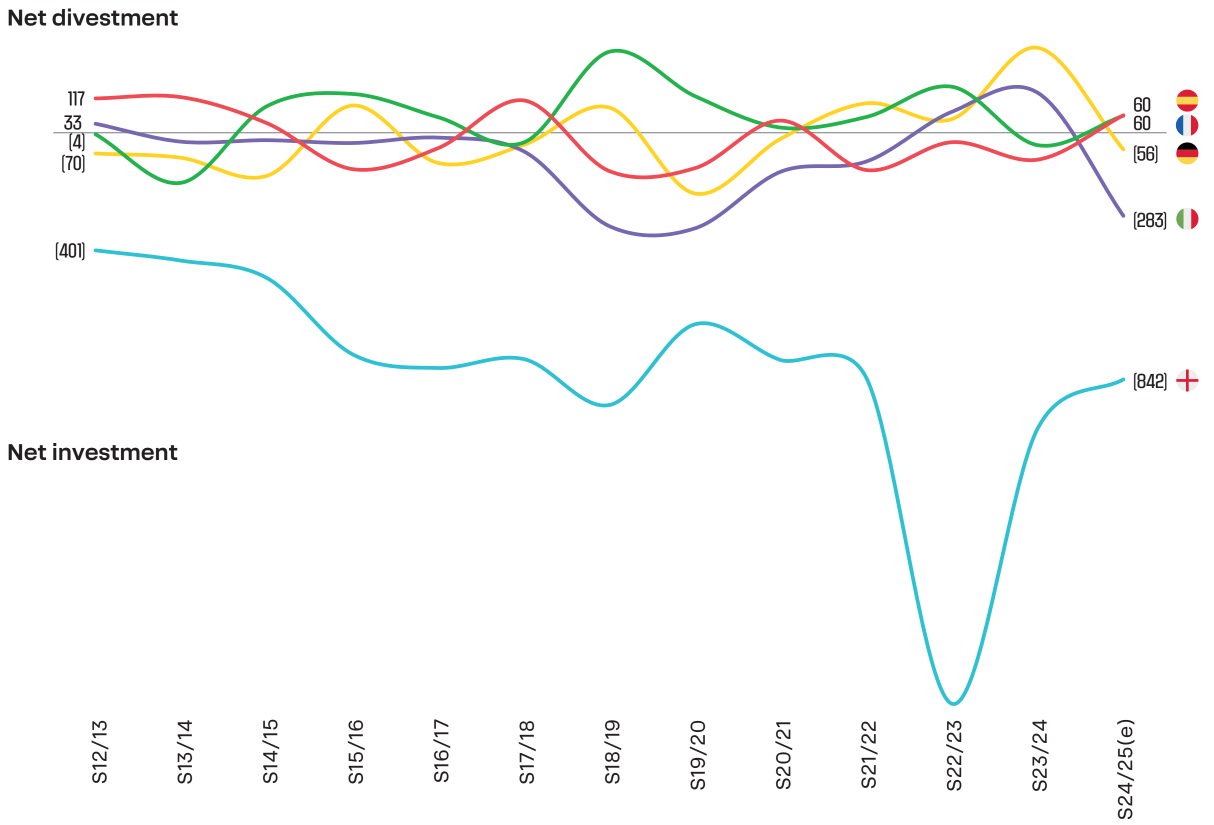


Figure 13

UEFA major leagues – Net investment in players (Investment - Divestment)



Source: the activity level figures for Germany, England, France and Italy have been obtained from the Transfermarkt portal, while those for *LALIGA* have been obtained from the individual Clubs' Annual Accounts and the Association's records for the current S 24/25.

For the current S 24/25, it is to be expected that the revenues (i.e. selling price) for this concept in the Spanish professional competition will be somewhat higher than in S 23/24 and S 22/23, and therefore still far from pre-pandemic records. However, the level of investments (i.e. purchase price) of *LALIGA* is expected to continue to decrease. Therefore, the net intensity in this market will continue to decrease, which will contribute to the long-term improvement of the economic-financial physiognomy of the Spanish Clubs. However, this pattern is not affecting the attractiveness of the competition (as evidenced by stadium occupancy and attendance figures – in a current season in which, at the date of this Report, three teams are in a position to compete for the championship) and the degree of sporting competitiveness shown by *LALIGA* participants in UEFA and FIFA international tournaments.

> The excesses of *Premier League* Clubs could undergo a sharp correction as the British Government threatens to intervene to improve the financial sustainability of English professional football

In this sense, the scale of net investment in England, which slowed to a crawl in the last season as a result of the threat of the future new oversight body created at the behest of the English government, has been replaced by a new disruptive element in the form of the Saudi Arabian League. It is too early to assess the direct and indirect effects on *LALIGA* Clubs, and whether the competition will repeat the levels of investment and salary expenditure of the concluded S 23/24 and the current S 24/25.

If the English competition, and to a lesser extent the Italian one, were to finally embark on a path of structural moderation and the restraint that is beginning to be seen were to intensify, this would have an impact on the leagues themselves and on the rest of the competitions at a European level. Less money would move in the market, so a recovery (to pre-pandemic levels) of income from the transfer of players (neither in terms of capital gains generated) would not be foreseeable, but the inflationary pressure on salaries and transfer prices that has existed in recent years at European level would be corrected. This is also taking into account that England has traditionally been the main buying market for sporting talent, both from *LALIGA* and from other competitions on the continent. The moderation of inflationary intensity on transfer prices will be seen in the Clubs' financial statements throughout the upcoming seasons, because they are spread throughout the income statements of the entities over several years. All this will undoubtedly have a positive effect on the entire European football activity and the sustainability of its finances. However, for the time being, the rationality in the level of net investment in players, which does not generate aggregate financial imbalances, is still only structurally visible in the German and Spanish professional competitions. The rest continue to contribute unsustainability to the system as a whole.

This new foreseeable, or at least desirable, scenario of investment in players, in any case, is in line with the thesis advocated for many seasons now by the Spanish Association in terms of financial balance and how injections of money generated outside football, destined to spend and invest in players in an unbridled manner, cause a multiplier effect and an inflationary spiral on the entire ecosystem of European football. Correcting these excesses would inevitably have a positive long-term effect, reducing upwards pressure on costs, reducing the volatility of activity, and improving the financial sustainability of the entities.

- ***Other revenue:***[6] **€511.0m (-58.2% YoY / *CAGR*$_{5y}$ +13.6%).**
  This heading, which includes other revenues of both an operational and financial nature, as well as certain accounting conventions, is – by its very nature – the most erratic revenue item. In the two years prior to the end of S 23/24, there was exponential growth mainly as a consequence of corporate asset monetisation transactions (i.e., sale of future credit rights or impacts related to the sale of subsidiaries) carried out by the two biggest *LALIGA* Clubs: *FCB* and *RMA*, accounting for a very significant weight in the *Total Income (TI)* of the Spanish competition (more than 21% of the total). In S 23/24, this chapter contracted significantly, with only *RMA* recording an extraordinary operation related to the multi-year marketing of the VIP boxes of its new renovated stadium, for an amount of around €76m vs the €808.2m recorded in the previous season, from both *RMA* and *FCB*).

Apart from the situation of these last two headings, which are of a more seasonal or cyclical nature, or even extraordinary in the case of 'Other Revenue', the structural condition of turnover of the Spanish professional competition, mainly related to billings, recurrent and stable activity, is undoubtedly positive. The current situation of *Commercial* and *Matchday*, together with the major infrastructure reforms and the professionalisation of non-sporting professional structures, as well as the other investments for growth (aligned with the objectives of *LALIGA IMPULSO*), leads us to foresee that revenues will continue to grow at a considerable rate in upcoming seasons in terms of trend – except for circumstantial/extraordinary issues that cannot be anticipated at this time.

Table 1

LALIGA – Evolution of Total Income (TI) (€m)

LALIGA	2018-19	2019-20A	2020-21A	2021-22	2022-23	2023-24	CAGR %	Abs.
Matchday	622.5 -	516.7 -17.0%	63.0 -87.8%	491.7 680.7%	682.6 w38.8%	715.8 4.9%	2.8%	1.15x
UEFA	406.9 -	386.0 -5.1%	411.6 6.6%	464.0 12.7%	379.2 -18.3%	456.4 20.4%	2.3%	1.12x
Broadcasting	1,587.7 -	1,650.3 3.9%	1,602.3 -2.9%	1,624.5 1.4%	1,530.5 -5.8%	1,508.2 -1.5%	-1.0%	0.95x
Commercial	983.8 -	985.7 0.2%	904.5 -8.2%	931.1 2.9%	1,199.4 28.8%	1,288.4 7.4%	5.5%	1.31x
Turnover (NT)	**3,600.9 -**	**3,538.7 -1.7%**	**2,981.4 -15.7%**	**3,511.2 17.8%**	**3,791.7 8.0%**	**3,968.8 4.7%**	**2.0%**	**1.10x**
Player Transfers (selling price)	1,006.7 -	1,128.3 12.1%	542.4 -51.9%	402.3 -25.8%	685.0 70.3%	644.9 -5.9%	-8.5%	0.64x
Other Revenue*	270.0 -	398.5 47.6%	421.6 5.8%	924.2 119.2%	1,223.5 32.4%	511.0 -58.2%	13.6%	1.89x
Total Income (TI)	4,877.7	5,065.5	3,945.4	4,837.7	5,700.2	5,124.7	1.0%	1.05x
Annual % change	-	3.8%	-22.1%	22.6%	17.8%	-10.1%		
Normalised Total Income (NTI)**	4,877.7	5,065.5	3,945.4	4,255.3	4,892.0	5,048.7	0.7%	1.04x
Annual % change	-	3.8%	-22.1%	7.9%	15.0%	3.2%		

* Total Income (TI) including extraordinary corporate asset monetisation (i.e. sale of future credit rights)
**Total Income (TI) excluding the above effect

Expenses

The aggregate ratio, for the aggregate of Clubs, of total operating expenses (*OPEX*[7]) over billings (*NT*) was 104.8% in S 23/24 (vs 108.9% in S 22/23), which represents a significant increase in the operating efficiency of *LALIGA*.

Containment of Clubs' operating expenses despite growth in billings, with a fall in salary costs associated with the squad

When interpreting this indicator, it should be noted that in the previous seasons (S 20/21, S 21/22 and S 22/23), the weight of *OPEX* – a figure that does not include the depreciation of fixed assets – rose considerably as a result of several factors:

- Non-recurring revenues derived from extraordinary corporate operations (*FCB* and *RMA*), which implied a higher level of expenses, without these revenues being recognised within the *NT*, thereby distorting the significance of this indicator in the aforementioned seasons. Therefore, it was the strong growth in *Other Revenue* that allowed for a higher absorption of the increase in *OPEX*.
- Slowdown or drop in recurrent billings as a consequence of the pandemic, particularly affecting S 20/21.
- High inflationary situation that particularly impacted during S 22/23 (with hardly any margin to react / pass on the cost increase to revenues).

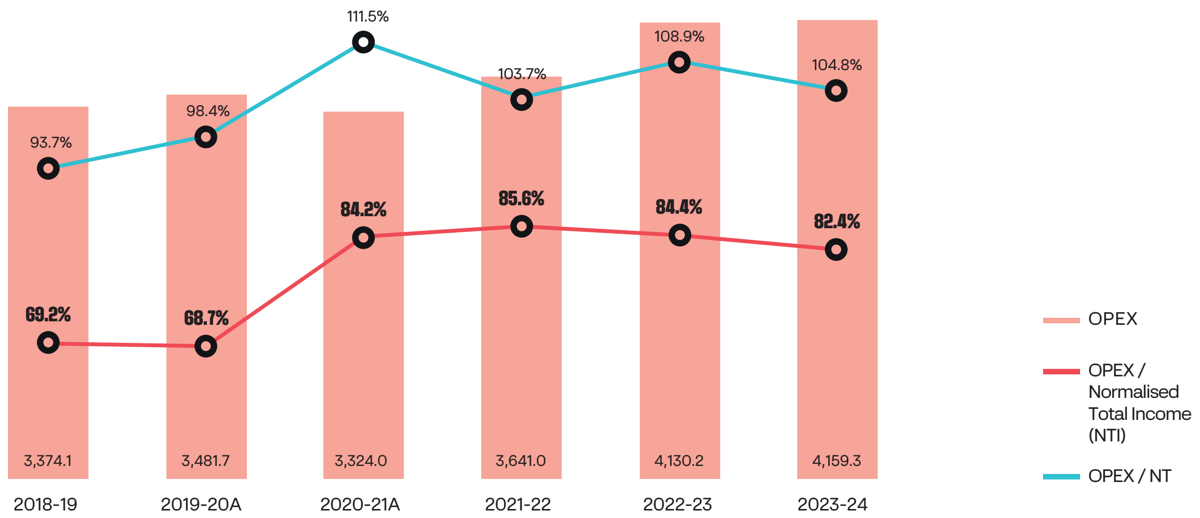
Therefore, caution should be maintained in the interpretation of this ratio, which remains on a normalisation path and is expected to return to levels below 100% during the current S 24/25 (as was consistently the case in the pre-pandemic years).

In this sense, it is significant to note that, in the series analysed in this report, squad costs have evolved in a controlled manner in aggregate terms, growing at a rate practically identical to that of ordinary billings (and even falling 3.8% in S 23/24 vs the 4.7% increase in billings). However, the remaining operating expenses have risen at a higher rate, largely due to the exogenous factors explained above. But there is also an endogenous growth component in the associated higher cost, such as the opening of new shops by various Clubs and the deepening

or scaling up, in general, of their commercial activities. This effort is being offset by the higher structural billings, which is particularly visible in *Commercial*, and which will continue to grow in the coming years.

Figure 14

LALIGA – OPEX (€m and % of Revenue)



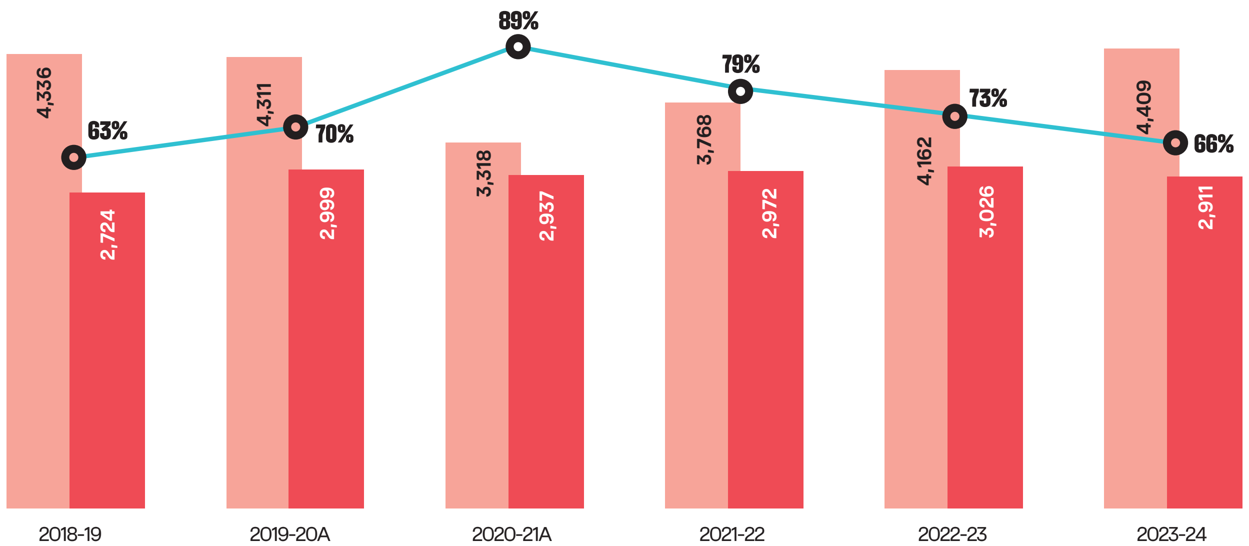
The evolution of expenses by Clubs during S 23/24 presented a clear dichotomy from an analytical point of view if one compares the evolution of the expenses more related to the cost of the playing staff with the other expenses of the structure of professional football:

- ***Squad cost ("CPD"):**[8] **€2,911.1m (-3.8% YoY/ *CAGR*$_{5y}$ +1.3%).*** This figure, which mainly includes the wage bill of the squad and the depreciation of players, has been kept under control in the long-term (and even decreased moderately in the last year) thanks to the effort made by Clubs to contain it and also due to the need to comply with the Financial Control regulation of *LALIGA*. Although revenues have grown at a faster rate, as seen above, *CPD* has managed to fall below the benchmark level of 70% of *NT* plus profits from player transfers for the first time since S 18/19. This is the threshold considered recommendable by UEFA according to the *CPD* ratio (*Squad Cost Ratio*), for entities participating in European competitions, which the institution has just incorporated into its financial regulation. UEFA sets a transitional period for compliance with this limit (applying 90% for S 23/24 and 80% for S 24/25). Therefore, the Spanish Clubs in aggregate terms, during S 23/24, are already considerably below the ceiling set even by the European body.

Squad costs are kept under control, in accordance with the *LALIGA* Financial Control regulation, and at sustainable levels set by UEFA for Clubs

Figure 15

LALIGA – CPD evolution over NT + results from player transfers (€m and %)



In this regard, it is important to emphases the extraordinary determination shown by *LALIGA* Clubs in adjusting their *CPD*levels must be underlined, even more so in a European competitive environment in which there is a double cost pressure: the general increase in prices is coupled with the specific inflation of the professional football sector, which means high pressure on salaries and onerous player acquisitions (investments with a deferred impact on depreciation) derived from domestic competitions – particularly the *Premier League* – that have not controlled the injections of shareholder equity to many entities artificially sustained at a financial level, and which have served to cover the growing losses that the Clubs generated as a result of high salary costs and huge investments in players.

In any case, the *CPD*[a] is mainly broken down under the following headings:

- ***Sports squad wage costs:* €2,346.6m (-3.8% YoY / *CAGR*$_{5y}$ +2.3%)**, evolving in the last year in the opposite direction to the increase in *NT* (+4.7%), an aspect that allows the emergence of a significant amount of organic operating margin in favour of the Spanish competition.

- ***Depreciation of players:* €508.0m (-8.1% YoY / *CAGR*$_{5y}$ -3.5%)**, which reflects the straight-line allocation of the depreciation of investments made by the Clubs in intangible sports assets, i.e. players. Therefore, after the lowest figures for investment in sports squad since the outbreak of Covid, this item, which peaked at €806.8m in S 19-20, has been gradually declining.

LALIGA Clubs have therefore managed to significantly reduce the relative *CPD* indicator for the second consecutive season, which peaked in S 20/21 when the benchmark indicator reached 89% (i.e. *CPD / NT + Results from Player Transfers*), and has already converged on the historical threshold at which it stood before the pandemic, between 60% and 70%.

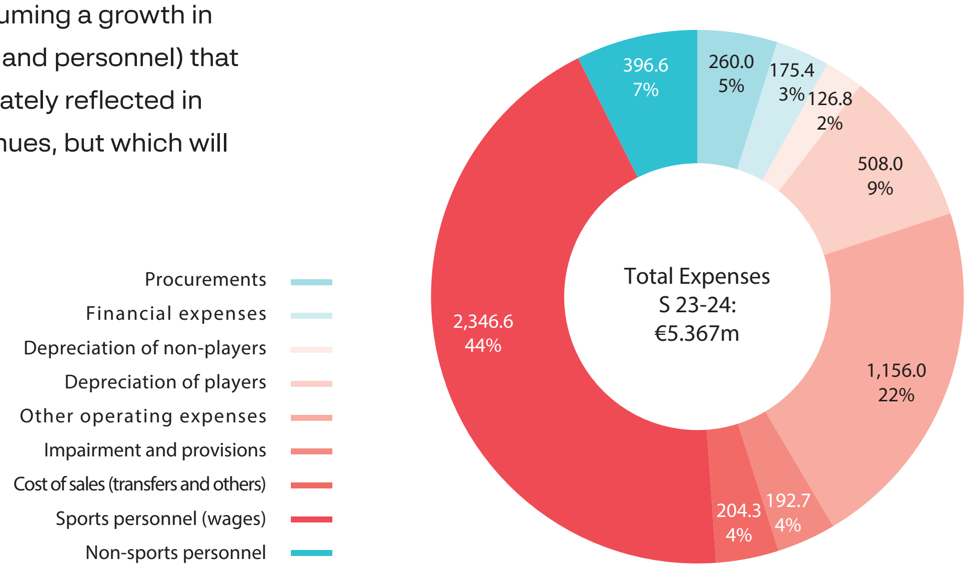
a The CPD, in addition to expenditure on the squad costs and player depreciation, includes expenditure on player acquisitions – under the heading "other operating expenses" – and income from transfers – under "other income".

The situation of high inflation in the markets during S 22/23, combined with the considerable commercial expansion of some Clubs, has had a strong impact on structural costs

- ***General and structural expenses:* €2,114.9m (+7.3% YoY / *CAGR*$_{5y}$ +7.6%).**
  This figure, which proportionally has a significantly lower weight than squad costs (*CPD*), is nevertheless the item that is putting the greatest overall pressure on the cost structure. This is the result, on one hand, of the high level of inflation in recent years, which seems to have normalised in recent months. In addition, the evolution of this item is also highly conditioned in S 23/24 by the commercial development of some Clubs, particularly those that initiated new strategies to expand and diversify the business through the opening of new shops, new *food & beverage* proposals, the greater sophistication of the value propositions linked to *hospitality*. This is assuming a growth in expenses (procurement and personnel) that was directly and immediately reflected in higher commercial revenues, but which will also continue to catalyse future growth in billings over the coming seasons. Likewise, the sustained increase in the professionalisation of Clubs makes it necessary to have more and better human capital in the non-sporting structures of the entities (and therefore with higher associated costs in terms of remuneration – fixed and variable – and social security expenses). This heading also includes the depreciation of other assets (not players), which is currently stable, but when the major renovation and/or construction work on the new stadiums is completed (such as those of *FCB, RMA*, or the recently announced stadiums of Real Betis Balompié -RBB- or Valencia Club de Fútbol -*VCF*-), will tend to increase it notably, although the weight in the overall cost structure of the *LALIGA* entities will continue to be residual, given the long depreciation period of these assets.

Figure 16

LALIGA – Total Expenses[9] (€m and %)



Margins and results

As a result of the growth in the regular revenues of all the Clubs in the Spanish professional competition, together with the stabilisation of operating expenses in aggregate terms, there has been a significant increase in efficiency and aggregate operating margins in *LALIGA*. The amounts and resulting indices are still far from pre-pandemic levels in S 22/23, but a gradual convergence is starting to take place.

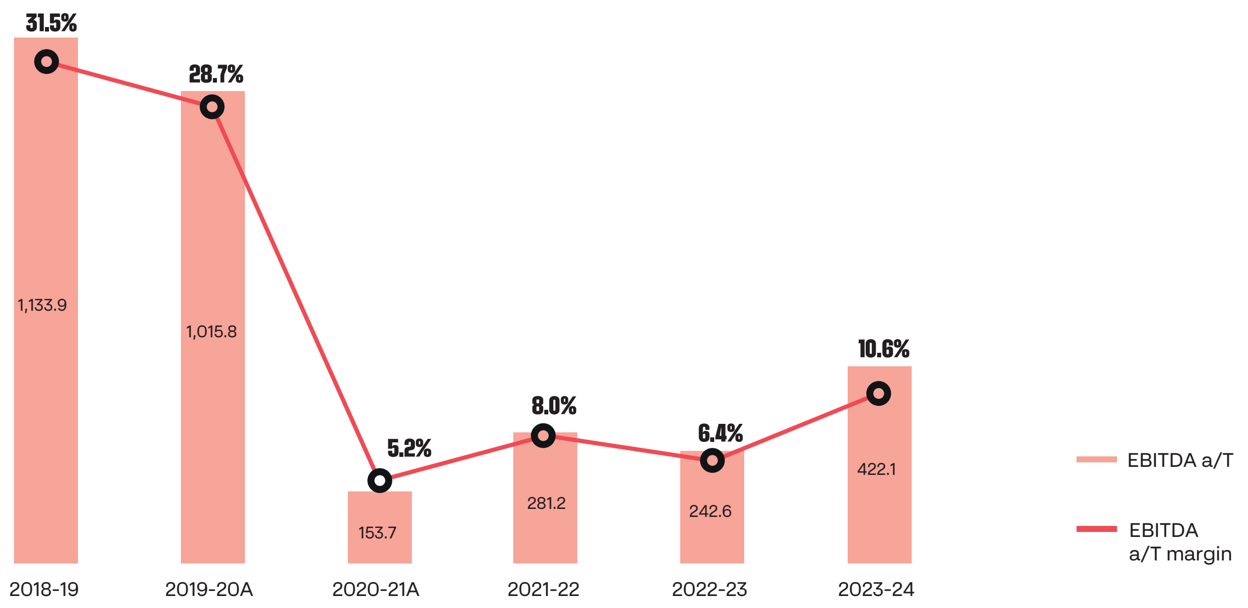
As a result, ***gross operating profit before transfers ("EBITDA b/T")***[10] stood at -€18.4m in S 23/24, compared to -€127.2m in the immediately preceding season. This is a significant improvement in the organic business margin, which is basically at break-even, although not yet at pre-pandemic levels, with an annual average of around €350m.

EBITDA significantly higher than last season, but still far from pre-pandemic levels

Notwithstanding the above, in S 23/24 there was some improvement in the ***earnings from player transfers*** (i.e., selling price - cost of sale of the squad's federative rights; i.e., capital gains obtained from the divestments made), amounting to €440.5m (+19.1% YoY / *CAGR*$_{5y}$ -9.7%), so that the aggregate ***gross operating profit after transfers ("EBITDA a/T")***[11] of the Spanish competition in the last season reached a surplus of €422.1m (+74.0% YoY / *CAGR*$_{5y}$ -17.9%). This level of *EBITDA a/T* reached an all-time high of €1,133.9m in S 18/19, the year before the pandemic broke out. The relevant record was achieved with an *EBITDA b/T* of €398.7m and a *result from player transfers* of €735.1m. These figures are still far from those obtained in S 18/19. However, the pace of recovery is being sustained and consistent.

Figure 17

LALIGA – Gross operating result or EBITDA a/T (€m and margin over NT %)



EBITDA a/T in S 23/24 was 10.6%, significantly higher than the 6.4% margin of the previous season, an increase of 4.2 percentage points. This indicator, if we analyse the whole decade, until the outbreak of the pandemic, reached an average of 29.2%, while in the last three seasons it has remained below what has been the norm, standing at an average of 8.3%. In any case, the fact that *LALIGA* is beating its turnover record year after year, and that this is being achieved with a stabilised cost structure, suggests a gradual convergence towards the *EBITDA* levels and implicit operating margins of the seasons prior to Covid. Contrary to what might appear to be the case, it should not be an objective of *LALIGA* to recover the market and the result of player transfers, if this is again accompanied by an unbridled rate of investment (i.e. player acquisitions or purchase price), even higher than that of disinvestment (i.e. player disposals or selling price), as occurred in the seasons

referred to prior to the pandemic, and whose disincorporation in terms of formal accounting calculations in the Clubs' income statement (immediate selling price and purchase price deferred over the years via depreciation – whose recording does not even impact *EBITDA*) led to the projection of an image of false opulence, far removed from the financial reality of the competition.

However, this evolution is reinforced below *EBITDA* by lower depreciation of players that only partially offsets the situation described above.

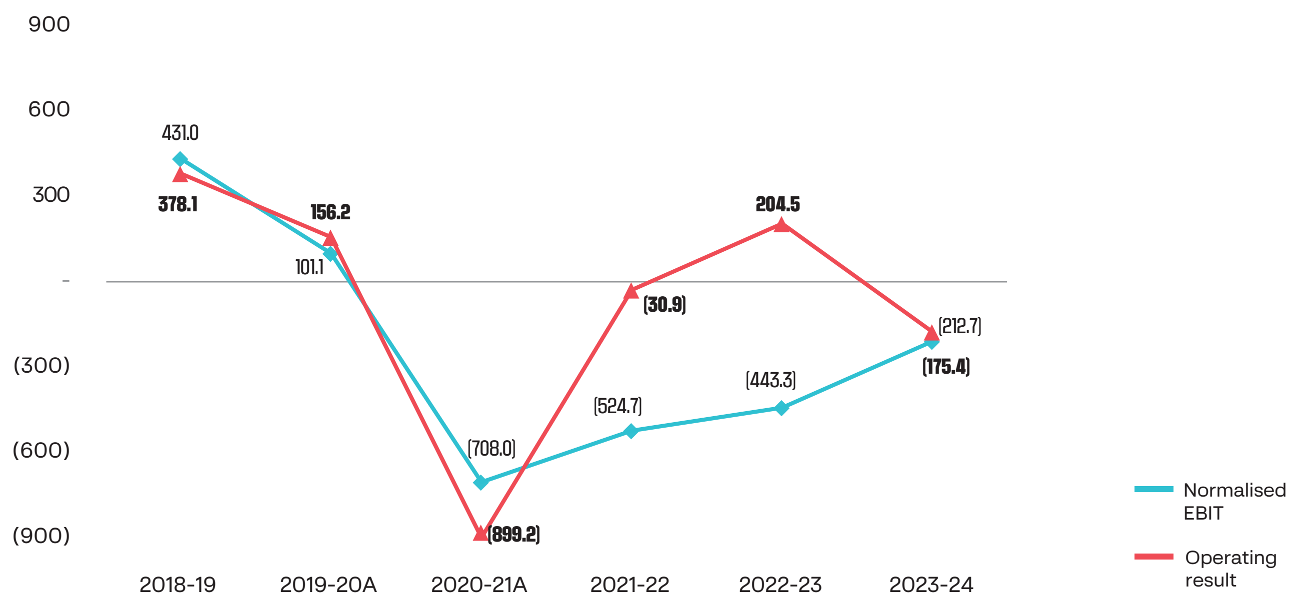
When analysing the aggregate ***EBIT*** of Spanish competition, it is illustrative to look at two complementary figures:

- *Normalised EBIT:*[12] operating profit excluding the impact of extraordinary corporate asset monetisation operations as well as certain other accounting conventions.

- *Operating result (EBIT):*[13] the formal aggregate of the Clubs' income statement, including the impact of extraordinary corporate operations on operating profit and other accounting conventions.

Figure 18

LALIGA – Net operating result -EBIT- (€m)



The significant development of *LALIGA's* aggregate operating result is noted. In the absence of the extraordinary corporate asset monetisation operations carried out in recent years (in S 21/22 and S 22/33, and to a much lesser extent in the last completed season in S 23/24), the aggregate *EBIT* of the Spanish competition is improving solidly on an annual basis since the end of the pandemic, and is already close to converging to break-even, which is expected to be reached during S 25/26.

As for *LALIGA's* aggregate earning below *EBIT*, the situation is also improving, with net financial expenses under control (despite the increase in indebtedness), thanks to the corporate or structured debt operations that are being closed by the Spanish Clubs. This financing – new or refinancing – is no longer only available to the largest entities in the competition, but others such as Sevilla Fútbol Club (*SFC*), Real Betis Balompié (*RBB*) or Valencia Club de Futbol (*VCF*) have signed very significant operations with creditors in the capital markets, thanks to obtaining *Investment Grade* credit ratings, which entail, among other aspects that will be analysed later in the report, a substantial reduction in the financial cost assumed with respect to their previous indebtedness. This means that aggregate net financial expenses have not only not increased, but have actually decreased in absolute terms (from -€107.5m in S 22/23 and to -€105.3m in S 23/24).

It should also be noted that, in the previous season, *FCB* recorded a significant positive financial result of €208m under "equity-accounted income". Isolating this impact, it can be concluded that the ***Financial Result*** (*"FR"*) has remained stable in aggregate terms, which must be significant as it occurred in an environment of generally stable market interest rates, as mentioned at the start of the Report, as well as the increase in indebtedness, which will be analysed in more detail below. Taking into account all indebtedness, not only corporate but also those structured under *Project Finance* (very long-term financing with special features, commonly used in other sectors for specific infrastructure development), as well as the participating loans derived from the agreement with CVC, the average rate has fallen to 2.92%, from 3.80% in S 20/21. If only senior corporate debt is taken into account, the average accrued rate exceeds these percentages and would stand at 6.27%, a level that can also be considered adequate, or reasonably adjusted, taking into account the current situation in the financial markets and the term structure of the benchmark interest rates.

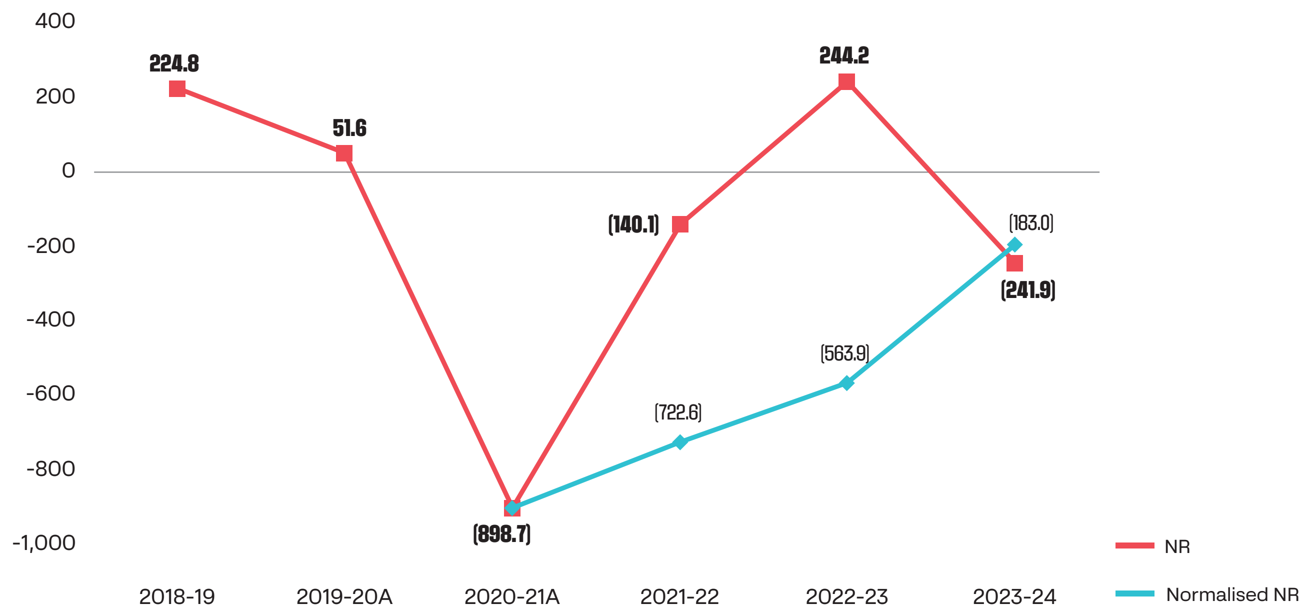
Although the level of financial expenses can be expected to increase in the coming seasons, mainly due to the increase in gross indebtedness associated with major infrastructure renovation projects (mainly stadiums but also training grounds, facilities and/or other investments for growth), the average financial cost of the debt will remain stable thanks to the structuring of the operations, as mentioned above, including the *LALIGA IMPULSO* and the increasing recourse to the capital markets by Spanish Clubs, as well as other particular initiatives, notably the financing of the *RMA and FCB* stadium redevelopments, closed before the recent phase of increasing interest rates in the financial markets and on a very long-term basis.

Or the new ones announced for the current season for the new *VCF* and *RBB* stadiums, which will take advantage of a decrease in the applicable fees compared to the trend of the last two years. These aspects are discussed below in the section on indebtedness.

Normalised Net Result in a clear upwards trend but still negative

Figure 19

LALIGA – Net result (€m)



All of the above results in an aggregate ***Net Result ("NR")*** which, as with *EBIT*, must be analysed from two perspectives:

- *Normalised Net Result*; the result of subtracting the various corporate asset monetisation operations (with impact on *EBIT* or *FR*) carried out especially in S 21/22, S 22/23, and to a much lesser extent in S 23/24.
- *Formal Net Result*; the aggregate of the annual accounts of the Clubs that make up Spanish professional football and which are distorted by the relevance of these corporate operations.

Again, while the improvement is undoubted, *LALIGA* has yet to reproduce the profit levels it achieved on average in the years prior to the pandemic of around €175m.

In any case, despite the fact that these are very positive (normalised) net results over the historical series analysed, and that these records are substantially better than those of other European benchmark competitions such as the English, Italian or French, it is important not to lose sight of the following characteristics that determine this level of aggregate loss:

- Unfavourable impact of Covid still latent in *Results from Transfers*, compared to seasons prior to S 20/21 (negative deviation of around €300m compared to the average of the three seasons prior to the impact of the pandemic).

- An excess squad cost of **€71m** was permitted in S 23/24, derived from the 15% of the funds to be received by each Club via *LALIGA IMPULSO*.

- In addition, Clubs could maintain an additional increase in the squad cost limit ("*LCPD*") as a result of share capital increases in that season or previous ones for a total amount of **€51m**.

- Equally, for those Clubs that meet certain economic-financial requirements stipulated in the Financial Control regulations, they have been allowed to use net equity to increase the *LCPD*. These excesses amount to **€30m** in aggregate.

On this basis, the loss allowance was **€152m** (3.0% of *TIn*). The*result before taxes RBT* neutralising this impact would have been **-€129m**. This *normalised RBT* (excluding allowable losses) is expected to break even in S 24/25.

Investments

The *LALIGA* Clubs are at a historic moment in terms of investment intensity, fundamentally derived from the renovation or execution of new infrastructures and other investments for growth, associated both with *LALIGA IMPULSO* and affecting the vast majority of the entities in the Spanish competition, as well as the work on the *RMA* stadium (currently being completed) or *FCB* (in progress since the end of S 22/23), the facilities with the greatest capacities in the Spanish competition. It is foreseeable that this special investment effort will continue for at least the next five years, taking into account the construction of new stadiums or their comprehensive remodelling, or even other assets owned by the entities (e.g. training grounds, various facilities for commercialisation to the public, etc.) that have recently been announced by entities such as Club Atlético de Madrid -*ATM*-, *VCF* or *RBB* (in the process of financial structuring). Others, such as Club Deportivo Alavés -*ALA*-, Real Zaragoza -*ZAR*-, Sevilla Club de Fútbol -*SFC*-, Cádiz Club de Fútbol -*CAD*-or Real Club Celta de Vigo -*CEL*- are in the technical definition phase. All of them are totally or partially financed with resources from *LALIGA IMPULSO* and many others, such as the stadiums of Levante Unión Deportiva- *LEV*-, Real Club Deportivo Mallorca -*MLL*-, Villareal Club de Futbol -*VLR*- and Club Atlético Osasuna -*OSA*-, have already completed their new infrastructures, financed (initially or later) with funds from the Association's strategic project.

Investments at historically high levels partly due to *LALIGA IMPULSO*

In S 23-24, ***gross operating investments ("gross CAPEX")***[14] undertaken by the Spanish competition increased to €1,565.8m; 47% allocated to players and 53% to infrastructures (including other operating fixed assets, as well as stadiums and facilities and other investments for growth). Despite the intensity, this is still below the all-time high of S 19/20 (€1,814m). However, this is the second time in a row that gross investment in infrastructure has exceeded investment in players – something that has never happened before.

- ***Gross CAPEX in players*** reached €735.6m, 5.7% lower than in the previous season, standing at 48% of the all-time high achieved before the outbreak of the pandemic in S 19/20 (€1,533.3m). Up to and including that season (the arrival of Covid came with the players transfer markets already closed), the levels of squad investment increased consistently year on year. As mentioned above, the lower activity of the player transfer markets in recent seasons has meant an immediate decrease in the capital gains obtained from the rotation of sporting talent (divestments or player departures), but also a lower cost (investments or signings), with a more modulated positive impact over time, because it is regularised in accounting terms through player depreciation – gradually over the years.

- On the other hand, ***gross CAPEX in other productive assets*** reached €830.2m in S 23/24, only -2.4% compared to the previous season's all-time high, and three to four times the historical annual average. This is due to infrastructure implementation and renovation projects, as well as other investments for growth that the Clubs are undertaking thanks, among others, to *LALIGA IMPULSO* but which in S 23/24 is still largely due to other projects for the implementation or renovation of facilities outside this strategic plan (e.g. the stadiums of *RMA* and *FCB*, which accounted for 80% of the total aggregate gross investment figure).

In any case, and as already stated in last season's report, the reading of this situation is undoubtedly positive, as the investment in infrastructure and/or for growth comes at a time when, after the impact of the pandemic and the difficult financial situation, the Clubs need an additional revenue boost that will allow them to overcome the various obstacles, the contraction of revenues and the fall in profits. These structural investments necessary for sustained growth are expected to have a greater long-term impact on all revenue lines, although operating revenues are already beginning to show a positive impact from these investments, with record revenues from *Commercial* and *Matchday*.

The lower investment in players has a positive, albeit more gradual, impact on the income statement, reflecting sustained declines in depreciation and greater visibility of potential profits

Other characteristics of the gross investment recorded should be underlined:

- The percentage of gross investment in infrastructures as a percentage of *LALIGA's* total gross investment reached an all-time high of 53%. Never before has such a high contribution to the total been achieved.

- Gross investment in infrastructure by *LALIGA Hypermotion (i.e. Second Division)* Clubs reached €42.0, a level very similar to that of the previous two seasons (coinciding with the launch of *LALIGA IMPULSO*), thus remaining well above the average of previous seasons (€13.8m).

Net operational investments ("net CAPEX") in S 23/24 decreased 4.0% over the season before, reaching €878.1m. Still, it is the second highest total net investment figure ever recorded.

Table 2

LALIGA – Operating investments and divestments (€m)

CAPEX	2018-19	2019-20A	2020-21A	2021-22	2022-23	2023-24	Aggregate
Gross investments, players	1,298.2	1,533.3	547.0	567.1	779.8	735.6	5,460.9
Gross investments, infrastructures	249.4	280.6	295.8	438.5	850.7	830.2	2,945.1
Total gross investments *	**1,547.6**	**1,813.9**	**842.8**	**1,005.5**	**1,630.5**	**1,565.8**	**8,406.0**
Divestments, players	(1006.7)	(1128.3)	(542.4)	(402.3)	(685.0)	(644.9)	(4409.6)
Divestments, infrastructures	(12.9)	(172.5)	(1.1)	(15.6)	(30.8)	(42.8)	(275.7)
Total divestments	**(1019.6)**	**(1300.9)**	**(543.5)**	**(417.9)**	**(715.8)**	**(687.7)**	**(4685.3)**
Net investments, players	291.5	405.0	4.6	164.8	94.8	90.7	1,051.3
Net investments, infrastructures	236.5	108.1	294.7	422.8	819.9	787.4	2,669.4
CAPEX (net investment)	**528.0**	**513.0**	**299.3**	**587.6**	**914.7**	**878.1**	**3,720.7**
Annual % change	-	-2.8%	-41.7%	96.3%	55.7%	-4.0%	

(*) The gross investment in players includes the activated renewal premiums (not classified as an intangible sporting asset, but as an anticipated expense or long-term accrual) paid by some teams on a specific basis, and whose nature in financial terms can be equated to investment in players.

This brings the cumulative net investment figure for the historical series analysed to €3,720.7m, despite including the sharp slowdown in the net investment in S 20-21 during the pandemic. The evolution of the last three seasons means that the aggregate net investment in infrastructures (€2,669.4m – 72% of the total) of the last six seasons is higher than the net investment in players (€1,051.3m – 28% of the total), an aspect that entails relevant considerations that should not be overlooked:

- *LALIGA's* Clubs have understood the financial situation in recent seasons in a special manner, adapting their investments to an underlying dichotomy: while on one hand the investment in players has significantly reduced, on the other hand the entities have taken the opportunity to accelerate their investment projects and renovation or execution of new infrastructures – ultimately their growth potential – even though the returns on this gross capital formation are more noticeable in the long-term.

- Investment in players (i.e., purchase price / signings) therefore continues to operate as a markedly effective and reasonably flexible "automatic stabiliser", which makes it possible to offset the high inelasticity in the short term inherent to the *OPEX* structure. Moreover, since the beginning of the pandemic, the Spanish competition is the one that has seen the greatest decrease in this item (more than the other four European benchmark competitions). Be that as it may, in the current S 24/25, with the winter and summer player markets closed, there is some growth in player investment compared to previous seasons.

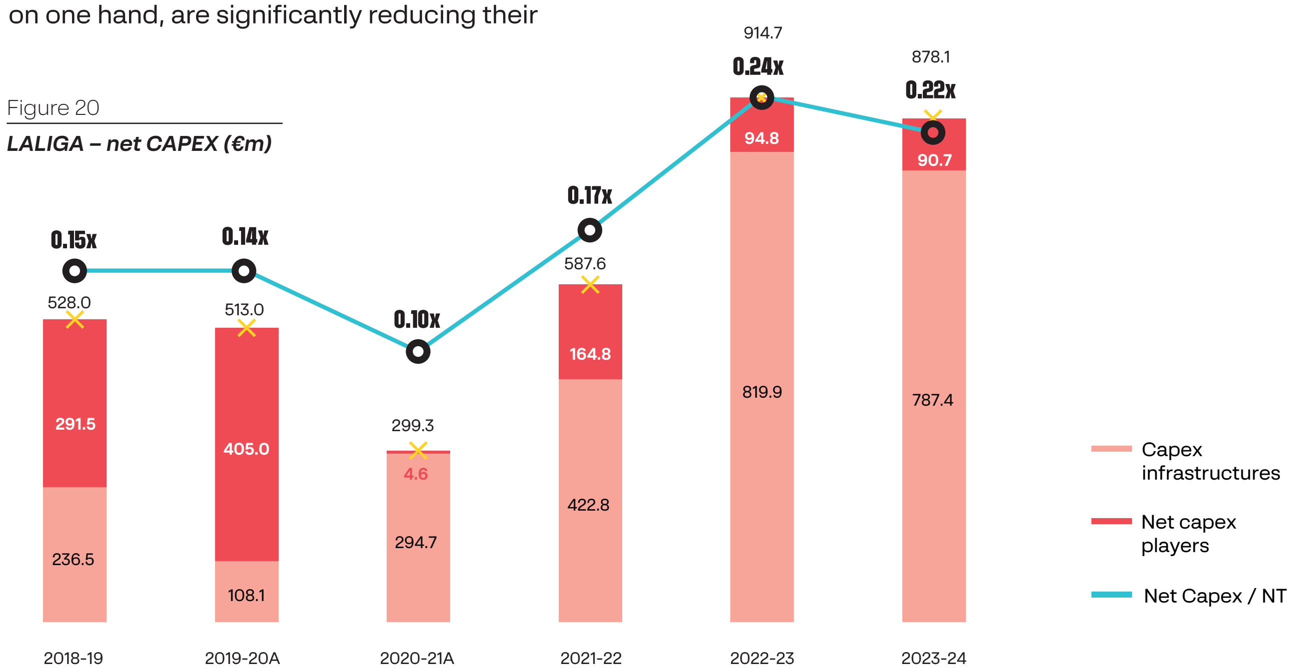
- *LALIGA's* Clubs continue to undergo an adjustment in the divestment of players figures (i.e., selling price). Despite the stabilisation in the analysed S 23/24, these levels remain low compared to pre-pandemic figures, specifically 43% lower than the historical maximum volume reached in S 19/20. This factor is differentially important for Spanish professional football, since it is the one that has had the greatest relative weight (on ordinary billings) of player divestments (and transfer earnings) during the years prior to the Covid crisis. This hallmark of *LALIGA* (i.e. the ability to systematically rotate and monetise the sporting talent created) is expected to continue to represent a source of growth, profitability and financial value added in the future, but reducing its relative importance in the business as a whole.

As already indicated above, the positive impact on the aggregate income statement, derived from this decrease in player investment, relies on the gradual reduction of player depreciation, which has gradually decreased since S 19/20, when it peaked at €807m, reaching €508m in S 23/24; 37% lower, and is expected to further decrease around 10% during the current S 24/25 compared to the last completed season.

All in all, the situation of the final net investment recorded and its breakdown leads once again to underline the high level of prudence and financial soundness of the *LALIGA* Clubs which, on one hand, are significantly reducing their level of investment in players but, on the other hand, are investing more than ever in operating assets that will optimise their commercial positioning, and which, as analysed above in the revenues section, is already producing results with record revenues from *Commercial* and *Matchday*, an issue which can be expected to continue in the coming years, thanks to the full implementation of the investment and modernisation plans for infrastructure, as well as the planned investment in technological and digital equipment which will lead to the investment of the CVC investment fund associated with *LALIGA IMPULSO*, which constitutes an unprecedented strategic and financial operation in professional football worldwide. This is true both for the amount of funding raised and for the destination and conditionality in the use of the resources. This is without forgetting, of course, the execution of the works on the stadiums belonging to two *LALIGA*entities: *RMA* and *FCB*. Finally, it is expected the aforementioned growth investments accelerate the growth trend of *Broadcast* revenues in the medium to long-term (upcoming broadcasting rights tenders).

Figure 20

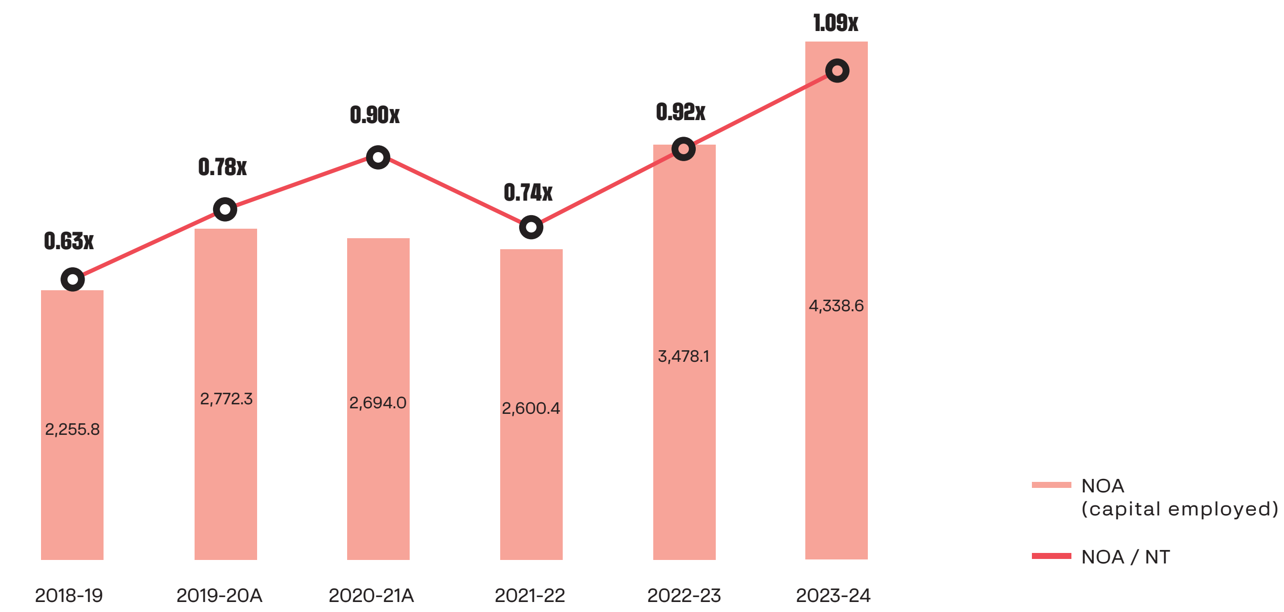
LALIGA – net CAPEX (€m)



Thanks to a rebound in investment to record levels, accompanied by investment in ***working capital ("WC")***[15] of €70.7m, capital employed – or ***net operating assets (NOA)***[16] – increased after two consecutive seasons of declines. In addition, an all-time high was reached, exceeding €4,000m for the first time and reaching €4,338.6m, 24.7% higher than the previous season (€3,478.1m). In relative terms, this level of capital employed means 1.09x the aggregate turnover of the Clubs, marking an all-time high. All this accumulation of productive capital is the basis for *LALIGA* to increase its potential for generating increasing organic returns. The accumulation of gross capital formation by *LALIGA* is very remarkable, and this consolidates the basis for a future of higher growth and profitability in structural terms.

Figure 21

LALIGA – Net operating assets - capital employed - (€m and x NT)



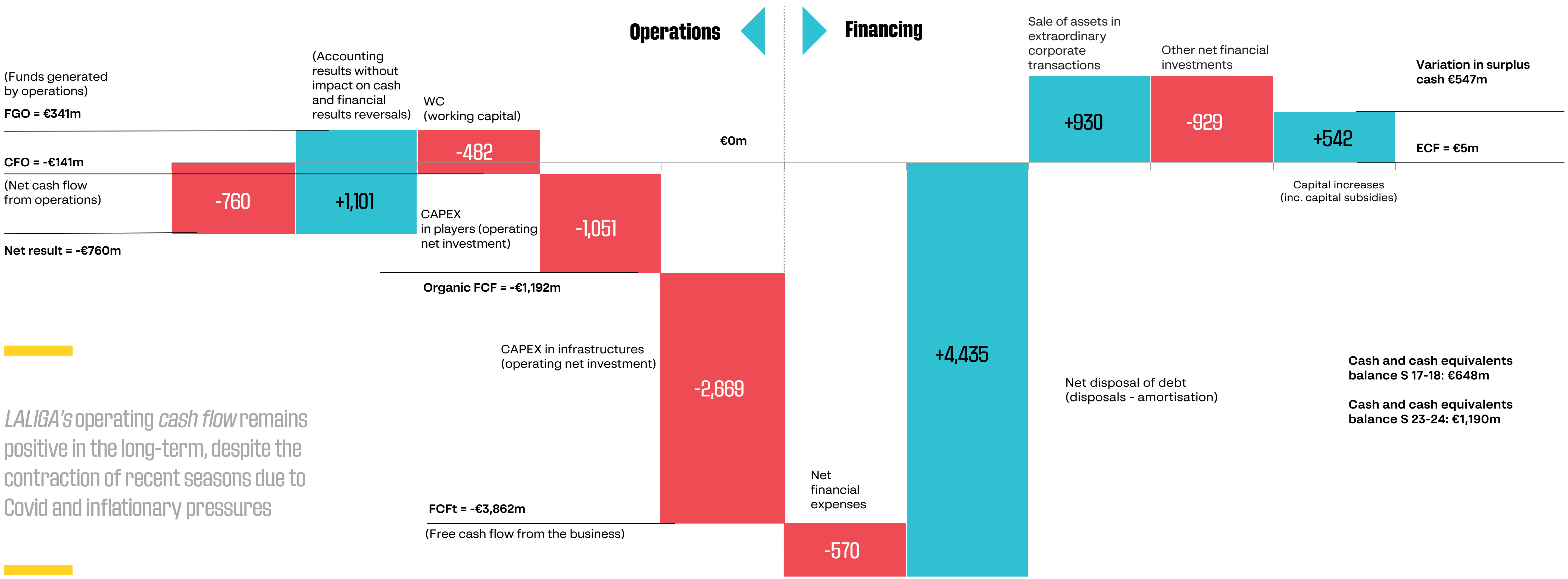
Cash flow and liquidity

Despite the negative effects associated with the pandemic and the impact of the inflationary escalation on the cost structure, which have affected the financial situation of the Clubs in recent seasons, as well as the structural increase in expenses associated with changes in the commercial expansion strategy of some entities, at the aggregate *cash flow* level, in the accumulated series analysed in the Report, there are still balanced balances in the ***Funds Generated by Operations ("FGO")***[17] and in the ***Operating Cash Flow ("CFO")***[18] of the *LALIGA* business in the long-term, with aggregate records of +€341.4m and -€140.9m respectively.

However, when the impact of the operational investment dimension (players and infrastructures) is added, the cumulative situation over the series in terms of endogenous liquidity generation capacity varies ostensibly.

Thus, both ***organic Free Cash Flow ("organic FCF")***[19] – only taking into account net *CAPEX* in players – and ***total Free Cash Flow ("FCFt")***[20] – also including net *CAPEX* in infrastructure – show accumulated deficits over the six seasons (-€1,192.2m and -€3,861.7m respectively). This is logical, considering that it is not usual in any sector for this type of investment to be covered by the operating surplus of the business, but that it normally requires financing in the form of debt and/or equity (i.e., share capital increases and/or use of accumulated liquidity), in order to achieve an expected structural/long-term return in the form of higher revenues and yields in a gradual manner.

Cumulative cash flow six seasons (ending S 2023-24)



LALIGA's operating *cash flow* remains positive in the long-term, despite the contraction of recent seasons due to Covid and inflationary pressures

The accumulated net financial burden (-€569.7m) is added to the total aggregate *FCF* deficit, so that the figure to be provided with sources of financing is reached, which logically has already been arranged to cover the existing gap.

These financing needs of *LALIGA* have been covered mainly by higher gross indebtedness (€4,435.1m), as well as from capital increases (€542.3m), always over the series of the last six seasons aggregated.

Insofar as the amounts of this financing have been higher than the liquidity needs described, the result is an increase in the aggregate cash balances ("***Cash and Cash Equivalents***") of the Spanish competition, which have gone from a balance of €647.7m in S 17/18, to €1,189.6m in S 23/24, i.e. an increase of €541.9m, with an added positive impact of €5.1m that has been generated by the change of scope of Clubs (promotion/ relegation of entities outside the professional competition) throughout these seasons (i.e., entities that can be consolidated in *LALIGA*).

By analysing the aggregate sources and applications of *LALIGA* funds during the series analysed, it can be seen that the gross financing needs have amounted to €5,907.7m (€4,484.0m net needs), of which ~65% is related to the *FCFt* consumed (after net investments in players and infrastructure). The remaining ~35% went to cover net financial expenses, the increase in financial investments, and the balance of cash and cash equivalents.

Of the financial resources mobilised, ~75% (€4,435.1m) has come from resource to debt (gross variations) – including participating loans associated with *LALIGA IMPULSO* –, ~ 9% (€542.3m) has been contributed by the Clubs' shareholders, while the remaining ~16% (€930.4m) comes from extraordinary corporate asset monetisation operations effectively collected to date (i.e. sale of future rights deals).

It should also be borne in mind that of the increase in gross indebtedness recorded at the end of S 23/24, a very significant part has been closed in recent years in the form of very long-term financial operations that fundamentally finance asset development (infrastructure and other investments for growth) that will reach maturity in the coming years, so it has not yet been possible to achieve profitability in many of these projects, which are still at an initial phase or even under execution, so that the revenues and returns on these investments in the coming years will improve these figures. In this respect, reference should be made to *LALIGA IMPULSO* as well as to other specific stadium renovation initiatives (*RMA* and *FCB* in particular). But also, in this increase in recorded indebtedness, we are beginning to see very long-term corporate financing operations (10 years duration and > 8 years average life), thanks to the access of other Clubs, such as *SFC, VCF* or *RBB* to capital market operations backed by the fact that these entities have obtained (*Investment Grade ratings*).
In addition to the favourable maturities, the structure of the *covenants* and the guarantees required by creditors, these operations represent a very substantial reduction in the financial cost assumed by these institutions compared to their previous indebtedness.

In any case, it is worth noting that the part of the financing corresponding to *LALIGA IMPULSO* has been instrumented as an injection of participating loans (PLs) of *LALIGA* with its member associates and with a maturity of 50 years, including a preferential interest rate and dependent on the evolution of the business. The PLs are categorised as a subordinated debt instrument, which in Spain, both at a commercial/corporate level (for the purposes of calculating the grounds for legal dissolution due to insufficient net equity) and at a financial/credit level (due to the contingent consideration articulated in favour of the Investor), can be considered *quasi-equity*. The availability of these resources will continue to increase in S 24/25 and beyond (at a slower pace), to the extent that the Clubs adequately justify their use, until reaching the nearly €1,900m foreseen for the *LALIGA* entities that are members of the Spanish professional football strategic project.

On the other hand, if this characterisation of the sources and needs of *LALIGA's* aggregate resources throughout the series is computed in terms of net borrowing, i.e., without taking into account the drawdowns of debt that have been used to increase the liquidity available (resources not yet invested and available in the form of liquidity), the conclusions would be more in line with and closer to the underlying financial reality. In this case, the total accumulated effective financing needs of the Spanish competition would amount to €4,848.0m, of which ~70% would have been covered by (net) indebtedness – including PLs associated with *LALIGA IMPULSO* –, ~11% by capital increases and ~19% by the extraordinary corporate asset monetisation operations.

Table 3

LALIGA – Gross financing needs and sources accumulated in the last six seasons (or five annual increases) (€m)

LALIGA - last six seasons (series analysed)	€m	%
FCF (net operating cash flow after net CAPEX in infrastructures and players)	(3,861.7)	65.4%
Net financial expenses	(569.7)	9.6%
Net financial investments	(929.3)	15.7%
Increase in cash and cash equivalents	(547.0)	9.3%
Total financing needs	**(5907.7)**	**100.0%**
Increase in gross indebtedness (including subordinated debt -PLs- LALIGA IMPULSO)	4,435.1	75.1%
Increase in equity (capital increases and capital grants)	542.3	9.2%
Sale of assets in extraordinary corporate transactions	930.4	15.7%
Total funding	**5,907.7**	**100.0%**

Table 4

LALIGA – Net financing needs and sources accumulated in the last six seasons (or five annual increases) (€m)

LaLiga - last six seasons (series analysed)	€m	%
FCF (net operating cash flow after net CAPEX in infrastructures and players)	(3,861.7)	79.7%
Net financial expenses	(569.7)	11.8%
Variation in other net financial assets and liabilities	(416.6)	8.6%
Total financing needs	**(4848.0)**	**100.0%**
Increase in net indebtedness (including subordinated debt -PLs- Plan Impulso)	3,375.4	69.6%
Increase in equity (capital increases and capital grants)	542.3	11.2%
Sale of assets in extraordinary corporate transactions	930.4	19.2%
Total funding	**4,848.0**	**100.0%**

Capital structure and solvency

The generation of total negative *FCF* (-€1,009.0m) in S 23/24, mainly associated (~80%) with the extraordinary investment in infrastructure, as well as cumulatively over the course of the time series analysed in this Report, and the fact of having to meet the debt service burden, is mainly (and quite comfortably) offset by the ***consolidated gross indebtedness ("GFD")***[21] of *LALIGA*, which reaches a balance of €6.340.7m in absolute terms (€4,178.4m net indebtedness), increasing compared to the previous season by a total amount of €659.9m (+11.6%) – for a ***consolidated net indebtedness ("NFD")***[22] of €4,178.4m (+€885.8m / +26.9%). The fact that the increase in *NFD* was higher than that of the *GFD* means that the Clubs have drawn on their surplus cash resources. On the other hand, two Clubs, *RMA* and *FCB* – the biggest in the competition – have increased their gross indebtedness by €343.4m, i.e. 52% of the increase in indebtedness of the Spanish professional competition, and 54% of the aggregate accumulated balance of *LALIGA*, due to increases in financing for the works on their stadiums at the end of S 23/24.

Senior corporate indebtedness remains stable and under control Total consolidated indebtedness increases only due to structured debt associated with infrastructure development and very long maturities

Table 5

LALIGA – Breakdown of financial debt (€m)

Financial Debt Breakdown	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024
Debt with financial entities	751.9	1,186.0	1,088.4	958.6	885.8	1,025.3
Debt with Clubs for player transfers	975.7	1,299.4	900.5	615.6	742.9	722.4
Other financial debt	718.5	836.8	1,245.2	2,081.3	3,031.1	3,344.9
Debt with group companies	142.6	114.0	118.5	60.9	135.4	176.6
LALIGA IMPULSO	-	-	-	619.3	885.6	1,071.5
CONSOLIDATED GROSS FINANCIAL DEBT (GFD)	**2,588.8**	**3,436.3**	**3,352.5**	**4,335.8**	**5,680.8**	**6,340.7**
Cash and cash equivalents	(760.5)	(788.5)	(628.3)	(1652.5)	(987.8)	(1189.6)
Short- and long-term financial assets with Clubs for player transfers	(620.3)	(668.8)	(483.3)	(444.5)	(681.0)	(637.4)
Other short-term financial assets	(118.9)	(117.3)	(144.3)	(155.6)	(719.3)	(335.3)
CONSOLIDATED NET FINANCIAL DEBT (NFD)	**1,089.0**	**1,861.6**	**2,096.7**	**2,083.1**	**3,292.7**	**4,178.4**

As addressed above and in line with that explained in the previous season's report, in recent years the profile or composition of the debt has changed very markedly, mainly due to the equally substantial change in the purpose of the financing, in this case the Clubs' main infrastructures, i.e., stadiums and training grounds, as well as other investments for growth, which has meant that the terms and conditions related to the nature, period and cost of the debt have changed significantly.

As a result, while at the beginning of the series analysed in this report (S 18/19) ***senior corporate debt***[b] represented 98% of aggregate gross indebtedness, this percentage has fallen sharply in recent years to 45.2% at the end of S 23/24.

Table 6

LALIGA – Breakdown of senior financial debt (€m)

Senior Corporate Financial Debt Breakdown	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024
CONSOLIDATED GROSS FINANCIAL DEBT (consGFD)	**2,588.8**	**3,436.3**	**3,352.5**	**4,335.8**	**5,680.8**	**6,340.7**
Gross debt associated with stadium projects	(40.0)	(213.0)	(514.0)	(1046.0)	(2067.5)	(2400.1)
GROSS CORPORATE FINANCIAL DEBT (corpGFD)	**2,548.8**	**3,223.3**	**2,838.5**	**3,289.8**	**3,613.3**	**3,940.6**
PLs LALIGA IMPULSO S/T	-	-	-	**(19.5)**	**(29.9)**	**(40.8)**
PLs LALIGA IMPULSO L/T	-	-	-	(599.8)	(855.7)	(1030.7)
SENIOR CORPORATE GROSS FINANCIAL DEBT (scGFD)[23]	**2,548.8**	**3,223.3**	**2,838.5**	**2,670.5**	**2,727.7**	**2,869.1**
Cash and cash equivalents and other liquid financial investments	(1499.8)	(1574.7)	(1255.9)	(2252.7)	(2388.1)	(2162.2)
Liquidity cancellation LALIGA IMPULSO and/or Stadium	-	**10.0**	**144.0**	**495.4**	**723.4**	**630.2**
SENIOR CORPORATE NET FINANCIAL DEBT (scNFD):	**1,049.0**	**1,658.6**	**1,726.7**	**913.2**	**1,063.0**	**1,337.1**

The indebtedness associated with execution and renovation of stadiums and the participating loans associated with *LALIGA IMPULSO*, together represent 54.8% of gross indebtedness, a disruptive element in recent seasons that deserves to be analysed in a specific section and which, as noted above, has led to a fall in the average cost of debt, thanks to the timing of when much of this financing was formalised (*LALIGA IMPULSO*, *FCB* and *RMA* mainly until the end of S 22/23), as well as the way in which it was structured. Moreover, the new financial operations for other relevant stadiums, such as those of *RBB* or *VCF*, partially financed with resources from the Association's strategic plan, but also with unique and structured very long-term debt (>25 years maturity) will follow the same pattern.

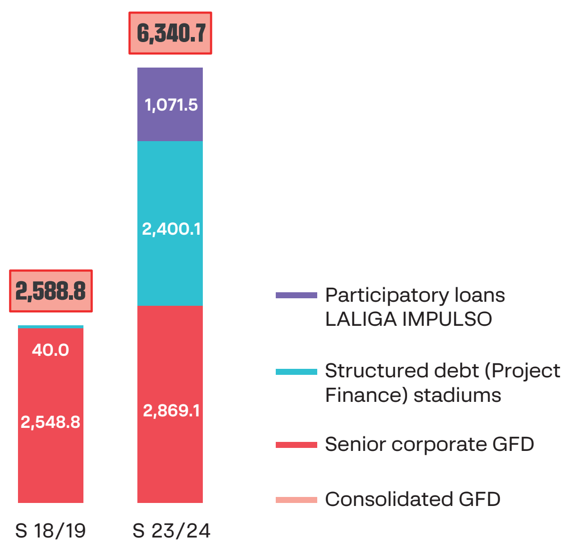
The reading is therefore evident and the underlying message is positive in that the change or greater diversification of funding sources entails very favourable aspects such as less dependence on traditional credit financing, or a lower financial cost. Furthermore, *LALIGA IMPULSO* achieves a sort of opening to alternative sources of funding, which until three seasons ago were almost exclusively reserved for the largest entities in the competition due to their social dimension and income, where they had access to the capital markets thanks to their size and visibility.

b Senior corporate gross financial debt (*scGFB*): Included under this is the indebtedness that covers the ordinary financing needs generated by the Clubs' own operations and which involves a full corporate resource, affecting the creditworthiness of the entities. In other words, it excludes special debt under StadCo or ASF arrangements, Project Finance-type debt structures or participating loans/subordinated debt under the umbrella of LALIGA IMPULSO. In senior corporate net financial debt (*scNFD*), or corporate, by analogy to the *GFD* and *NFD*, cash surpluses pending application to investment associated with StadCo debt or ASF or with LALIGA IMPULSO.

But financial optimisation operations are not only reaching the financing of investment projects. Similarly, in S 23/24 entities such as *SFC, VCF* and *RBB* carried out corporate financing and refinancing processes, respectively, by tapping into the capital markets. This has been achieved, for the first time in the Spanish competition for Clubs other than the two largest, by previously obtaining an *Investment Grade* credit rating. Other entities, like *VCF*, have done the same in the current S 24/25. The advantages are unquestionable: greater financial depth, longer maturity, fewer positive or negative restrictions or obligations (*i.e. covenants*), greater autonomy in the management of the Clubs and less collateral granted, in addition to a lower financial cost assumed. All this results in a reduced borrowing effort.

Figure 23

LALIGA - Evolution of gross indebtedness (€m)



Moreover, ***senior corporate net indebtedness ("scNFD")***[24], i.e. excluding the *LALIGA IMPULSO* PLs and the structured debt associated with infrastructure development, amounted to only €1,337.1m in S 23/24, an increase of 25.8% compared to the previous year. This is largely due to the fact that the Clubs have partially drawn on their accumulated surplus liquidity reserves. However, it should be noted that, despite the increase, the *scNFD* at the end of S 20/21, the most acute year of the pandemic, amounted to €1,726.7m, almost €400m more compared to the current situation.

As for the leverage ratios that compare indebtedness to billings or *EBITDA* (before and after player transfers), i.e., which analyse the level of leverage in relative terms, it is

worthwhile disaggregating the structured debt of 'Project Finance' and transactions instrumented as 'participating loans' (*LALIGA IMPULSO*). This is indebtedness associated with the financing of infrastructure and other growth or highly structured investments, and whose returns are expected in the long-term (further analysis of this type of agreement is provided in a specific section in the annexes to this document). In other words, when analysing these ratios, the focus should be on the situation of the underlying corporate senior indebtedness, i.e. the debt that actually covers the financing needs generated by the Clubs' own operations and which involves full corporate recourse, affecting the creditworthiness of the entities (project finance debt or participating loans do not). Additionally, in the particular case of stadium financings, debt service is primarily addressed by the incremental revenues that these new or renovated assets generate. These additional revenues (and, where applicable, expenses) have also been subtracted from the resulting ratios (both for *NT – NTcr* – and *EBITDA – EBITDAcr*).

Table 7

LALIGA - Resulting credit ratios (€m and times x)

Financial Debt Ratios	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024
SENIOR CORPORATE GROSS FINANCIAL DEBT (scGFD):	2,548.8	3,223.3	2,838.5	2,670.5	2,727.7	2,869.1
GFD / *NT* with recourse	0.71x	0.91x	0.95x	0.76x	0.72x	0.74x
GFD / EBITDA b/T with recourse	6.4x	13.2x	EBITDA (-)	110.9x	EBITDA (-)	EBITDA (-)
GFD / EBITDA a/T with recourse	2.2x	3.2x	18.5x	9.5x	11.2x	7.9x
SENIOR CORPORATENET FINANCIAL DEBT (scNFD)	1,049.0	1,658.6	1,726.7	913.2	1,063.0	1,337.1
NFD / *NT* with recourse	0.29x	0.47x	0.58x	0.26x	0.28x	0.35x
NFD / EBITDA b/T with recourse	2.6x	6.8x	EBITDA (-)	37.9x	EBITDA (-)	EBITDA (-)
NFD / EBITDA a/T with recourse	0.9x	1.6x	11.2x	3.2x	4.4x	3.7x

Thus, the corporate senior net financial debt (NFDs) ratios, taking into account both *NTcr* (***"scNFD / EBITDA a/T cr"***) and *EBITDAcr* (***"scNFD / EBITDA a/T cr"***) stood at 0.35x and 3.7x, respectively, in S 23/24. These ratios are similar to those of the previous season (0.28x and 4.4x). These credit levels reached in the last completed season are reasonable but below the usual levels before the pandemic, mainly as a result of not having yet recovered the full potential of *EBITDA*, and to a large extent due to the fall in the heading of *Results from Transfers*.

Figure 24

LALIGA – Gross and net consolidated financial debt (€m)

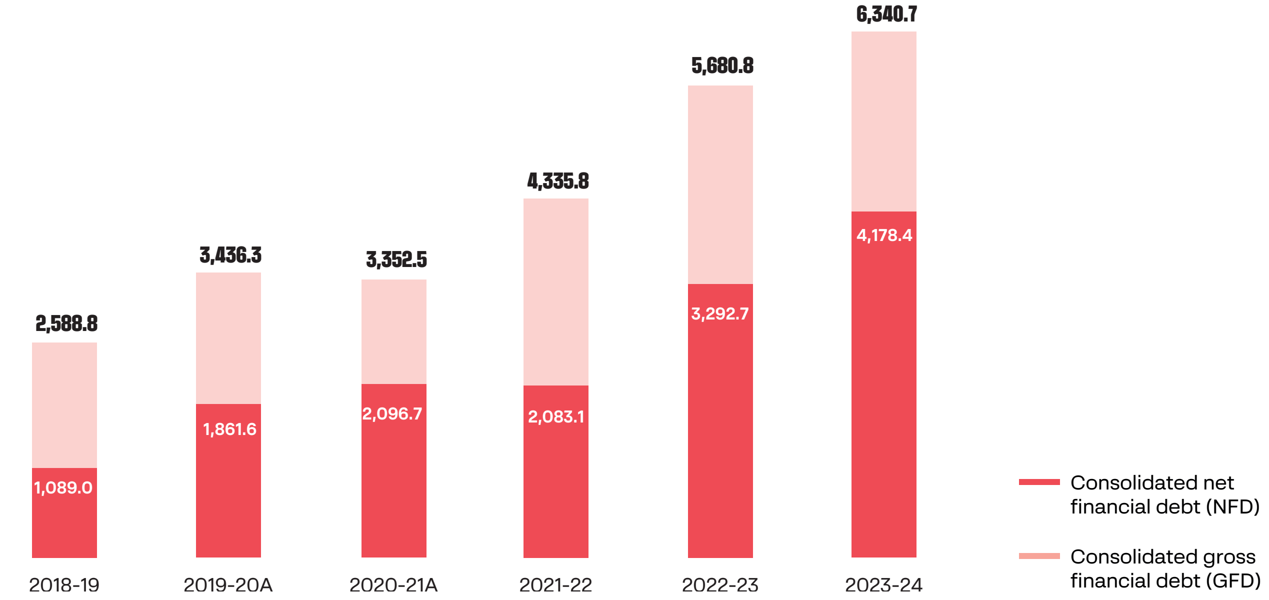
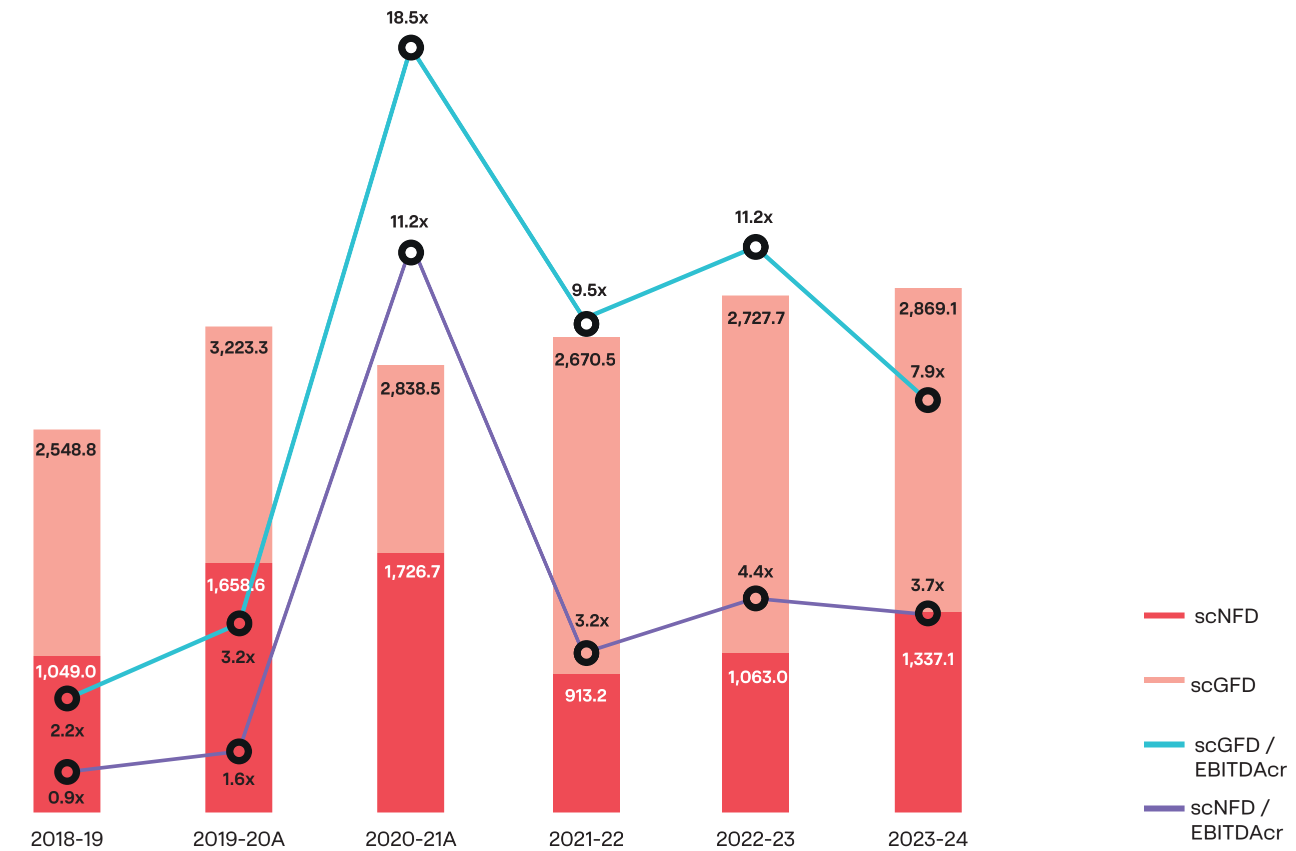


Figure 25

LALIGA – Gross and net senior corporate financial debt (€m and credit ratios)



From any point of view, the financial structure of the Spanish Clubs has been transformed. The change in investment profile, with a greater preponderance in the development and renovation of infrastructures and other investments for growth, will boost the potential of the business (thereby generating greater income, and higher margins and earnings) but with a longer-term return.

As indicated in previous reports, the increase in aggregate indebtedness of Spanish Clubs is not the result of a structural impairment, but rather the opposite; the vast majority of new debt taken on by the entities is a true reflection of the projects underway for infrastructure renewal and other investments for growth, while senior corporate debt is under control and with acceptable leverage levels, although revenues and *EBITDA* are still somewhat depressed by the reduced activity in the player transfer markets.

Another alternative means of confirming *LALIGA's* strong financial solvency is by analysing its capitalisation level. In this sense, in S 23/24, the Net ***Equity*** of Spanish professional football amounted to €1,168.4m (-15.0% YoY / *CAGR*$_{5y}$ -7.4%). It should be recalled that the aggregate *Equity* of the Clubs peaked in S 19/20, when it reached €1,748.3m. Even so, the impact on the Clubs' aggregate own funds might have been greater had it not been for the share capital increases subscribed by their shareholders (in a total of eight entities), for an aggregate amount of €65.6m. These commitments made it possible to partially offset the losses recorded and preserve *LALIGA's* degree of capitalisation in the short term.

In addition, the ratio of *Equity* to total competition liabilities (***"Equity Ratio"***[25]) rose to 11.5%, falling from the previous season's level (14.2%) but still down from the levels achieved in the three seasons prior to the pandemic when this indicator was consistently around 25%. In any event, the impact on the *Equity Ratio* is greater due to the increase in the denominator, i.e., the competition's liabilities, due to the change in the financial structure to accommodate the large investments that are being undertaken. As mentioned above, much of the movement in gross indebtedness anticipates the effect of future actions on gross capital formation. In other words, *Equity* is approximately the same as in S 16/17, but the indicator differs by 12 percentage points.

The solvency figures should be reviewed taking into account the characteristics of the financing associated with *LALIGA IMPULSO*, which is recorded on the balance sheets as participating loans, i.e., subordinated debt, a type of debt that in Spain is considered as the Clubs' *Equity*

LALIGA has a high degree of capitalisation and financial solvency despite the adverse business context, particularly in previous seasons

for commercial/corporate purposes, and quasi-equity in financial/credit terms.

Consequently, if these participating loans were included in *Equity* (e.g. for the dissolution indicator, as established by the Spanish Companies Act), instead of debt (where these balances are formally reflected on the balance sheet, according to current accounting regulations), *Equity* would amount to €2,239.8m in S 23/24 and the *Equity Ratio* would be 22.1%. This is a significantly higher level and more representative of the adequate degree of effective capitalisation of Spanish professional football.

Figure 26

LALIGA – Capitalisation: Net Equity (€m) and Equity Ratio (%)

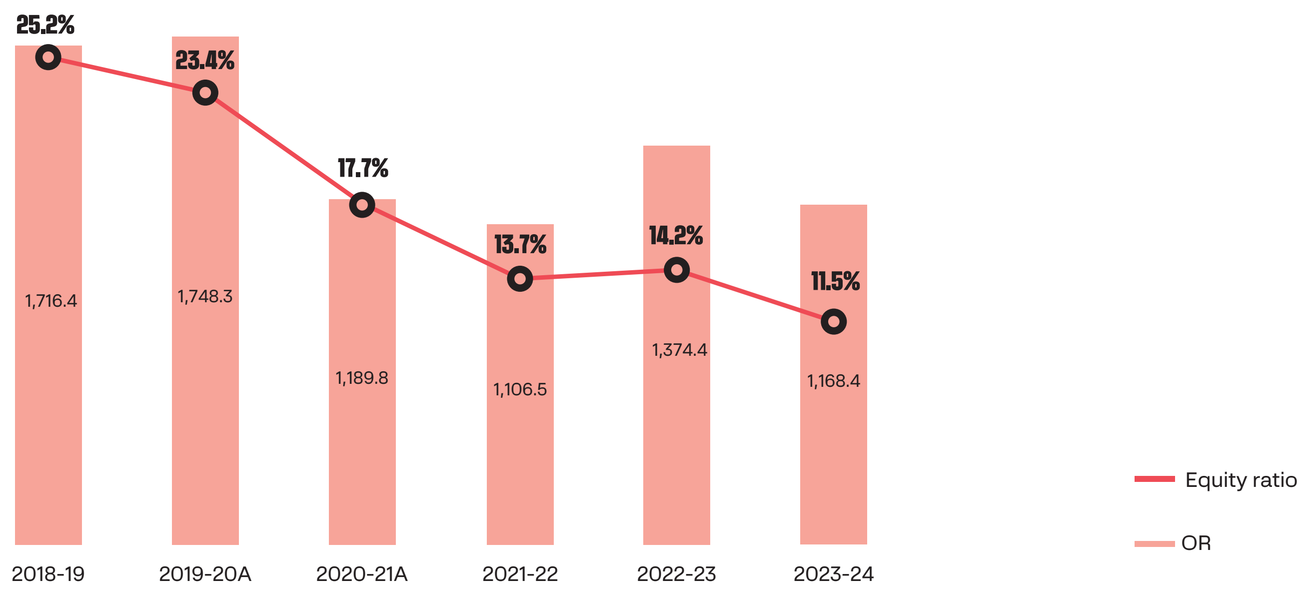
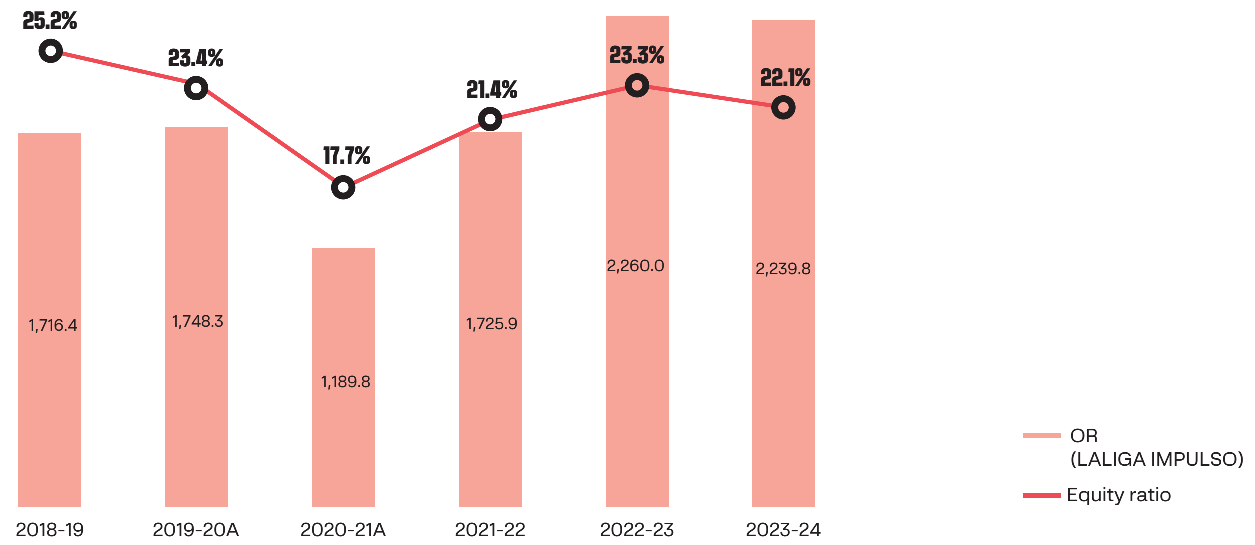
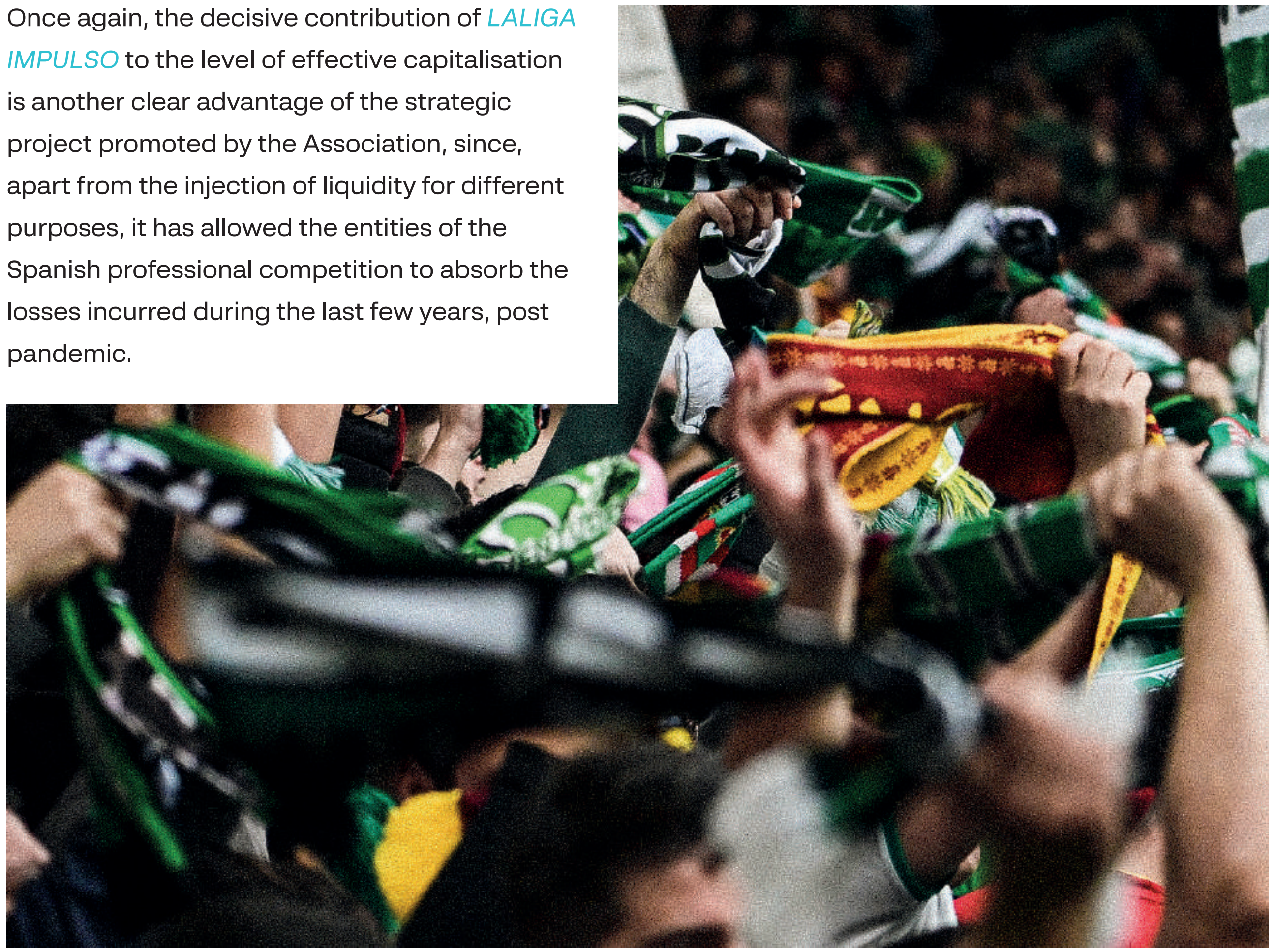


Figure 27

LALIGA – Capitalisation: Net Equity (€m) and Equity Ratio (%), including LALIGA IMPULSO



Once again, the decisive contribution of *LALIGA IMPULSO* to the level of effective capitalisation is another clear advantage of the strategic project promoted by the Association, since, apart from the injection of liquidity for different purposes, it has allowed the entities of the Spanish professional competition to absorb the losses incurred during the last few years, post pandemic.



04

Guidance / *Outlook* S 24/25

After the first round of S 24/25, the estimates for the economic and financial evolution of *LALIGA* for the current season are, on the whole, and in structural and recurrent terms, significantly better than the previous season, S 23/24.

Table 8

LALIGA – Expected results for the current S 24-25 (€m)

LALIGA	S 19/20A (COVID)	S 20/21A (COVID)	S 21/22 (COVID)	S22/23	S23/24	S 24/25 (e)
Turnover (NT)	3,538.7	2,981.4	3,511.2	3,790.6	3,968.8	4,194.5
CPD	(2,998.5)	(2937.1)	(2972.4)	(3024.6)	(2911.1)	(2808.8)
EBITDA b/T	243.4	(183.4)	24.1	(123.3)	(18.4)	49.7
Results from transfers	772.4	337.1	257.1	363.9	440.5	452.7
EBITDA a/T	1,015.8	153.7	281.2	240.6	422.1	502.4
EBIT	101.1	(708.0)	(524.7)	(445.0)	(212.7)	(149.5)
Operating result	156.2	(899.2)	(30.9)	204.0	(175.4)	(1.7)
RBT	65.2	(996.6)	(132.4)	308.6	(280.7)	(102.8)
NR	51.6	(898.7)	(140.1)	199.8	(241.9)	(72.8)
TI	5,065.5	3,945.4	4,837.7	5,700.2	5,124.7	5,258.3
Normalised TI*	5,065.5	3,945.4	4,255.3	4,892.0	5,048.7	5,188.3
Normalised RBT*	65.2	(996.6)	(714.8)	(503.0)	(221.8)	(172.8)

**TI* and *RBT* are shown adjusting the revenues and results respectively derived from extraordinary corporate asset monetisation operations carried out mainly by *FCB* and *RMA* in S 21/22, S 22/23, S 23/24 and S 24/25.

As this report has shown, it is clear that the recovery from the crisis, and subsequent slowdown caused by the pandemic is not as rapid as expected, both due to exogenous issues related to the macroeconomic and geopolitical environment, and to endogenous issues, particularly the situation of the player transfer market, and it cannot be estimated that pre-Covid levels will be recovered in this area of activity in the short term.

Positive outlook on billings (NT), as well as improvement in recurrent earnings due to better absorption of structural costs

For the current S 24/25, a certain continuity and positive improvement in the trend of results that began to be glimpsed in the last completed S 23/24, which is the subject of this report, is foreseen. This is substantiated by an increase in billings (*NT*) thanks to the revenues from *Commercial* and *Matchday*, as well as a gradual increase in results (*Normalised RBT* – excluding extraordinary effects, which are erratic and difficult to anticipate), thanks to the improvement in margins due to a slight decrease in the squad cost(*CPD*), as well as the stabilisation of inflation and a greater return on the operational investments made by the Clubs in recent years, for example in relation to the complete commissioning of some stadiums or the opening of shops, which has led to a fall in the pressure of structural costs.

In detail:

- New ***NT*** record **(€4,194m in S 24/25 vs €3,969m in S 23/24; +5.7%)**; with both *Matchday* and *Commercial* again the revenue items that would push to reach this new milestone in terms of ordinary billings. This development is also noteworthy since *FCB* is expected to lose a significant part of its operating income, due to the relocation of the stadium, which is still expected to last for the whole of the current season, while the remodelling work on the infrastructures associated with the Espai Barça project is being carried out.

- Normalisation of ***Total Income or TI*** **(€5,258m in S 24/25 vs €5,125m in S 23/24; +2.6%),**including the impact of certain corporate asset monetisation operations. In this sense, if we compare the normalised figure (in the absence of these extraordinary operations) expected for the current season with that of the last completed season, there are hardly any differences, taking into account the amount of these in both years (€70m expected for the current season – including some operations carried out by certain Clubs – vs around €76m of the last completed season). In any case, the *TIn* is reported to be growing strongly since the end of the pandemic, at a cumulative annual rate (*CAGR*$_{4y}$) of +6.4%.

CPD continues to converge towards balanced levels, thanks to *LALIGA's* Financial Control regulations and the commitment to sustainability demonstrated by the Clubs

- Containment of the ***Squad Cost* or *CPD*** **(€2,809m in S 24/25 vs €2,911m in S 23/24; -3.5%)**, still in a phase of stabilisation and adaptation to a revenue structure with lower selling prices for player transfers and recovery of losses from previous seasons. Ultimately, this evolution of the *CPD* is in line with the lower aggregate Squad Cost Limit ("*LCPD*") allocated to the Clubs in S 23/24, which was considerably reduced. This drop was mainly due to the base effect caused in S 22/23 when a single entity – *FCB* – had a significant one-off positive impact on its *LCPD* resulting from the extraordinary corporate asset sale transactions.

- Return to positive results in terms of ***EBITDA b/T*** **(€50m in S 24/25 vs -€18m in S 23/24)**, thanks to the increase in *NT* and a better containment of expenses, which means that this heading would reach its best result in the last six seasons, since the outbreak of the pandemic. Moreover, the improvement carries over to ***EBITDA a/T*** **(€502m in S 24/25 vs €422m in S 23/24; +19%)**, with a ***result from players transfers*** very similar to the previous season **(€453M vs €411M; +2.8%)**, suggesting that this source of results is stabilising without reaching pre-Covid levels (where it was almost three times higher).

- Comparable expected results significantly better than the previous season despite the inclusion in losses, perfectly explained, with an ***RBT*** of **-€103m in S 24/25 vs -€281m in S 23/24**, an improvement of €178m, but still in the red.

However, in this analysis of the estimated net loss of the *LALIGA* Clubs, certain considerations must be taken into account regarding particularities that impact on the estimated aggregate figure negatively:

- There is excess *CPD* in S 24/25 totalling **€5m** arising from the use of up to 15% of the amounts to be allocated by each member Club as *LALIGA IMPULSO* funds.

- The Clubs had an additional increase in the *LCPD*, resulting from capital increases subscribed in this or previous seasons, for a total amount of **€86m**.

- In addition, those Clubs that meet certain economic-financial requirements stipulated in the Financial Control regulations have been allowed to use net equity to increase the *LCPD*. These overspends on an aggregate basis, for the current S 24/25, amount to a total of **€44.5m**.

Neutralising these impacts (**+€136m**), the estimated aggregate *RBT* of the LALIGA Clubs for S 24/25 would already be at *break even.*

Therefore, the expected results for the current S 24/25 show a solid recovery compared to previous years, but at a slower pace than initially expected, mainly due to the situation of the player transfer market, but also to the impact of the strong inflation on the Clubs' cost structures. A full recovery cannot be expected in the short term, due to the expected (but as yet not yet occurring) increased restraint in the *English Premier League (EPL)* in the face of the threat of the new regulator, which does not suggest an immediate return to pre-pandemic figures.

In any case, the beginning of the transition of this competition (*EPL*) to the path of financial sustainability, if it finally takes place (for the moment there has only been a stabilisation in the figures registered, with amounts that continue to be excessive) is valued positively in terms of the overall sustainability of the European football ecosystem in the medium and long-term, as it will imply a lower inflation of salaries and transfers.

In terms of investment levels (*CAPEX*), infrastructure and other growth investments are expected to remain at historically high levels, even before the new *VCF* (currently under construction) and *RBB* stadiums (expected to start in early S 25/26). This transformational, but cyclical, issue of *LALIGA* will also continue – with less intensity – in future years, once the work on the stadiums of the two largest entities, *RMA* and *FCB*, has been completed. There will be other key infrastructures with comprehensive or partial remodelling projects that are beginning to be considered by different *LALIGA* teams, and for which *LALIGA IMPULSO* funding is a fundamental support point when considering these investment scenarios.

Consolidated indebtedness levels (*GFD*) are therefore expected to continue on a growth path, although undoubtedly under a different credit configuration to the senior debt traditionally used to finance the entities' ordinary operations. In this case, a large part of the increase in debt will consist of structured 'Project Finance' style operations, usual in other types of financing of public infrastructures or energy projects, but which in a logical, functional and orderly manner are being proposed by the Clubs for investments in which the returns are very long-term (> 25 years), with a predictable source of incremental income, and therefore with special terms and conditions. This entails very low credit risk and potential corporate contagion risk to the Clubs (i.e. non-recourse financing), and whose borrowing effort will be addressed very gradually, as these assets generate the extra return for which they were conceived.

In the medium to long term, once these investments reach operational maturity and begin to generate the expected return in the form of revenue growth, the operating cash flow will begin to pick up this improvement (i.e., incremental return on investment), thereby repaying the structured long-term debt (i.e., servicing its scheduled debt service) over an extended period of time without generating liquidity stress and providing an extra surplus for the Clubs' organic corporate growth. This medium and long-term scenario is undoubtedly positive, but also realistic, thanks also to the entities' exercise of responsibility and financial management, which in times of a difficult financial situation have reacted with moderated spending, but at the same time investing in their future potential.

05

Annex I

Structured financing of stadiums

As indicated in this report, the structure of the Clubs' indebtedness is undergoing a process of adaptation due to the special situation in the field of gross fixed capital formation investments.

To put this in context, a large number of Clubs are in the process of modernising their main infrastructure (in addition to other investments for growth), i.e. stadiums, by making significant investments to maximise revenues and improve the fan experience.

Therefore, taking into account the scope of teams that played in S 23/24 in *LALIGA* (both categories), their stadiums had an "average age" of 38 years in 2019. In the last five years, six entities have undertaken comprehensive renovations or built new facilities, all of them (except those of *RMA* and *FCB* – currently under construction) were partially financed with *LALIGA IMPULSO* funds. In the coming years, it is estimated that at least another ten Clubs will undertake renovation works (partial or total) or the development of new stadiums, which would significantly rejuvenate the infrastructure stock. Consequently, in 2029, the average age of the stadiums will drop to 20 years. In other words, by the aforementioned year, 60% of the *LALIGA* seats (in both divisions) will be recently renovated (<10 years), and with a totally different approach / conception of the stadium from the previous one, developing a dynamic approach to revenue thanks to the adaptation of the offer to the taste of fans and a greater focus on hospitality, but also of society in a broader sense, by allowing a maximisation of billings thanks to the exploitation of assets on non-match days.

Considering the above, it seems logical to think that the fact that there is currently a special situation of high investment intensity is not due to opportunistic actions, but rather the result of the need to adapt the infrastructure to other times, while also taking advantage of the availability of resources from *LALIGA IMPULSO* – which have to be invested for growth – in such a way as to optimise the use of the facilities in all senses of the word.

As explained in the Report, the increased current investment intensity has led to a change in the capital structure, or debt profile of the Clubs, which for the first time in their history are matching financing with the generation of resources. It seems logical that if public infrastructures (e.g., motorways, airports, ports, public transport systems, energy facilities, environmental projects, etc.) use long-term structured debt models, or even households taking out mortgages do so with an average maturity of 24 years – according to the National Statistics Institute –, Clubs are also opting for special debt structures, which until now have not been in the *LALIGA* panorama.

In this way, 'StadCo' type financing (i.e. special purpose subsidiaries – commercial vehicles – of the Clubs) or 'ASF' (i.e. asset securitisation fund, with assets segregated from those of the Clubs) has become widespread in recent years in the field of professional football, constituting an effective solution, adapting the financing structures of the Clubs to the *Project Finance* technique (with some particularities). With this type of financing, the entities obtain:

- Adjusting the annual debt servicing effort, mainly adapting it to the incremental revenues generated by the new asset, or the renewed asset.
- Not compromising its own ordinary corporate development, freeing up pockets of broadcasting or commercial revenue, which would be available for it.
- Avoid the potential (negative) contagion of the new investment/financing on the stability and solvency of the entities, by eliminating or reducing the financial risk assumed at corporate level to the maximum possible level or the extension of additional guarantees by the Clubs. These are financings without recourse to the developer and, in some cases, even without the underlying collateral of the financed asset itself (i.e. mortgage).

With this type of structured financing, the two main Clubs (in terms of revenue, balance sheet size, equity or social mass) in the Spanish competition, *RMA* and *FCB*, have in recent years financed the comprehensive renovations, still in progress, of their stadiums. In addition, in the coming months, other entities are expected to close similar agreements that share the main characteristics of this type of financing. And in the years to come, there will be even more of

them. In all these cases, the *LALIGA IMPULSO* funds are incorporated into the financing structures of these projects as an "equity" contribution from the Clubs to the StadCo or ASF, reinforcing the degree of solvency of the "Project Finance" operations, to the point that some of the aforementioned actions would not be feasible without the concurrence of the resources from the Association's strategic agreement.

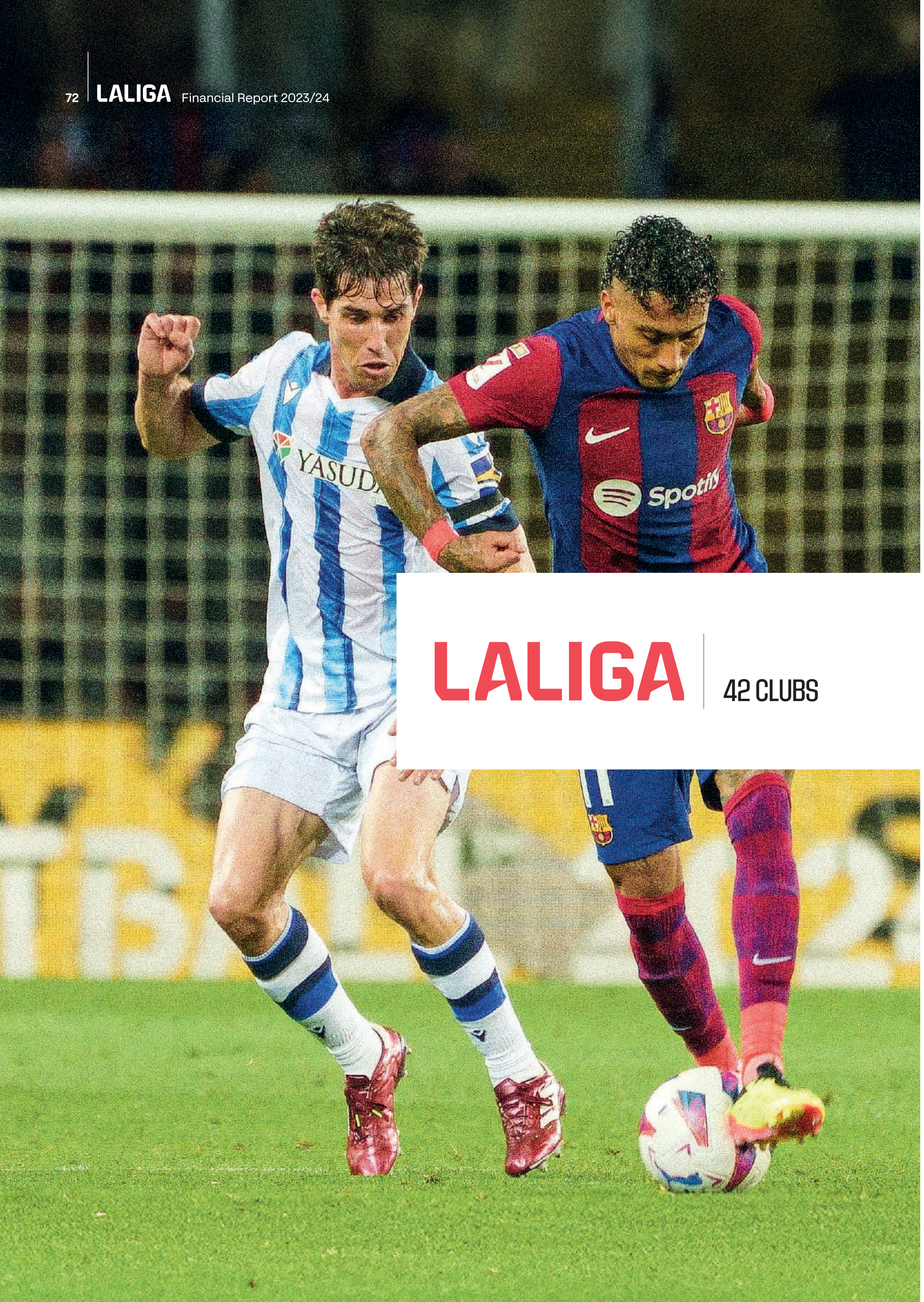
It is therefore evident that the increase in this type of indebtedness will be a constant in the coming seasons, and that it will result in a profound renovation of the Clubs' infrastructures, adapting them to current times for better use by supporters, and also by the sports people, optimising the use of the assets at all levels, which in turn will undoubtedly be a catalyst for the growth of all the Clubs' recurring revenue streams.

In this regard, from the preparation of this report, gross and net consolidated indebtedness, i.e. that which finances the Clubs' ordinary corporate operations, is dissociated from indebtedness under StadCo or ASF modalities, *Project Finance* type structures or under the *LALIGA IMPULSO* umbrella.

06

Annex II

Aggregate financial statements



LALIGA

42 CLUBS

Table 9

LALIGA – Detailed Income Statement

Income Statement	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
Broadcasting income national comp. (RDL 5/2015)	1,577.0	1,636.9	1,586.4	1,594.5	1,497.0	1,478.8
Broadcasting income from international competitions	-	-	-	-	-	-
Broadcasting income from friendlies and others	10.7	13.4	15.9	30.0	33.5	29.3
Broadcasting income	**1,587.7**	**1,650.3**	**1,602.3**	**1,624.5**	**1,530.5**	**1,508.2**
Income from official domestic competitions	164.7	136.2	20.1	126.0	202.0	214.9
Income from international official competitions	44.7	37.9	(13.9)	41.8	38.6	76.3
Income from friendly and other competitions	105.1	71.7	18.5	45.9	97.0	83.7
Income from members and season ticket holders	308.0	270.8	38.3	278.1	345.0	340.9
Matchday income	**622.5**	**516.7**	**63.0**	**491.7**	**682.6**	**715.8**
UEFA revenues (prize money + market pool)	**406.9**	**386.0**	**411.6**	**464.0**	**379.2**	**456.4**
Income from shop sales	134.7	109.7	68.2	126.6	199.7	257.5
Income from sponsorship	525.6	565.7	583.9	489.7	572.7	627.0
Income from other commercial concepts	104.3	92.7	55.4	97.3	141.0	162.6
Income from the operation of facilities	75.5	50.4	23.8	41.3	75.3	73.3
Commercial income - Sponsorship and others	**840.1**	**818.6**	**731.4**	**755.0**	**988.6**	**1,120.4**
Commercial income - Advertising	**143.8**	**167.0**	**173.1**	**176.1**	**210.7**	**168.0**
Net Turnover (NT)	**3,600.9**	**3,538.7**	**2,981.4**	**3,511.2**	**3,791.7**	**3,968.8**
Other operating income	**171.9**	**186.5**	**159.3**	**153.9**	**211.3**	**172.1**
Operating Income	**3,772.9**	**3,725.2**	**3,140.6**	**3,665.1**	**4,003.0**	**4,140.9**
Procurements	**(143.2)**	**(123.0)**	**(107.5)**	**(133.2)**	**(206.2)**	**(260.0)**
Non-sports personnel (wages)	**(252.7)**	**(272.3)**	**(278.2)**	**(315.5)**	**(372.3)**	**(396.6)**
LaLiga registrable sports staff	(1870.2)	(1923.6)	(1843.6)	(1958.3)	(2143.7)	(2062.5)
LaLiga non-registrable sports staff	(225.2)	(251.6)	(299.9)	(292.5)	(295.9)	(284.1)
Sports wage costs	**(2,095.4)**	**(2175.3)**	**(2143.4)**	**(2250.8)**	**(2439.6)**	**(2346.6)**
Other operating expenses	**(882.9)**	**(911.1)**	**(794.9)**	**(941.4)**	**(1112.1)**	**(1156.0)**
EBITDA b/T (EBITDA before transfer of players)	**398.7**	**243.4**	**(183.4)**	**24.1**	**(127.2)**	**(18.4)**
Selling price for transfer of players	1,006.7	1,128.3	542.4	402.3	685.0	644.9
Selling cost for transfer of players	(271.6)	(355.9)	(205.3)	(145.2)	(315.2)	(204.3)
Result from the transfer of players	**735.1**	**772.4**	**337.1**	**257.1**	**369.8**	**440.5**
EBITDA a/T (EBITDA after transfer of players)	**1,133.9**	**1,015.8**	**153.7**	**281.2**	**242.6**	**422.1**
Depreciation of players	**(607.7)**	**(806.8)**	**(752.6)**	**(687.0)**	**(553.0)**	**(508.0)**
Other depreciations and amortisations	**(95.2)**	**(107.9)**	**(109.0)**	**(118.9)**	**(132.9)**	**(126.8)**
Normalised EBIT	**431.0**	**101.1**	**(708.0)**	**(524.7)**	**(443.3)**	**(212.7)**
Allocation of grants	**21.6**	**21.5**	**20.9**	**20.7**	**22.1**	**22.5**
Excess provisions	**11.9**	**66.3**	**34.8**	**27.2**	**59.7**	**32.5**
Gains on other op. fixed assets and exc. income	6.1	(0.9)	1.7	626.5	602.3	101.4
Losses on other op. fixed assets and exc. expenses	(6.2)	(25.9)	(14.6)	(1.9)	(0.4)	(143.1)
Gains or losses on disp. other fixed op. assets	**(0.2)**	**(26.8)**	**(12.9)**	**624.5**	**601.9**	**(41.7)**
Other operating results	**(86.2)**	**(5.9)**	**(234.1)**	**(178.6)**	**(35.8)**	**24.0**
Operating profit/(loss)	**378.1**	**156.2**	**(899.2)**	**(30.9)**	**204.5**	**(175.4)**
Financial income	24.5	36.1	40.8	27.1	48.0	70.1
Financial expenses	(93.2)	(111.8)	(129.1)	(121.3)	(146.8)	(175.4)
Result from the equity method	-	-	-	-	208.2	-
Impairment and results from other financial instruments	(0.4)	(15.3)	(9.1)	(7.3)	(8.7)	0.0
FR (financial result)	**(69.1)**	**(91.1)**	**(97.4)**	**(101.6)**	**100.7**	**(105.3)**
RBT (result before tax)	**309.0**	**65.2**	**(996.6)**	**(132.4)**	**305.2**	**(280.7)**
Taxes on profits	**(84.2)**	**(13.6)**	**97.9**	**(7.7)**	**(60.9)**	**38.8**
NR (net result for the year)	**224.8**	**51.6**	**(898.7)**	**(140.1)**	**244.2**	**(241.9)**
Total Income (TI)	**4,877.7**	**5,065.5**	**3,945.4**	**4,837.7**	**5,700.2**	**5,124.7**
Total Expenses	**(4652.9)**	**(5013.9)**	**(4844.1)**	**(4977.8)**	**(5456.0)**	**(5366.5)**

Table 10

LALIGA – Detailed Balance Sheet

Balance sheet	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
NON-CURRENT ASSETS	**4,700.7**	**5,505.2**	**5,040.6**	**5,330.2**	**6,647.1**	**7,117.2**
Intangible assets	2,261.1	2,786.1	2,234.0	1,930.7	1,916.3	1,988.8
Sports intangible assets	1,873.9	2,381.8	1,852.5	1,530.2	1,372.5	1,443.8
Non-sports intangible assets	387.2	404.3	381.5	400.5	543.8	545.1
Property, plant and equipment	1,727.1	1,884.2	2,035.3	2,328.3	2,885.0	3,515.7
Investment property	29.7	29.2	28.5	55.1	55.4	50.2
L/T investments in group comp. and assoc.	78.5	83.2	77.8	207.7	491.1	526.5
L/T financial investments	321.0	408.4	268.9	362.8	823.8	557.7
Non-current prepayments and accrued income	70.1	65.5	64.9	78.3	87.2	73.7
Deferred tax assets	213.3	248.7	331.2	367.3	388.2	404.6
CURRENT ASSETS	**2,118.8**	**1,976.7**	**1,699.3**	**2,736.9**	**3,044.1**	**3,017.2**
Non-current assets held for sale	279.8	13.8	38.4	29.3	99.7	51.0
Inventories	22.4	21.7	29.4	34.0	54.9	77.0
Trade and other receivables	461.4	575.9	473.4	531.7	684.1	888.8
S/T investments in group comp. and assoc.	18.0	8.1	8.3	16.1	9.8	20.3
S/T financial investments	538.0	521.1	484.1	417.2	1,153.6	734.8
Current prepayments and accrued income	38.6	47.6	37.4	56.1	54.3	55.7
Cash and cash equivalents	760.5	788.5	628.3	1,652.5	987.8	1,189.6
TOTAL ASSETS	**6,819.5**	**7,481.9**	**6,739.9**	**8,067.2**	**9,691.2**	**10,134.4**
NET EQUITY	**1,716.4**	**1,748.3**	**1,189.8**	**1,106.5**	**1,374.4**	**1,168.4**
Own funds	1,503.1	1,528.0	999.5	921.2	1,141.1	953.2
Adjustments for changes in value	(10.8)	(17.3)	(14.0)	(9.7)	(10.2)	(12.7)
Grants, donations and legacies received	224.1	237.6	204.3	195.1	243.5	227.9
NON-CURRENT LIABILITIES	**2,217.9**	**2,389.1**	**2,564.6**	**3,793.8**	**5,144.6**	**5,767.8**
L/T provisions	245.3	209.4	276.3	282.0	251.9	194.0
L/T debt with group comp. and assoc.	127.9	60.1	51.2	34.8	121.9	167.9
Long-term debts with LaLiga for *Plan Impulso*	-	-	-	(599.8)	(855.7)	(1030.7)
L/T debts	1,632.6	1,888.9	2,017.4	3,879.2	5,328.2	6,225.0
Deferred tax liabilities	120.1	137.7	118.8	133.8	260.1	194.5
L/T accruals and deferred income	92.0	93.0	101.0	63.8	38.2	17.1
CURRENT LIABILITIES	**2,885.1**	**3,344.5**	**2,985.4**	**3,166.8**	**3,172.3**	**3,198.2**
S/T provisions	43.0	42.4	23.4	103.2	116.6	93.3
S/T debt with group comp. and assoc.	14.6	53.9	67.2	26.1	13.5	8.7
S/T debts with LaLiga for *Plan Impulso*	-	-	-	(19.5)	(29.9)	(40.8)
S/T debts	813.6	1,433.4	1,216.7	1,015.0	1,102.8	1,010.5
Trade and other payables	1,415.5	1,309.6	1,326.5	1,576.3	1,588.2	1,700.9
S/T accruals and deferred income	598.4	505.1	351.6	465.7	381.1	425.5
NET EQUITY AND LIABILITIES	**6,819.5**	**7,481.9**	**6,739.9**	**8,067.2**	**9,691.2**	**10,134.4**

Table 11

LALIGA - Detailed flows waterfall

Cash Flow (indirect method)	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
A. Net result for the year (NR)	224.8	51.6	(898.7)	(140.1)	244.2	(241.9)
B. Adjustments to NR	168.6	95.5	784.4	148.6	(277.3)	181.7
A. + B. Funds generated by operations (FGO)	**393.4**	**147.1**	**(114.3)**	**8.5**	**(33.1)**	**(60.2)**
C. Net investment in working capital (WC)	27.4	(319.2)	(54.9)	202.5	(267.5)	(70.7)
A. + B. + C. Cash flow from operations (CFO)	**420.8**	**(172.2)**	**(169.2)**	**211.0**	**(300.5)**	**(130.9)**
D1. Net investment in players (CAPEX players)	(291.5)	(405.0)	(4.6)	(164.8)	(94.8)	(90.7)
- Investment in players	(1,298.2)	(1,533.3)	(547.0)	(567.1)	(779.8)	(735.6)
+ Divestment in players	1,006.7	1,128.3	542.4	402.3	685.0	644.9
A. + B. + C. + D1. Organic free cash flow (FCFo)	**129.3**	**(577.1)**	**(173.8)**	**46.3**	**(395.3)**	**(221.6)**
D2. Net investment in other operating assets (CAPEX infra.)	(236.5)	(108.1)	(294.7)	(422.8)	(819.9)	(787.4)
- Investment in other productive assets	(249.4)	(280.6)	(295.8)	(438.5)	(850.7)	(830.2)
+ Divestment in other productive assets	12.9	172.5	1.1	15.6	30.8	42.8
A. + B. + C. + D1. + D2. Total free cash flow (FCFt)	**(107.2)**	**(685.2)**	**(468.5)**	**(376.6)**	**(1215.2)**	**(1009.0)**
- Financial expenses	(91.5)	(118.6)	(142.8)	(126.4)	(155.6)	(181.4)
+/- Variation in financial debt (financial entities)	66.9	436.9	(38.3)	(127.1)	(74.5)	142.0
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	(619.3)	(885.6)	(185.9)
+/- Variation in financial debt (non-financial entities)	515.8	386.6	61.2	1,741.8	2,274.5	740.0
+ Financial income	24.5	36.1	40.8	27.1	48.0	70.1
+/- Variation in other ST or LT financial assets and liabilities	(14.6)	(23.4)	7.6	(58.9)	(56.3)	(22.1)
+/- Net investment in financial assets	(300.5)	(94.9)	170.6	(13.7)	(893.6)	370.5
+ Corporate asset monetisation deals (sale of future credit rights)	-	-	-	498.4	221.5	210.5
A. + B. + C. + D. + E. Equity cash flow (ECF)	**93.4**	**(62.6)**	**(369.5)**	**945.3**	**(736.7)**	**134.7**
F. Cash flows from own resources (Equity)	14.7	92.0	214.8	80.1	70.9	69.8
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	-	-	-
+/- Changes in capital and other equity instruments	11.0	96.0	208.0	74.6	56.1	65.6
+ Grants, donations and legacies received	10.3	0.6	7.2	5.5	59.1	4.2
- Dividends	(6.7)	(4.6)	(0.4)	-	(44.2)	-
A. + B. + C. + D. + E. + F. Net change in cash	**108.1**	**29.4**	**(154.7)**	**1,025.4**	**(665.8)**	**204.6**
Cash and cash equivalents, opening balance	**652.4**	**759.1**	**782.9**	**627.1**	**1,653.6**	**985.0**
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	108.1	29.4	(154.7)	1,025.4	(665.8)	204.6
Cash and cash equivalents, closing balance	**760.5**	**788.5**	**628.3**	**1,652.5**	**987.8**	**1,189.6**

LALIGA NETTED

40 CLUBS

Table 12

Netted LALIGA – Detailed Income Statement

Income Statement	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
Broadcasting income national comp. (RDL 5/2015)	1,251.0	1,299.0	1,257.8	1,275.2	1,212.4	1,202.4
Broadcasting income from international competitions	-	-	-	-	-	-
Broadcasting income from friendlies and others	0.5	4.1	4.5	6.5	8.6	9.4
Broadcasting income	**1,251.5**	**1,303.1**	**1,262.3**	**1,281.6**	**1,221.0**	**1,211.8**
Income from official domestic competitions	48.6	40.8	5.8	56.9	73.2	87.0
Income from international official competitions	7.5	20.1	(7.8)	10.6	11.6	18.1
Income from friendly and other competitions	10.1	6.1	2.4	3.7	11.6	18.4
Income from members and season ticket holders	192.9	172.0	14.4	191.7	228.0	250.9
Matchday income	**259.0**	**239.0**	**14.7**	**262.9**	**324.3**	**374.4**
UEFA revenues (prize money + market pool)	**200.6**	**203.2**	**220.8**	**259.2**	**186.2**	**220.6**
Income from shop sales	48.1	42.5	35.0	48.9	67.0	66.7
Income from sponsorship	79.2	100.1	99.6	105.6	142.5	151.2
Income from other commercial concepts	26.2	19.4	14.5	34.0	41.6	57.8
Income from the operation of facilities	0.7	0.8	0.3	1.9	2.3	3.1
Commercial income - Sponsorship and others	**154.2**	**162.8**	**149.4**	**190.5**	**253.4**	**278.8**
Commercial income - Advertising	**143.8**	**167.0**	**173.1**	**176.1**	**210.7**	**168.0**
Net Turnover (NT)	**2,009.1**	**2,075.2**	**1,820.2**	**2,170.4**	**2,195.5**	**2,253.6**
Other operating income	**156.0**	**143.8**	**144.2**	**136.1**	**173.2**	**139.5**
Operating Income	**2,165.1**	**2,219.0**	**1,964.5**	**2,306.5**	**2,368.7**	**2,393.1**
Procurements	**(82.4)**	**(72.8)**	**(65.4)**	**(74.2)**	**(112.1)**	**(126.8)**
Non-sports personnel (wages)	**(155.0)**	**(167.5)**	**(176.8)**	**(199.5)**	**(239.2)**	**(244.0)**
LaLiga registrable sports staff	(1119.3)	(1229.8)	(1211.8)	(1330.3)	(1341.0)	(1368.1)
LaLiga non-registrable sports staff	(103.2)	(120.0)	(124.9)	(126.9)	(128.3)	(134.2)
Sports wage costs	**(1,222.6)**	**(1349.8)**	**(1336.7)**	**(1457.2)**	**(1469.2)**	**(1502.3)**
Other operating expenses	**(497.7)**	**(518.0)**	**(500.7)**	**(537.7)**	**(599.1)**	**(634.0)**
EBITDA b/T (EBITDA before transfer of players)	**207.4**	**110.9**	**(115.1)**	**37.8**	**(50.9)**	**(114.0)**
Selling price for transfer of players	677.7	856.9	359.8	240.5	549.7	531.4
Selling cost for transfer of players	(142.0)	(254.4)	(106.8)	(73.6)	(224.4)	(196.5)
Result from the transfer of players	**535.7**	**602.5**	**253.0**	**166.9**	**325.3**	**334.9**
EBITDA a/T (EBITDA after transfer of players)	**743.1**	**713.5**	**137.9**	**204.8**	**274.5**	**220.9**
Depreciation of players	**(358.1)**	**(472.8)**	**(440.0)**	**(409.9)**	**(325.2)**	**(308.8)**
Business EBIT	**385.0**	**240.7**	**(302.2)**	**(205.1)**	**(50.7)**	**(87.9)**
Other depreciations and amortisations	**(62.9)**	**(72.6)**	**(73.1)**	**(77.6)**	**(82.1)**	**(78.4)**
Normalised EBIT	**322.1**	**168.1**	**(375.2)**	**(282.7)**	**(132.8)**	**(166.3)**
Allocation of grants	**21.3**	**21.2**	**20.4**	**20.4**	**21.9**	**20.5**
Excess provisions	**5.1**	**66.3**	**31.7**	**23.2**	**36.2**	**16.6**
Gains on other op. fixed assets and exc. income	5.9	(1.0)	1.0	17.4	10.0	25.3
Losses on other op. fixed assets and exc. expenses	(5.8)	(25.6)	(14.2)	(1.8)	(0.4)	(2.3)
Gains or losses on disp. other fixed op. assets	**0.1**	**(26.5)**	**(13.2)**	**15.6**	**9.6**	**23.0**
Other operating results	**(42.4)**	**(22.0)**	**(9.2)**	**11.9**	**1.2**	**12.8**
Operating profit/(loss)	**306.2**	**207.0**	**(345.5)**	**(211.6)**	**(63.9)**	**(93.4)**
Financial income	21.9	30.2	27.0	9.7	10.4	24.7
Financial expenses	(73.1)	(79.7)	(74.1)	(64.0)	(79.9)	(102.8)
Result from the equity method	-	-	-	-	-	-
Impairment and results from other financial instruments	(3.1)	(14.8)	3.5	(11.2)	7.1	0.2
FR (financial result)	**(54.3)**	**(64.3)**	**(43.6)**	**(65.5)**	**(62.4)**	**(77.9)**
RBT (result before tax)	**251.9**	**142.6**	**(389.1)**	**(277.1)**	**(126.3)**	**(171.3)**
Taxes on profits	**(70.1)**	**(35.2)**	**15.8**	**26.5**	**7.2**	**4.4**
NR (net result for the year)	**181.9**	**107.5**	**(373.2)**	**(250.6)**	**(119.2)**	**(166.9)**
Total Income (TI)	**2,919.0**	**3,221.1**	**2,465.3**	**2,679.3**	**3,062.3**	**3,060.0**
Total Expenses	**(2737.2)**	**(3113.6)**	**(2838.5)**	**(2929.9)**	**(3181.4)**	**(3227.0)**

Table 13

Netted LALIGA – Detailed Balance Sheet

Balance sheet	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
NON-CURRENT ASSETS	**3,018.6**	**3,331.3**	**3,140.6**	**3,202.6**	**3,358.7**	**3,451.3**
Intangible assets	1,403.7	1,627.1	1,466.1	1,365.8	1,294.2	1,256.3
Sports intangible assets	1,035.2	1,250.4	1,110.1	990.8	797.0	776.0
Non-sports intangible assets	368.5	376.7	356.0	375.1	497.2	480.4
Property, plant and equipment	1,171.2	1,232.2	1,228.9	1,269.3	1,382.7	1,428.0
Investment property	4.6	4.5	3.2	3.2	3.2	3.2
L/T investments in group comp. and assoc.	71.7	75.9	77.6	97.2	123.4	155.2
L/T financial investments	189.7	209.8	188.9	254.4	319.3	361.1
Non-current prepayments and accrued income	5.8	7.4	4.8	13.2	12.6	9.2
Deferred tax assets	171.9	174.3	171.2	199.4	223.2	238.3
CURRENT ASSETS	**1,303.5**	**1,241.1**	**983.4**	**1,193.8**	**1,285.9**	**1,372.7**
Non-current assets held for sale	200.9	6.4	0.4	4.0	88.5	51.0
Inventories	13.4	15.3	17.8	15.6	24.5	42.2
Trade and other receivables	214.9	254.8	238.1	287.4	276.6	327.2
S/T investments in group comp. and assoc.	18.0	8.1	8.3	16.1	9.8	20.3
S/T financial investments	381.6	428.1	385.9	323.1	420.9	410.3
Current prepayments and accrued income	28.3	36.9	31.5	46.6	41.9	46.1
Cash and cash equivalents	446.4	491.4	301.4	501.0	423.6	475.6
TOTAL ASSETS	**4,322.1**	**4,572.4**	**4,124.0**	**4,396.4**	**4,644.6**	**4,824.0**
NET EQUITY	**1,051.1**	**1,184.6**	**1,106.9**	**913.3**	**817.9**	**688.6**
Own funds	844.4	970.8	922.7	733.8	590.3	478.0
Adjustments for changes in value	(10.8)	(17.3)	(14.0)	(9.7)	(10.2)	(13.1)
Grants, donations and legacies received	217.4	231.1	198.2	189.2	237.8	223.8
NON-CURRENT LIABILITIES	**1,545.8**	**1,498.6**	**1,223.9**	**1,783.6**	**2,129.5**	**2,461.2**
L/T provisions	214.8	168.5	143.5	132.2	104.4	81.7
L/T debt with group comp. and assoc.	127.9	60.1	51.2	34.8	121.9	167.9
Long-term debts with LaLiga for *Plan Impulso*	-	-	-	599.8	855.7	1,030.7
L/T debts	1,055.0	1,117.6	925.9	927.2	941.5	1,071.2
Deferred tax liabilities	100.1	116.4	85.7	79.5	97.5	99.8
L/T accruals and deferred income	48.0	36.1	17.5	10.1	8.6	9.9
CURRENT LIABILITIES	**1,725.2**	**1,889.3**	**1,793.2**	**1,699.4**	**1,697.2**	**1,674.2**
S/T provisions	37.6	36.7	20.1	25.0	32.4	18.1
S/T debt with group comp. and assoc.	14.6	53.9	67.2	26.1	13.5	8.7
S/T debts with LaLiga for *Plan Impulso*	-	-	-	19.5	29.9	40.8
S/T debts	613.9	835.2	789.5	549.0	632.2	591.8
Trade and other payables	768.4	779.0	837.4	833.6	846.9	837.7
S/T accruals and deferred income	290.7	184.5	79.1	246.2	142.4	177.1
NET EQUITY AND LIABILITIES	**4,322.1**	**4,572.4**	**4,124.1**	**4,396.3**	**4,644.6**	**4,824.0**

Table 14

Netted LALIGA – Detailed flows waterfall

Cash Flow (indirect method)	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
A. Net result for the year (NR)	181.9	107.5	(373.2)	(250.6)	(119.2)	(166.9)
B. Adjustments to NR	(3.1)	(54.9)	282.3	314.2	94.0	51.7
A. + B. Funds generated by operations (FGO)	**178.8**	**52.6**	**(91.0)**	**63.6**	**(25.2)**	**(115.3)**
C. Net investment in working capital (WC)	12.4	(146.0)	(24.3)	96.3	(103.2)	(49.2)
A. + B. + C. Cash flow from operations (CFO)	**191.1**	**(93.4)**	**(115.3)**	**159.8**	**(128.3)**	**(164.5)**
D1. Net investment in players (CAPEX players)	(47.4)	(45.7)	(51.1)	(129.3)	134.6	90.6
- Investment in players	(725.1)	(902.7)	(410.8)	(369.8)	(415.1)	(440.8)
+ Divestment in players	677.7	856.9	359.8	240.5	549.7	531.4
A. + B. + C. + D1. Organic free cash flow (FCFo)	**143.7**	**(139.2)**	**(166.3)**	**30.6**	**6.3**	**(73.8)**
D2. Net investment in other operating assets (CAPEX infra.)	(145.8)	32.5	(106.4)	(129.2)	(304.5)	(136.1)
- Investment in other productive assets	(157.7)	(139.8)	(106.6)	(144.1)	(332.8)	(169.7)
+ Divestment in other productive assets	12.0	172.3	0.3	14.9	28.3	33.6
A. + B. + C. + D1. + D2. Total free cash flow (FCFt)	**(2.0)**	**(106.7)**	**(272.7)**	**(98.7)**	**(298.2)**	**(209.9)**
- Financial expenses	(74.1)	(85.9)	(75.2)	(73.0)	(72.8)	(102.6)
+/- Variation in financial debt (financial entities)	70.0	74.8	(38.5)	(36.6)	0.4	58.9
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	(619.3)	(885.6)	(185.9)
+/- Variation in financial debt (non-financial entities)	151.4	156.5	(87.8)	990.6	1,292.9	479.7
+ Financial income	21.9	30.2	27.0	9.7	10.4	24.7
+/- Variation in other ST or LT financial assets and liabilities	(12.4)	(35.7)	(9.2)	(20.8)	(15.7)	(1.5)
+/- Net investment in financial assets	(145.0)	(78.8)	57.2	(31.3)	(180.7)	(78.6)
+ Corporate asset monetisation deals (sale of future credit rights)	-	-	-	-	-	-
A. + B. + C. + D. + E. Equity cash flow (ECF)	**9.8**	**(45.7)**	**(399.2)**	**120.7**	**(149.3)**	**(15.1)**
F. Cash flows from own resources (Equity)	14.7	92.0	214.8	80.1	70.9	69.8
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	-	-	-
+/- Changes in capital and other equity instruments	11.0	96.0	208.0	74.6	56.1	65.6
+ Grants, donations and legacies received	10.3	0.6	7.2	5.5	59.1	4.2
- Dividends	(6.7)	(4.6)	(0.4)	-	(44.2)	-
A. + B. + C. + D. + E. + F. Net change in cash	**24.4**	**46.3**	**(184.4)**	**200.8**	**(78.4)**	**54.7**
Cash and cash equivalents, opening balance	**422.0**	**445.1**	**485.8**	**300.2**	**502.0**	**420.8**
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	24.4	46.3	(184.4)	200.8	(78.4)	54.7
Cash and cash equivalents, closing balance	**446.4**	**491.4**	**301.4**	**501.0**	**423.6**	**475.6**

LALIGA EA SPORTS | 20 CLUBS

Table 15

LALIGA EA Sports – Detailed Income Statement

Income Statement	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
Broadcasting income national comp. (RDL 5/2015)	1,418.1	1,474.1	1,429.9	1,433.7	1,344.8	1,330.3
Broadcasting income from international competitions	-	-	-	-	-	-
Broadcasting income from friendlies and others	10.5	12.8	15.2	29.3	32.0	28.0
Broadcasting income	**1,428.6**	**1,486.9**	**1,445.0**	**1,463.0**	**1,376.9**	**1,358.3**
Income from official domestic competitions	154.9	129.0	19.8	115.6	189.2	199.3
Income from international official competitions	44.0	37.7	(13.9)	41.8	38.6	76.3
Income from friendly and other competitions	104.0	71.3	18.4	45.3	95.2	81.4
Income from members and season ticket holders	267.5	235.9	30.6	251.0	305.8	296.4
Matchday income	**570.4**	**473.9**	**54.9**	**453.8**	**628.8**	**653.4**
UEFA revenues (prize money + market pool)	**406.9**	**386.0**	**410.8**	**464.0**	**379.2**	**456.4**
Income from shop sales	125.1	99.7	61.2	117.3	185.1	245.9
Income from sponsorship	507.4	537.1	556.7	461.2	536.0	601.7
Income from other commercial concepts	102.9	92.2	54.3	95.4	139.1	160.2
Income from the operation of facilities	74.9	50.0	23.7	41.0	73.9	71.5
Commercial income - Sponsorship and others	**810.3**	**779.0**	**696.0**	**714.9**	**934.1**	**1,079.3**
Commercial income - Advertising	**119.0**	**144.4**	**145.0**	**156.0**	**193.3**	**138.2**
Net Turnover (NT)	**3,335.1**	**3,270.2**	**2,751.7**	**3,251.7**	**3,512.3**	**3,685.7**
Other operating income	**101.3**	**127.0**	**77.4**	**91.3**	**135.4**	**114.3**
Operating Income	**3,436.4**	**3,397.2**	**2,829.2**	**3,343.0**	**3,647.6**	**3,800.0**
Procurements	**(129.8)**	**(108.1)**	**(93.0)**	**(119.9)**	**(186.1)**	**(244.6)**
Non-sports personnel (wages)	**(208.3)**	**(230.3)**	**(237.8)**	**(273.1)**	**(314.0)**	**(336.6)**
LaLiga registrable sports staff	(1708.8)	(1745.4)	(1650.1)	(1785.0)	(1955.5)	(1873.8)
LaLiga non-registrable sports staff	(199.3)	(227.0)	(269.7)	(267.0)	(266.2)	(258.1)
Sports wage costs	**(1,908.1)**	**(1972.4)**	**(1919.8)**	**(2052.0)**	**(2221.7)**	**(2131.9)**
Other operating expenses	**(760.7)**	**(790.6)**	**(682.5)**	**(814.0)**	**(966.4)**	**(1018.3)**
EBITDA b/T (EBITDA before transfer of players)	**429.5**	**295.9**	**(103.9)**	**84.0**	**(40.6)**	**68.6**
Selling price for transfer of players	930.6	1,003.1	461.4	364.4	617.5	539.3
Selling cost for transfer of players	(250.7)	(330.5)	(193.1)	(137.2)	(291.7)	(174.5)
Result from the transfer of players	**679.9**	**672.7**	**268.3**	**227.2**	**325.8**	**364.9**
EBITDA a/T (EBITDA after transfer of players)	**1,109.3**	**968.5**	**164.4**	**311.2**	**285.2**	**433.5**
Depreciation of players	**(586.7)**	**(779.6)**	**(712.3)**	**(663.4)**	**(537.6)**	**(487.0)**
Other depreciations and amortisations	**(73.4)**	**(87.3)**	**(88.0)**	**(96.2)**	**(110.0)**	**(103.7)**
Normalised EBIT	**449.2**	**101.7**	**(635.8)**	**(448.3)**	**(362.4)**	**(157.3)**
Allocation of grants	**8.1**	**9.3**	**9.7**	**8.9**	**9.3**	**12.8**
Excess provisions	**6.7**	**63.1**	**33.3**	**25.5**	**53.5**	**31.7**
Gains on other op. fixed assets and exc. income	4.5	(0.9)	0.7	626.5	601.0	99.6
Losses on other op. fixed assets and exc. expenses	(5.8)	(25.5)	(13.1)	(1.0)	(0.2)	(142.8)
Gains or losses on disp. other fixed op. assets	**(1.3)**	**(26.4)**	**(12.5)**	**625.5**	**600.7**	**(43.2)**
Other operating results	**(86.3)**	**(2.2)**	**(236.3)**	**(183.9)**	**(38.0)**	**23.5**
Operating profit/(loss)	**376.4**	**145.4**	**(841.6)**	**27.7**	**263.1**	**(132.5)**
Financial income	23.6	35.2	38.5	25.4	47.1	63.4
Financial expenses	(86.9)	(105.4)	(122.3)	(115.0)	(136.1)	(160.0)
Result from the equity method	-	-	-	-	208.2	-
Impairment and results from other financial instruments	0.0	(15.3)	(13.6)	0.6	(10.3)	(2.8)
FR (financial result)	**(63.3)**	**(85.5)**	**(97.5)**	**(89.0)**	**108.8**	**(99.4)**
RBT (result before tax)	**313.1**	**59.9**	**(939.0)**	**(61.3)**	**372.0**	**(231.8)**
Taxes on profits	**(82.5)**	**(6.8)**	**91.6**	**(20.3)**	**(63.9)**	**34.1**
NR (net result for the year)	**230.6**	**53.1**	**(847.4)**	**(81.5)**	**308.0**	**(197.7)**
Total Income (TI)	**4,432.6**	**4,589.2**	**3,514.7**	**4,442.6**	**5,240.0**	**4,643.8**
Total Expenses	**(4202.0)**	**(4536.2)**	**(4362.1)**	**(4524.1)**	**(4932.0)**	**(4841.4)**

Table 16

LALIGA EA Sports – Detailed Balance Sheet

Balance sheet	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
NON-CURRENT ASSETS	**4,203.5**	**4,973.0**	**4,373.5**	**4,778.2**	**5,960.0**	**6,325.0**
Intangible assets	1,970.5	2,532.1	1,912.9	1,688.1	1,720.7	1,796.6
Sports intangible assets	1,832.2	2,329.5	1,723.9	1,475.1	1,341.5	1,398.6
Non-sports intangible assets	138.3	202.6	188.9	213.0	379.2	398.0
Property, plant and equipment	1,604.5	1,730.7	1,831.2	2,187.1	2,627.5	3,142.4
Investment property	28.0	27.5	28.1	54.7	55.4	50.2
L/T investments in group comp. and assoc.	76.3	76.4	70.1	196.4	424.5	503.7
L/T financial investments	294.4	346.7	192.9	264.8	723.0	449.5
Non-current prepayments and accrued income	70.1	65.5	64.7	78.3	87.2	73.7
Deferred tax assets	159.7	194.2	273.8	308.8	321.7	309.0
CURRENT ASSETS	**1,959.2**	**1,801.2**	**1,466.9**	**2,514.6**	**2,857.6**	**2,816.2**
Non-current assets held for sale	278.2	13.8	38.4	27.5	99.5	50.8
Inventories	18.9	18.5	25.7	29.8	50.1	72.2
Trade and other receivables	417.2	536.7	417.8	477.3	631.2	832.8
S/T investments in group comp. and assoc.	4.6	2.5	5.7	13.0	3.4	18.2
S/T financial investments	498.0	470.8	394.0	371.4	1,079.3	667.6
Current prepayments and accrued income	36.1	41.4	33.0	51.5	45.5	46.4
Cash and cash equivalents	706.2	717.5	552.3	1,544.2	948.5	1,128.2
TOTAL ASSETS	**6,162.7**	**6,774.2**	**5,840.4**	**7,292.8**	**8,817.5**	**9,141.2**
NET EQUITY	**1,583.2**	**1,551.6**	**745.0**	**809.6**	**1,190.2**	**953.6**
Own funds	1,513.9	1,466.3	664.1	728.0	1,059.3	827.4
Adjustments for changes in value	(10.8)	(17.3)	(14.0)	(9.7)	2.8	0.3
Grants, donations and legacies received	80.0	102.6	95.0	91.3	128.1	125.9
NON-CURRENT LIABILITIES	**1,929.6**	**2,097.5**	**2,343.9**	**3,521.5**	**4,690.5**	**5,243.0**
L/T provisions	235.9	169.6	236.7	275.7	247.6	189.3
L/T debt with group comp. and assoc.	99.7	15.1	27.1	24.1	55.1	45.6
Long-term debts with LaLiga for *Plan Impulso*	-	-	-	(470.0)	(604.1)	(745.1)
L/T debts	1,442.8	1,741.4	1,901.7	3,532.1	4,733.5	5,581.3
Deferred tax liabilities	61.3	80.2	77.6	96.0	220.5	158.8
L/T accruals and deferred income	90.0	91.2	100.8	63.7	37.8	13.0
CURRENT LIABILITIES	**2,649.9**	**3,125.1**	**2,751.5**	**2,961.6**	**2,936.8**	**2,944.6**
S/T provisions	39.0	33.7	19.4	100.1	115.1	90.8
S/T debt with group comp. and assoc.	13.1	42.9	63.3	20.7	5.4	1.5
S/T debts with LaLiga for *Plan Impulso*	-	-	-	(14.3)	(21.8)	(30.0)
S/T debts	744.9	1,348.3	1,120.5	940.6	1,001.8	909.1
Trade and other payables	1,301.9	1,212.8	1,204.8	1,485.6	1,470.4	1,561.3
S/T accruals and deferred income	551.0	487.4	343.5	428.9	365.9	411.9
NET EQUITY AND LIABILITIES	**6,162.7**	**6,774.2**	**5,840.4**	**7,292.8**	**8,817.5**	**9,141.2**

Table 17

LALIGA EA Sports - Detailed flow waterfall

Cash Flow (indirect method)	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
A. Net result for the year (NR)	230.6	53.1	(847.4)	(81.5)	308.0	(197.7)
B. Adjustments to NR	189.2	140.7	816.7	146.9	(260.0)	217.2
A. + B. Funds generated by operations (FGO)	**419.8**	**193.8**	**(30.7)**	**65.4**	**48.0**	**19.5**
C. Net investment in working capital (WC)	11.5	(308.5)	(40.4)	192.5	(278.3)	(54.2)
A. + B. + C. Cash flow from operations (CFO)	**431.2**	**(114.7)**	**(71.1)**	**257.9**	**(230.3)**	**(34.7)**
D1. Net investment in players (CAPEX players)	(330.3)	(492.8)	(26.9)	(186.1)	(149.2)	(173.0)
- Investment in players	(1,260.9)	(1495.9)	(488.3)	(550.5)	(766.6)	(712.3)
+ Divestment in players	930.6	1,003.1	461.4	364.4	617.5	539.3
A. + B. + C. + D1. Organic free cash flow (FCFo)	**100.9**	**(607.5)**	**(98.0)**	**71.8**	**(379.5)**	**(207.7)**
D2. Net investment in other operating assets (CAPEX infra.)	(222.5)	(97.2)	(277.1)	(380.7)	(781.1)	(750.6)
- Investment in other productive assets	(229.1)	(269.0)	(277.4)	(396.1)	(808.9)	(788.2)
+ Divestment in other productive assets	6.6	171.7	0.3	15.4	27.8	37.7
A. + B. + C. + D1. + D2. Total free cash flow (FCFt)	**(121.6)**	**(704.7)**	**(375.2)**	**(308.9)**	**(1160.6)**	**(958.2)**
- Financial expenses	(84.8)	(112.2)	(136.0)	(114.4)	(146.5)	(168.7)
+/- Variation in financial debt (financial entities)	67.9	432.1	(55.0)	(120.9)	(82.2)	169.6
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	(484.3)	(625.9)	(149.2)
+/- Variation in financial debt (non-financial entities)	536.4	399.2	81.6	1,507.9	1,945.1	594.4
+ Financial income	23.6	35.2	38.5	25.4	47.1	63.4
+/- Variation in other ST or LT financial assets and liabilities	(12.6)	(23.5)	(1.2)	(55.3)	(48.9)	(26.0)
+/- Net investment in financial assets	(313.0)	(69.2)	199.3	(31.9)	(825.7)	410.9
+ Corporate asset monetisation deals (sale of future credit rights)	-	-	-	498.4	221.5	210.5
A. + B. + C. + D. + E. Equity cash flow (ECF)	**95.9**	**(43.0)**	**(247.9)**	**915.9**	**(676.1)**	**146.6**
F. Cash flows from own resources (Equity)	9.0	46.1	125.7	50.4	84.6	45.3
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	-	-	-
+/- Changes in capital and other equity instruments	0.2	50.2	125.1	44.8	35.5	45.3
+ Grants, donations and legacies received	10.3	0.6	1.0	5.5	49.1	-
- Dividends	(1.6)	(4.6)	(0.4)	-	-	-
A. + B. + C. + D. + E. + F. Net change in cash	**104.9**	**3.1**	**(122.2)**	**966.2**	**(591.5)**	**192.0**
Cash and cash equivalents, opening balance	**601.3**	**714.3**	**674.5**	**578.0**	**1,540.0**	**936.2**
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	104.9	3.1	(122.2)	966.2	(591.5)	192.0
Cash and cash equivalents, closing balance	**706.2**	**717.5**	**552.3**	**1,544.2**	**948.5**	**1,128.2**

Table 18

Netted LALIGA EA Sports – Detailed Income Statement

Income Statement	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
Broadcasting income national comp. (RDL 5/2015)	1,092.1	1,136.2	1,101.3	1,114.4	1,060.2	1,053.9
Broadcasting income from international competitions	-	-	-	-	-	-
Broadcasting income from friendlies and others	0.3	3.5	3.7	5.8	7.1	8.0
Broadcasting income	**1,092.4**	**1,139.8**	**1,105.0**	**1,120.2**	**1,067.3**	**1,061.9**
Income from official domestic competitions	38.8	33.5	5.5	46.6	60.4	71.5
Income from international official competitions	6.8	19.9	(7.8)	10.6	11.6	18.1
Income from friendly and other competitions	9.0	5.7	2.3	3.2	9.8	16.1
Income from members and season ticket holders	152.3	137.1	6.6	164.7	188.8	206.4
Matchday income	**206.9**	**196.2**	**6.7**	**225.0**	**270.5**	**312.0**
UEFA revenues (prize money + market pool)	**200.6**	**203.2**	**219.9**	**259.2**	**186.2**	**220.6**
Income from shop sales	38.5	32.5	28.0	39.7	52.4	55.1
Income from sponsorship	61.1	71.4	72.4	77.0	105.8	125.9
Income from other commercial concepts	24.8	18.8	13.4	32.0	39.7	55.4
Income from the operation of facilities	-	0.4	0.2	1.6	0.9	1.3
Commercial income - Sponsorship and others	**124.4**	**123.2**	**114.0**	**150.4**	**198.8**	**237.7**
Commercial income - Advertising	**119.0**	**144.4**	**145.0**	**156.0**	**193.3**	**138.2**
Net Turnover (NT)	**1,743.3**	**1,806.8**	**1,590.6**	**1,910.8**	**1,916.1**	**1,970.5**
Other operating income	85.3	84.3	62.4	73.6	97.3	81.7
Operating Income	**1,828.6**	**1,891.1**	**1,653.0**	**1,984.4**	**2,013.4**	**2,052.2**
Procurements	(69.0)	(57.8)	(50.8)	(61.0)	(92.0)	(111.4)
Non-sports personnel (wages)	(110.6)	(125.4)	(136.4)	(157.1)	(180.9)	(183.9)
LaLiga registrable sports staff	(957.9)	(1051.5)	(1018.3)	(1157.0)	(1152.8)	(1179.5)
LaLiga non-registrable sports staff	(77.4)	(95.4)	(94.8)	(101.4)	(98.6)	(108.2)
Sports wage costs	(1,035.3)	(1146.9)	(1113.0)	(1258.4)	(1251.3)	(1287.6)
Other operating expenses	(375.6)	(397.5)	(388.3)	(410.2)	(453.3)	(496.3)
EBITDA b/T (EBITDA before transfer of players)	**238.1**	**163.4**	**(35.6)**	**97.8**	**35.8**	**(27.0)**
Selling price for transfer of players	601.6	731.8	278.8	202.6	482.1	425.9
Selling cost for transfer of players	(121.2)	(229.0)	(94.5)	(65.5)	(200.8)	(166.7)
Result from the transfer of players	480.4	502.8	184.3	137.1	281.3	259.3
EBITDA a/T (EBITDA after transfer of players)	**718.6**	**666.2**	**148.6**	**234.8**	**317.0**	**232.3**
Depreciation of players	(337.1)	(445.6)	(399.7)	(386.3)	(309.8)	(287.8)
Other depreciations and amortisations	(41.1)	(52.0)	(52.1)	(54.9)	(59.2)	(55.4)
Normalised EBIT	**340.4**	**168.6**	**(303.1)**	**(206.4)**	**(51.9)**	**(110.9)**
Allocation of grants	7.8	9.0	9.1	8.6	9.1	10.8
Excess provisions	0.0	63.1	30.2	21.5	30.1	15.8
Gains on other op. fixed assets and exc. income	4.3	(1.0)	0.0	17.4	8.7	23.4
Losses on other op. fixed assets and exc. expenses	(5.4)	(25.1)	(12.8)	(0.9)	(0.2)	(2.0)
Gains or losses on disp. other fixed op. assets	(1.1)	(26.1)	(12.8)	16.5	8.5	21.4
Other operating results	(42.5)	(18.4)	(11.4)	6.6	(1.0)	12.3
Operating profit/(loss)	**304.6**	**196.1**	**(287.9)**	**(153.1)**	**(5.3)**	**(50.6)**
Financial income	20.9	29.3	24.7	8.1	9.5	18.0
Financial expenses	(66.9)	(73.3)	(67.3)	(57.6)	(69.2)	(87.3)
Result from the equity method	-	-	-	-	-	-
Impairment and results from other financial instruments	(2.6)	(14.8)	(1.1)	(3.4)	5.4	(2.6)
FR (financial result)	(48.5)	(58.7)	(43.7)	(52.9)	(54.3)	(71.9)
RBT (result before tax)	**256.1**	**137.4**	**(331.5)**	**(206.0)**	**(59.6)**	**(122.5)**
Taxes on profits	(68.3)	(28.4)	9.6	13.9	4.2	(0.3)
NR (net result for the year)	**187.7**	**109.0**	**(321.9)**	**(192.0)**	**(55.4)**	**(122.7)**
Total Income (TI)	**2,474.0**	**2,744.8**	**2,034.6**	**2,284.1**	**2,602.1**	**2,579.1**
Total Expenses	**(2286.2)**	**(2635.9)**	**(2356.5)**	**(2476.2)**	**(2657.5)**	**(2701.9)**

Table 19

Netted LALIGA EA Sports – Detailed Balance Sheet

Balance sheet	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
NON-CURRENT ASSETS	**2,521.4**	**2,799.2**	**2,473.6**	**2,650.5**	**2,671.6**	**2,659.1**
Intangible assets	1,113.1	1,373.0	1,145.0	1,123.2	1,098.6	1,064.1
Sports intangible assets	993.5	1,198.0	981.6	935.6	766.1	730.8
Non-sports intangible assets	119.7	175.0	163.4	187.6	332.5	333.3
Property, plant and equipment	1,048.5	1,078.7	1,024.7	1,128.1	1,125.2	1,054.6
Investment property	2.9	2.9	2.9	2.9	3.2	3.2
L/T investments in group comp. and assoc.	69.6	69.2	70.0	85.9	56.7	132.4
L/T financial investments	163.1	148.1	112.8	156.3	218.5	252.8
Non-current prepayments and accrued income	5.8	7.4	4.6	13.2	12.6	9.2
Deferred tax assets	118.3	119.9	113.7	140.9	156.7	142.7
CURRENT ASSETS	**1,143.9**	**1,065.6**	**751.0**	**971.4**	**1,099.3**	**1,171.7**
Non-current assets held for sale	199.2	6.4	0.4	2.1	88.3	50.8
Inventories	9.8	12.2	14.1	11.3	19.8	37.4
Trade and other receivables	170.7	215.7	182.5	233.0	223.8	271.2
S/T investments in group comp. and assoc.	4.6	2.5	5.7	13.0	3.4	18.2
S/T financial investments	341.6	377.8	295.7	277.3	346.7	343.1
Current prepayments and accrued income	25.8	30.7	27.2	42.1	33.1	36.9
Cash and cash equivalents	392.2	420.3	225.4	392.6	384.3	414.1
TOTAL ASSETS	**3,665.3**	**3,864.8**	**3,224.6**	**3,621.9**	**3,770.9**	**3,830.8**
NET EQUITY	**917.8**	**987.8**	**662.1**	**616.4**	**633.8**	**473.9**
Own funds	855.3	909.0	587.2	540.7	508.5	352.2
Adjustments for changes in value	(10.8)	(17.3)	(14.0)	(9.7)	2.8	(0.1)
Grants, donations and legacies received	73.3	96.1	88.9	85.5	122.4	121.8
NON-CURRENT LIABILITIES	**1,257.5**	**1,207.0**	**1,003.1**	**1,511.3**	**1,675.4**	**1,936.4**
L/T provisions	205.4	128.7	104.0	126.0	100.0	77.1
L/T debt with group comp. and assoc.	99.7	15.1	27.1	24.1	55.1	45.6
Long-term debts with LaLiga for *Plan Impulso*	-	-	-	(470.0)	(604.1)	(745.1)
L/T debts	865.2	970.1	810.2	1,779.6	2,058.2	2,488.9
Deferred tax liabilities	41.3	58.8	44.5	41.7	58.0	64.1
L/T accruals and deferred income	46.0	34.3	17.3	9.9	8.1	5.9
CURRENT LIABILITIES	**1,490.0**	**1,669.9**	**1,559.4**	**1,494.2**	**1,461.7**	**1,420.5**
S/T provisions	33.6	28.0	16.1	21.9	31.0	15.6
S/T debt with group comp. and assoc.	13.1	42.9	63.3	20.7	5.4	1.5
S/T debts with LaLiga for *Plan Impulso*	-	-	-	(14.3)	(21.8)	(30.0)
S/T debts	545.3	750.1	693.2	513.6	591.0	572.0
Trade and other payables	654.8	682.2	715.7	742.9	729.1	698.1
S/T accruals and deferred income	243.2	166.8	71.0	209.4	127.1	163.4
NET EQUITY AND LIABILITIES	**3,665.3**	**3,864.8**	**3,224.6**	**3,621.9**	**3,770.9**	**3,830.8**

Table 20

Netted LALIGA EA Sports – Detailed flow waterfall

Cash Flow (indirect method)	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
A. Net result for the year (NR)	187.7	109.0	(321.9)	(192.0)	(55.4)	(122.7)
B. Adjustments to NR	17.4	(9.7)	314.5	312.5	111.3	87.2
A. + B. Funds generated by operations (FGO)	**205.2**	**99.3**	**(7.4)**	**120.5**	**55.9**	**(35.6)**
C. Net investment in working capital (WC)	(3.6)	(135.3)	(9.8)	86.2	(114.0)	(32.7)
A. + B. + C. Cash flow from operations (CFO)	**201.5**	**(36.0)**	**(17.2)**	**206.7**	**(58.1)**	**(68.3)**
D1. Net investment in players (CAPEX players)	(86.2)	(133.5)	(73.4)	(150.6)	80.2	8.4
- Investment in players	(687.8)	(865.3)	(352.2)	(353.2)	(401.9)	(417.5)
+ Divestment in players	601.6	731.8	278.8	202.6	482.1	425.9
A. + B. + C. + D1. Organic free cash flow (FCFo)	**115.3**	**(169.5)**	**(90.6)**	**56.1**	**22.1**	**(59.9)**
D2. Net investment in other operating assets (CAPEX infra.)	(131.8)	43.3	(88.7)	(87.1)	(265.7)	(99.2)
- Investment in other productive assets	(137.5)	(128.2)	(88.2)	(101.8)	(291.0)	(127.7)
+ Divestment in other productive assets	5.7	171.5	(0.5)	14.6	25.3	28.5
A. + B. + C. + D1. + D2. Total free cash flow (FCFt)	**(16.5)**	**(126.2)**	**(179.4)**	**(31.0)**	**(243.6)**	**(159.1)**
- Financial expenses	(67.3)	(79.5)	(68.4)	(61.0)	(63.7)	(89.9)
+/- Variation in financial debt (financial entities)	71.0	69.9	(55.2)	(30.5)	(7.3)	86.4
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	(484.3)	(625.9)	(149.2)
+/- Variation in financial debt (non-financial entities)	172.0	169.1	(67.4)	756.6	963.5	334.1
+ Financial income	20.9	29.3	24.7	8.1	9.5	18.0
+/- Variation in other ST or LT financial assets and liabilities	(10.5)	(35.7)	(18.0)	(17.2)	(8.3)	(5.4)
+/- Net investment in financial assets	(157.4)	(53.1)	85.9	(49.6)	(112.8)	(38.2)
+ Corporate asset monetisation deals (sale of future credit rights)	-	-	-	-	-	-
A. + B. + C. + D. + E. Equity cash flow (ECF)	**12.3**	**(26.1)**	**(277.6)**	**91.2**	**(88.8)**	**(3.2)**
F. Cash flows from own resources (Equity)	9.0	46.1	125.7	50.4	84.6	45.3
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	-	-	-
+/- Changes in capital and other equity instruments	0.2	50.2	125.1	44.8	35.5	45.3
+ Grants, donations and legacies received	10.3	0.6	1.0	5.5	49.1	-
- Dividends	(1.6)	(4.6)	(0.4)	-	-	-
A. + B. + C. + D. + E. + F. Net change in cash	**21.3**	**20.0**	**(151.9)**	**141.5**	**(4.2)**	**42.1**
Cash and cash equivalents, opening balance	**370.9**	**400.3**	**377.3**	**251.1**	**388.5**	**372.0**
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	21.3	20.0	(151.9)	141.5	(4.2)	42.1
Cash and cash equivalents, closing balance	**392.2**	**420.3**	**225.4**	**392.6**	**384.3**	**414.1**

LALIGA HYPERMOTION

22 CLUBS

Table 21

LALIGA Hypermotion – Detailed Income Statement

Income Statement	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
Broadcasting income national comp. (RDL 5/2015)	158.9	162.8	156.5	160.8	152.2	148.5
Broadcasting income from international competitions	-	-	-	-	-	-
Broadcasting income from friendlies and others	0.2	0.6	0.8	0.7	1.5	1.4
Broadcasting income	**159.1**	**163.4**	**157.3**	**161.5**	**153.7**	**149.9**
Income from official domestic competitions	9.8	7.2	0.3	10.3	12.7	15.6
Income from international official competitions	0.7	0.2	0.0	-	-	-
Income from friendly and other competitions	1.1	0.4	0.1	0.5	1.8	2.3
Income from members and season ticket holders	40.6	34.9	7.7	27.0	39.2	44.5
Matchday income	**52.2**	**42.8**	**8.1**	**37.9**	**53.7**	**62.4**
UEFA revenues (prize money + market pool)	-	-	0.8	-	-	-
Income from shop sales	9.6	10.0	7.0	9.2	14.6	11.6
Income from sponsorship	18.1	28.7	27.2	28.6	36.7	25.3
Income from other commercial concepts	1.4	0.6	1.1	2.0	1.9	2.3
Income from the operation of facilities	0.7	0.4	0.1	0.3	1.4	1.8
Commercial income - Sponsorship and others	29.8	39.7	35.4	40.1	54.6	41.1
Commercial income - Advertising	24.8	22.6	28.0	20.1	17.4	29.7
Net Turnover (NT)	**265.8**	**268.5**	**229.7**	**259.5**	**279.4**	**283.1**
Other operating income	70.7	59.5	81.8	62.5	75.9	57.8
Operating Income	**336.5**	**327.9**	**311.5**	**322.1**	**355.4**	**340.9**
Procurements	(13.4)	(14.9)	(14.6)	(13.3)	(20.1)	(15.4)
Non-sports personnel (wages)	(44.4)	(42.0)	(40.4)	(42.5)	(58.3)	(60.1)
LaLiga registrable sports staff	(161.4)	(178.3)	(193.5)	(173.3)	(188.2)	(188.6)
LaLiga non-registrable sports staff	(25.9)	(24.6)	(30.1)	(25.5)	(29.7)	(26.0)
Sports wage costs	(187.3)	(202.9)	(223.6)	(198.9)	(217.9)	(214.7)
Other operating expenses	(122.1)	(120.6)	(112.4)	(127.5)	(145.7)	(137.8)
EBITDA b/T (EBITDA before transfer of players)	**(30.7)**	**(52.5)**	**(79.5)**	**(59.9)**	**(86.7)**	**(87.0)**
Selling price for transfer of players	76.1	125.2	81.0	37.9	67.6	105.5
Selling cost for transfer of players	(20.9)	(25.4)	(12.3)	(8.1)	(23.5)	(29.9)
Result from the transfer of players	55.3	99.7	68.7	29.9	44.1	75.7
EBITDA a/T (EBITDA after transfer of players)	**24.5**	**47.3**	**(10.8)**	**(30.1)**	**(42.6)**	**(11.4)**
Depreciation of players	(20.9)	(27.2)	(40.3)	(23.6)	(15.4)	(21.0)
Other depreciations and amortisations	(21.8)	(20.6)	(21.0)	(22.7)	(22.9)	(23.0)
Normalised EBIT	**(18.3)**	**(0.5)**	**(72.1)**	**(76.3)**	(80.9)	(55.4)
Allocation of grants	13.5	12.2	11.3	11.8	12.8	9.7
Excess provisions	5.1	3.2	1.5	1.7	6.1	0.8
Gains on other op. fixed assets and exc. income	1.6	0.0	1.0	0.0	1.3	1.9
Losses on other op. fixed assets and exc. expenses	(0.4)	(0.4)	(1.4)	(0.9)	(0.2)	(0.3)
Gains or losses on disp. other fixed op. assets	1.2	(0.4)	(0.4)	(0.9)	1.1	1.5
Other operating results	0.1	(3.7)	2.2	5.3	2.2	0.5
Operating profit/(loss)	**1.6**	**10.8**	**(57.6)**	**(58.6)**	**(58.6)**	**(42.9)**
Financial income	0.9	0.8	2.2	1.6	0.9	6.7
Financial expenses	(6.3)	(6.4)	(6.8)	(6.4)	(10.7)	(15.5)
Result from the equity method	-	-	-	-	-	-
Impairment and results from other financial instruments	(0.4)	0.0	4.6	(7.9)	1.7	2.8
FR (financial result)	(5.8)	(5.6)	0.0	(12.6)	(8.1)	(6.0)
RBT (result before tax)	**(4.1)**	**5.2**	**(57.5)**	**(71.2)**	**(66.8)**	**(48.9)**
Taxes on profits	(1.7)	(6.7)	6.2	12.6	3.0	4.7
NR (net result for the year)	**(5.9)**	**(1.5)**	**(51.3)**	**(58.6)**	**(63.8)**	**(44.2)**
Total Income (TI)	**445.1**	**476.2**	**430.7**	**395.1**	**460.2**	**480.9**
Total Expenses	**(450.9)**	**(477.7)**	**(482.1)**	**(453.7)**	**(524.0)**	**(525.1)**

Table 22

LALIGA Hypermotion – Detailed Balance Sheet

Balance sheet	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
NON-CURRENT ASSETS	**497.2**	**532.2**	**667.1**	**552.1**	**687.1**	**792.2**
Intangible assets	290.5	254.0	321.1	242.6	195.6	192.2
Sports intangible assets	41.7	52.3	128.5	55.2	30.9	45.2
Non-sports intangible assets	248.8	201.7	192.6	187.5	164.7	147.1
Property, plant and equipment	122.6	153.6	204.2	141.2	257.5	373.3
Investment property	1.7	1.7	0.4	0.4	-	-
L/T investments in group comp. and assoc.	2.1	6.8	7.7	11.3	66.7	22.8
L/T financial investments	26.6	61.7	76.1	98.0	100.8	108.2
Non-current prepayments and accrued income	-	-	0.2	-	-	-
Deferred tax assets	53.6	54.4	57.4	58.4	66.5	95.6
CURRENT ASSETS	**159.5**	**175.5**	**232.4**	**222.3**	**186.6**	**201.0**
Non-current assets held for sale	1.6	-	-	1.9	0.2	0.3
Inventories	3.6	3.1	3.7	4.3	4.7	4.8
Trade and other receivables	44.2	39.2	55.6	54.4	52.8	56.0
S/T investments in group comp. and assoc.	13.4	5.6	2.6	3.1	6.5	2.1
S/T financial investments	40.0	50.3	90.2	45.8	74.3	67.2
Current prepayments and accrued income	2.5	6.2	4.3	4.6	8.8	9.3
Cash and cash equivalents	54.2	71.1	76.0	108.4	39.3	61.4
TOTAL ASSETS	**656.8**	**707.7**	**899.5**	**774.4**	**873.7**	**993.2**
NET EQUITY	**133.2**	**196.8**	**444.8**	**296.9**	**184.1**	**214.8**
Own funds	(10.8)	61.7	335.5	193.2	81.8	125.8
Adjustments for changes in value	-	-	-	-	(13.0)	(13.0)
Grants, donations and legacies received	144.1	135.0	109.3	103.7	115.4	102.0
NON-CURRENT LIABILITIES	**288.3**	**291.6**	**220.8**	**272.3**	**454.1**	**524.8**
L/T provisions	9.4	39.8	39.5	6.3	4.3	4.6
L/T debt with group comp. and assoc.	28.3	44.9	24.1	10.7	66.8	122.2
Long-term debts with LaLiga for *Plan Impulso*	-	-	-	(129.8)	(251.6)	(285.6)
L/T debts	189.8	147.5	115.7	347.1	594.7	643.7
Deferred tax liabilities	58.8	57.6	41.2	37.8	39.5	35.8
L/T accruals and deferred income	2.0	1.8	0.2	0.2	0.5	4.1
CURRENT LIABILITIES	**235.2**	**219.3**	**233.9**	**205.2**	**235.5**	**253.7**
S/T provisions	4.0	8.7	4.0	3.2	1.4	2.5
S/T debt with group comp. and assoc.	1.5	11.0	3.9	5.4	8.1	7.3
S/T debts with LaLiga for *Plan Impulso*	-	-	-	(5.2)	(8.1)	(10.8)
S/T debts	68.7	85.1	96.2	74.4	101.0	101.4
Trade and other payables	113.6	96.8	121.7	90.7	117.8	139.6
S/T accruals and deferred income	47.4	17.7	8.1	36.8	15.3	13.7
NET EQUITY AND LIABILITIES	**656.8**	**707.7**	**899.5**	**774.4**	**873.7**	**993.2**

Table 23

LALIGA Hypermotion – Detailed flows waterfall

Cash Flow (indirect method)	2018 / 2019	2019 / 2020A	2020 / 2021A	2021 / 2022	2022/2023	2023 / 2024
A. Net result for the year (NR)	(5.9)	(1.5)	(51.3)	(58.6)	(63.8)	(44.2)
B. Adjustments to NR	(20.5)	(45.3)	(32.3)	1.7	(17.3)	(35.5)
A. + B. Funds generated by operations (FGO)	**(26.4)**	**(46.8)**	**(83.6)**	**(56.9)**	**(81.1)**	**(79.7)**
C. Net investment in working capital (WC)	16.0	(10.7)	(14.5)	10.0	10.9	(16.5)
A. + B. + C. Cash flow from operations (CFO)	**(10.4)**	**(57.5)**	**(98.1)**	**(46.9)**	**(70.2)**	**(96.2)**
D1. Net investment in players (CAPEX players)	38.8	87.8	22.3	21.4	54.4	82.3
- Investment in players	(37.3)	(37.4)	(58.7)	(16.6)	(13.1)	(23.3)
+ Divestment in players	76.1	125.2	81.0	37.9	67.6	105.5
A. + B. + C. + D1. Organic free cash flow (FCFo)	**28.4**	**30.3**	**(75.7)**	**(25.5)**	**(15.8)**	**(13.9)**
D2. Net investment in other operating assets (CAPEX infra.)	(14.0)	(10.8)	(17.6)	(42.1)	(38.7)	(36.8)
- Investment in other productive assets	(20.2)	(11.6)	(18.4)	(42.4)	(41.8)	(42.0)
+ Divestment in other productive assets	6.2	0.8	0.8	0.2	3.0	5.1
A. + B. + C. + D1. + D2. Total free cash flow (FCFt)	**14.4**	**19.5**	**(93.3)**	**(67.6)**	**(54.5)**	**(50.8)**
- Financial expenses	(6.7)	(6.4)	(6.8)	(12.0)	(9.1)	(12.7)
+/- Variation in financial debt (financial entities)	(1.0)	4.8	16.7	(6.1)	7.7	(27.6)
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	(135.0)	(259.7)	(36.7)
+/- Variation in financial debt (non-financial entities)	(20.7)	(12.6)	(20.4)	233.9	329.4	145.6
+ Financial income	0.9	0.8	2.2	1.6	0.9	6.7
+/- Variation in other ST or LT financial assets and liabilities	(2.0)	0.0	8.8	(3.5)	(7.4)	3.9
+/- Net investment in financial assets	12.4	(25.7)	(28.7)	18.3	(67.9)	(40.4)
+ Corporate asset monetisation deals (sale of future credit rights)	-	-	-	-	-	-
A. + B. + C. + D. + E. Equity cash flow (ECF)	**(2.5)**	**(19.6)**	**(121.6)**	**29.5**	**(60.5)**	**(11.9)**
F. Cash flows from own resources (Equity)	5.7	45.8	89.1	29.8	(13.7)	24.5
+/- Variation in financial debt (*Plan Impulso*)	-	-	-	-	-	-
+/- Changes in capital and other equity instruments	10.8	45.8	82.9	29.8	20.6	20.3
+ Grants, donations and legacies received	-	-	6.2	-	10.0	4.2
- Dividends	(5.1)	-	-	-	(44.2)	-
A. + B. + C. + D. + E. + F. Net change in cash	**3.2**	**26.2**	**(32.5)**	**59.2**	**(74.2)**	**12.6**
Cash and cash equivalents, opening balance	**51.1**	**44.8**	**108.5**	**49.1**	**113.5**	**48.8**
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	3.2	26.2	(32.5)	59.2	(74.2)	12.6
Cash and cash equivalents, closing balance	**54.2**	**71.1**	**76.0**	**108.4**	**39.3**	**61.4**

07

Glossary of terms and definitions

1/ Normalised Total Income (NTI):

In a similar manner to the calculation carried out by other leading professional football competitions, it is a broad definition of all book credits included in the income statement (P&L), for each of the five Club groupings analysed in the Report. It includes the following headings:

- Net Turnover (NT)
  - Broadcasting revenue (mainly includes broadcasting rights marketed and distributed by the Association under *RDL 5/2015*).
  - Income per *matchday* (including billing of partners, subscribers and competitions / *ticketing*)
  - Marketing revenues (including sponsorship, advertising and *merchandising* billings)
  - UEFA revenues (including amounts received from UEFA for prizes and broadcasting *market pool*)
- Income from Transfers of players (i.e., selling price of federative rights)
- Other operating income, mainly:
  - Operating income of an accessory nature (not included in NT items)
  - Adjustment (allocations) of capital grants for non-financial fixed assets and others
  - Excess (application) of provisions
  - Reversal of impairment made on fixed assets
  - Gains on non-financial fixed assets and exceptional income
  - Proceeds (i.e., selling price) from disposal of other fixed assets (excluding corporate asset monetisation transactions / sale of future credit rights that from the transfer of players – the latter already included above –) or positive one-off results
  - Financial income
  - Positive gains on disposal of financial instruments
  - Positive Corporation Tax

2/ Compound Annual Growth Rate (CAGR):

The compound annual growth rate (CAGR), expressed in %, is calculated using the following formula:

$$\left[\left(\frac{Value_n}{Value_0}\right)^{\left(\frac{1}{n}\right)} -1\right]$$

In English it is called *compound annual growth rate* (CAGR). In this Report, the CAGR is calculated from n=5 (5 annual increments corresponding to the 6 seasons that make up the series being analysed).

3/ Total income (TI):

This is the Normalised Total Income (NTI) #1, to which extraordinary corporate asset monetisation operations (i.e. sale of future credit rights) are included.

4/ Historical series (seasons analysed in the Report):

From the 2018/2019 season (S 18/19) to the 2023/2024 season (S 23/24), which means a total of six seasons, or five annual increases between the last financial year and the base financial year.

5/ Income from the Transfer of Players:

It is defined as the income (selling price or derecognition) from the transfer of players' federative rights (i.e., sports intangible assets). Alternatively, it can be calculated as the net accounting result (equity gain) for said transfers plus the net book value of fixed assets derecognised due to the disposal of these assets. This heading is included under the concept of "Total Income" (TI) and "Normalised Total Income" (NTI).

Under the heading of expenditure, the costs (cost of sale) for the transfer of the federative rights are also taken into account for the amount of the net book value of the asset derecognised.

In this way, selling price (revenue) minus cost of sale (expense) for transfers equals the "Result from Transfers" that formally appears in the Income statement *(P&L)*.

6/ Other Income:

Other operating income (i.e., other credits), of an operational and financial nature and a more erratic/discontinuous nature, which is not part of Net Turnover (NT) or revenues from the transfers of players (selling price). For example:

- Other operating income of an accessory nature (not included in NT), such as income paid by the Association for other concepts, operating subsidies received, income from the transfers of players, work performed for the entity, relegation aid and other operational billing
- Adjustment (allocations) of capital grants received for non-financial fixed assets and others
- Excess (application) of provisions
- Reversal of impairment made on fixed assets
- Gains on non-financial fixed assets and exceptional income
- Proceeds (i.e., selling price) from disposal of other fixed assets (including corporate asset monetisation transactions / sale of future credit rights and excluding transfer of players) or positive one-off results
- Financial income
- Positive gains on disposal of financial instruments

7/ OPEX:

Operating expenses, made up of the headings:

- Procurements
- Non-sports personnel (wages)
- Sports personnel (wages)
- Other operating expenses

This acronym means "*operating expenditure*". Other operating expenses / charges are not part of OPEX.

8/ Squad Cost (CPD):

It is defined as the set of expenses associated with the squad of the Clubs/SADs, including fixed and variable salaries, social security, collective bonuses, acquisition costs (including fees for agents) and depreciation (players' purchase amount imputed annually according to the number of years of the player's contract). This cost is divided into:

- Registrable squad cost: Players linked to the Clubs/SADs by an employment contract attached to the first team, i.e., numbers 1 to 25, both included, and those not attached to any squad; as well as coach, assistant coach and physical trainer of the first team.
- Non-registrable squad cost: Players linked to the Clubs/SADs by employment contract or otherwise attached to the other teams, affiliates and dependants of any Category; coaches, assistant coaches and physical trainers of these teams.

In addition, despite being recorded as a credit note, income from disposals in the CPD is also included.

9/ Total Expenses:

This basically includes all charges to the income statement (P&L):

- Procurements (OPEX)
- Non-sports wages (OPEX)
- Sports wages (OPEX)
- Other operating expenses (OPEX)
- Cost of sale of players (transfers) – net book value of fixed assets derecognised when divesting in an intangible sports asset
- Impairment on fixed assets
- Losses from other non-financial fixed assets and exceptional expenses
- Other operating expenses
- Depreciation of players
- Depreciation of other assets
- Other results and accounting conventions with a negative sign (losses)
- Financial expenses
- Impairment losses and losses on disposal of financial instruments
- Corporate Tax

10/ EBITDA b/T or EBITDA before Transfers (gross operating profit before transfers):

It is defined as the earnings before interests, taxes, depreciations and amortisations, excluding capital gains from the sale (divestments) of intangible sports assets (mainly "Results from Transfers" of players) or the impairments/reversals of their value.

Alternatively, it can be calculated as NT, plus other operating income of an incidental nature, less OPEX.

11/ EBITDA a/T or EBITDA after Transfers (gross operating profit after transfers):

The Association defines this expression as EBIT, before (excluding):

- Impairment and reversals on sports intangible assets (players)
- Depreciation and amortisation on fixed assets
- Results from regularisation of capital grants received for non-financial fixed assets
- Impairment / reversals and gains or losses on disposal of other non-financial fixed assets (infrastructures, extraordinary asset monetisation / sale of future credit rights deals and others)
- Losses, impairment and changes in provisions for commercial operations
- Credits and charges due to changes in inventories
- Work carried out for the entity
- Excess provisions
- Other results and accounting conventions that involve credits or charges at an operational level, without having an impact on treasury movements

The concept therefore includes the "Results from Transfers" of players (strictly the earnings arising from capital gains related to players transfers, but not other potential impairments or accounting revaluations made to the value of these assets).

Alternatively, it can be calculated as EBITDA b/T plus Results from Transfers.

The acronym "EBITDA" stands for "*earnings before interest, taxes, depreciation and amortisation*" (and other accounting conventions).

12/ Normalised EBIT:

The Association defines this as the normalised operating result (equivalent to EBITDA a/T plus depreciation of fixed assets), i.e., before (excluding) certain accounting conventions:

- Impairment and reversals on sports intangible assets (players)
- Results from regularisation of capital grants received for non-financial fixed assets
- Impairment / reversals and gains or losses on disposal of other non-financial fixed assets (infrastructures, corporate asset monetisation / sale of future credit rights deals and others)
- Losses, impairment and changes in provisions for commercial operations
- Credits and charges due to changes in inventories
- Work carried out for the entity
- Excess provisions
- Other results and accounting conventions that involve credits or charges at an operational level, without having an impact on treasury movements

The concept therefore includes the "Results from Transfers" of players as well as depreciation of all fixed assets.

The acronym "EBIT" stands for "*earnings before interest and taxes*".

13/ Operating profit/(loss):

EBIT includes all net operating adjustments and accounting conventions listed under #11 of the glossary.

14/ Net operating investments (CAPEX):

Net operating investments (i.e., considering investments - divestments) undertaken in the year. The acronym "CAPEX" stands for "*capital expenditure*" and refers to the annual net investment in operating fixed capital.

Where the Report refers to gross operating investment (not including divestments) or net (including divestments), it refers to gross CAPEX or net CAPEX respectively.

15/ Working Capital (WC):

Equivalent to net investment in operating working capital. It is defined as the net change (asset – liability) in non-current (i.e., short-term) non-financial headings (strictly operating items of current assets and liabilities).

16/ Net Productive Assets (NPA) - capital employed:

Balance at the end of each year of net operating capital employed according to the aggregate balance sheet, which specifically includes the following headings:

- With a positive sign:
  - Sports intangible assets
  - Non-sports intangible assets
  - Property, plant and equipment
  - Investment property
  - Deferred tax assets
  - Inventories
  - Trade debtors (customers and other operating current assets)
  - Short-term accruals of assets

- With a negative sign:
  - Trade creditors (suppliers and other current operating liabilities)
  - Short-term and long-term provisions
  - Short-term accruals of liabilities
  - Deferred tax liabilities

NOA – or capital employed – includes the assets assigned to the regular operations of the Clubs and which induce EBIT in the P&L, and ultimately *Free Cash Flow*. All assets and liabilities of a financial nature and all net equity are excluded. This capital employed grows well because the net investment in fixed operating capital (CAPEX) increases or net investment in operating working capital (WC) does the same.

17/ Funds Generated by Operations (FGO):

Cash flow generated by Club operations, before net investment in operating working capital (WC) and operating fixed capacity (CAPEX). It is the translation of EBITDA b/T into liquidity, after tax.

18/ Operating Cash Flow (OCF):

It is the FGO after net investment in operating working capital (WC).

19/ Organic Free Cash Flow (FCFo):

This is organic free cash flow, equivalent to FGO plus net investment in operating working capital (WC) and net investment in players (CAPEX players). It is the effective operating return generated by the business in the season, excluding investment in other non-financial assets (basically infrastructures) and other accounting conventions.

20/ Total Free Cash Flow (FCFt):

Total free cash flow, equivalent to FGO plus net investment in operating working capital (WC) and net investment in fixed operating capital (CAPEX), including players, infrastructures and any other fixed asset. This is the final effective operating return generated by the business in the year, regardless of other accounting conventions.

21/ Consolidated gross financial debt (GFD):

Current and non-current debt headings according to the formal classification or epigraphs of the balance sheet contained in the audited annual accounts of the Clubs. In addition, the following items have been reclassified (adding or with a positive sign), which become part of the GFD:

- In current liabilities, insolvency debts collected from trade creditors (and which are therefore not formally included under short-term debt), as well as debts for transfers / assignments of players in those Clubs where it was detected that they were improperly including these balances under debts with sports entities, within trade creditors.
- The outstanding balances of Clubs' subordinated debt / participating loans, mostly with the shareholders themselves, have been considered GFD following a restrictive criterion (although the aggregate amounts are not very significant). In addition, the substantial contribution of resources by the Association to the member entities in the form of participating loans (on the basis of *LALIGA IMPULSO* and the agreement with CVC) is also considered, and only not included when it is expressly specified that it is senior gross financial debt (GFDs).

22/ Consolidated net financial debt (NFD):

GFD minus cash and cash equivalents and current and non-current financial investments according to the Balance Sheet of the Clubs (includes non-current or long-term financial investments when they are potentially translatable into liquidity, including primarily what is owed to entities for player transfers by analogy with liabilities or debt).

Likewise, due to a principle of symmetry with GFD, amounts owed to Clubs for transfers / assignments of players have been reclassified as current financial investments, balances formally included as trade debtors (and which are not included therefore under short-term financial investments).

Finally, cash and cash equivalents and financial investments from *LALIGA IMPULSO* resources are included.

23/ Senior corporate gross financial debt (scGFD):

Included under this is the indebtedness that covers the ordinary financing needs generated by the Clubs' own operations and which involves a full corporate resource, affecting the creditworthiness of the entities. In other words, it excludes special debt for infrastructure development, Project Finance type indebtedness structures or participating loans/subordinated debt under the *LALIGA IMPULSO* umbrella.

24/ Senior corporate net financial debt (scNFD):

In senior, or corporate, net financial debt, by analogy to the GFD and NFD, cash surpluses pending application to investment associated with debt associated with infrastructures or with *LALIGA IMPULSO*.

25/ Equity Ratio

This index is one of the ways of measuring the aggregated solvency of each grouping. It measures its degree of capitalisation through the ratio between net equity at the end of each season and the total size of the Balance Sheet (total assets or, alternatively, the sum of net and liabilities).

When reference is made to the Equity Ratio with *LALIGA IMPULSO*, it includes the total of the Clubs' participating loans with the Association from this strategic project with the investment fund CVC.

LALIGA